

**THE HIGHLAND COUNCIL**

**RESOURCES COMMITTEE**

**3<sup>rd</sup> December 2008**

Agenda Item	
Report No	

**Capital Monitoring Statements 2008/09**

**Report by Depute Chief Executive**

**SUMMARY**

This report provides an overview of the General Fund and HRA capital programmes for the period to 31 October 2008 and the projected year end position.

**1. Introduction.**

1.1 This report provides an overview of the progress to 31 October 2008 of the General Fund and HRA Capital programmes. The figures presented are the net budget, net expenditure to date and the estimated outturn and variance at the year end.

**2. General Fund Capital Programme – Summary**

2.1 The General Fund statement in the attached report shows net expenditure for the year to date of £31.695m. The total net programme budget is £67.612m. Compared to the budget figure reported to the October meeting of this committee, a review of the capital receipt assumptions included within the programme has led to the budget figure being adjusted down by £1.241m.

2.2 The anticipated year end position is £67.795m which would be an overspend of £0.183m. This position is being closely monitored and if necessary future programmes will be changed to deal with the effect of any variance in this financial year.

2.3 Other Housing (non HRA) and Energy Management anticipate meeting their targets.

2.4 The ECS capital budget is projected to over spend by £0.573m. There is slippage on the following projects: Highland Archive Centre; refurbishment of extension block at Thurso High School; phase 2 of Lochaber High School; Acharacle Primary School; Maryburgh/Conon primary schools and Tomnacross Primary School Extension. However offsetting the slippage, additional expenditure is anticipated with regard to: curricular equipment for new schools; advancing

projects such as Nairn demountable units; Lochaline PS replacement; major improvement projects and Aviemore PS. Also the Eden Court Development grant will now be funded from capital rather than revenue.

- 2.5 At the current time the estimated net outturn on the Planning & Development capital programme is under budget by £0.025m.
- 2.6 The Social Work service estimates an under spend at the year end of £0.289m due in the main to delays in commencing the projects at Leault (residential unit) and New Craigs resettlement. This under spend will be carried forward to the next financial year.
- 2.7 The current estimate for the Transport, Environmental and Community Services' capital programme is a year end over spend of £0.432m. The over spend has arisen as the start date of some projects has been accelerated into this financial year. This amount will be deducted from the capital programme in future years.
- 2.8 In the Strategic Property Management budget some work from the 2009/10 programme has been accelerated into this financial year leading to an estimated over spend of £0.050m.
- 2.9 The budget for Drummie and office rationalisation has reduced in this financial year following the review of the capital receipts. However the charges for work in this year will be in line with the original budget, leading to a likely over spend of £0.400m, which will be addressed in future year's programmes when receipts are received.
- 2.10 Due to slippage, an under spend of £0.261m is anticipated in the Chief Executive's capital programme. This will be carried forward to the 2009/10 budget.

### **3. Housing Revenue Account (HRA) capital programme**

- 3.1 The attached report shows that the gross budget for HRA is £12.0m for 2008/09 to be funded by anticipated income from the sale of Council Houses in 2008/09 of £8.975m; contribution from current revenue of £0.440m; capital receipts brought forward from 2007/08 of £1.164m and borrowing of £1.601m. The impact of the current economic downturn on council house sales has been assessed and the estimated level of receipt has been reduced to £6.683m. The Housing and Social Work Committee has approved an increase of £1.969m in prudential borrowing to meet the shortfall.

#### **RECOMMENDATION**

The Committee is asked to agree the financial position of the General Fund and HRA capital programmes as at 31 October 2008.

Signature:

Designation: Depute Chief Executive

Date: 25 November 2008

Background Papers: Service capital budget monitoring statements

Author: Margaret Grigor, Services Finance Manager

Author's Tel. No.: 01463 702421

Capital Expenditure Monitoring Report - Service Summary

1 April 2008 - 31 October 2008

	£000 Actual Net Year to Date	£000 Annual Net Budget	£000 Year End Net Outturn	£000 Year End Net Variance
<b>GENERAL FUND</b>				
Education Culture & Sport	13,402	26,896	27,469	573
Other Housing (Non HRA)	112	13	13	0
Planning & Development	156	1,190	1,165	(25)
Social Work	989	4,070	3,781	(289)
Transport Environmental & Community Services	14,163	27,362	27,794	432
Strategic Property Management	1,809	4,780	4,830	50
Accommodation Rationalisation	415	372	772	400
Energy Management	134	1,434	1,434	0
Chief Executive's Office	516	798	537	(261)
Discretionary Fund	0	500	0	(500)
Unallocated	0	197	0	(197)
<b>Total General Fund</b>	<b>31,695</b>	<b>67,612</b>	<b>67,795</b>	<b>183</b>

	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
<b>Housing Revenue Account</b>				
Gross Expenditure Budget	5,969	12,000	12,000	0
Sale of Council House Receipts	(4,574)	(8,795)	(6,683)	2,112
CFCR	0	(440)	(583)	(143)
Borrowing	0	(1,601)	(3,570)	(1,969)
Usable Capital Receipts carry forward from 2007/08	(1,164)	(1,164)	(1,164)	0
		<b>0</b>	<b>0</b>	<b>0</b>