

## The Highland Council

### Finance, Housing and Resources Committee - 28 August 2013

Agenda Item	9
Report No	FHR/ 94/13

## Corporate Capital Monitoring Report to 30 June 2013

### Report by Director of Finance

#### Summary

This report provides an overview of expenditure on the General Fund and HRA capital programmes for the period 1 April 2013 to 30 June 2013 and the projected year end position for 2013/14.

### 1. Introduction

- 1.1 This report provides an overview of the progress to 30 June 2013 of the General Fund and HRA Capital programmes. The figures presented at appendix 1 are the expenditure to date, the net budget, 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 a total net programme budget of £93.181m. The expenditure to date on the programme is £48.273m and the year end estimated outturn is £101.706m. The estimated year end position is an over spend of £8.525m.
- 2.2 The budget figures presented include carry forward budget amounts from 2012/13 and the impact of the capital programme agreed at the June meeting of the Council.
- 2.3 The budget total presented in the attached monitoring reflects £10m of over-programming, as agreed by the Council when the capital programme was set. Over-programming represents the difference between the capital programme agreed, and the funding in place. It reflects a plan to set a higher level of programme, on the basis that some degree of slippage in year is to be expected, which would bring the programme down to the funded level.
- 2.4 Over-programming has been introduced to avoid issues experienced in past years where slippage resulted in the Council under-spending its capital programme. If the final position for the year 2013/14 is an overspend then future year's programmes will be adjusted to accommodate this.

### 3. Variances

- 3.1 An over spend of £0.373m is expected on the capital programme for The Transport Environment and Community Service (TECS). The main factors contributing to this position are overspends on road structural works including

culverts, ancillary bridges and retaining walls. Service management aim to recover this over spend position during the remainder of the year and to deliver within budget by the year end.

- 3.2 An under spend of £1.774m on the Kingussie office rationalisation project is the main reason for the Chief Executive's Service capital programme estimating a year end under spend of £1.782m. Anticipated expenditure £0.412m on this project in the current financial year will be made up of a combination of professional fees, enablement works and land acquisition costs. The next steps will be to proceed with the necessary land purchase and successfully complete the planning application process. The construction phase is expected to commence in 2014/15.
- 3.3 The monitoring statement reflects a payment of £10.9m to Highlands and Islands Enterprise (HIE) for Digital Broadband infrastructure. Additional grant to this value was received in 2012/13 from Scottish Government.
- 3.4 There are currently no commitments against the unallocated budget of £0.064m, which is a contingency for "shovel ready" projects being funded by Government grants.
- 3.5 The balance on the Capital Discretionary Fund (CDF) is £1.909m. The following commitments are set against this balance: £0.200m grant for UHI History Centre; and £0.200m for Halkirk sports facility; £0.050m for Ullaspool re-roofing; £0.040m for Alexandra Bridge; and £0.030m for Dingwall Town House Tollbooths. Consequently there is an uncommitted balance of £1.389m which if unspent at the year end will be carried forward.

#### **4. Housing Revenue Account (HRA) Capital Programme**

- 4.1 Following a review of the new build programme the gross budget for HRA is now £41.000m for 2013/14. The funding for the programme is expected to be: sale of council houses (£2.131m); HRA revenue contribution (£4.376m); Landbank contributions (£0.690m); Government grant income (£6.030m) and borrowing (£27.773m).

#### **5. Recommendation**

The Committee is asked to approve the financial position of the General Fund and HRA capital programmes as at 30 June 2013

Designation: Director of Finance  
Date: 15 August 2013  
Author: Margaret Grigor  
Background Papers: Service capital budget monitoring statements

## Capital Expenditure Monitoring Report - Service Summary

1 April 2013 - 30 June 2013

	£000 Actual Net Year to Date	£000 Annual Net Budget	£000 Year End Estimated Net Outturn	£000 Year End Net Variance
<b>GENERAL FUND</b>				
Education Culture & Sport	31,636	30,804	30,804	0
Planning & Development	(1,297)	685	683	(2)
Health and Social Care	380	3,914	3,914	0
Transport Environmental & Community Services	4,473	24,728	25,101	373
Non HRA	1,052	10,756	10,756	0
Strategic Property Management	549	5,060	5,060	0
Accommodation Rationalisation	223	5,946	5,946	0
Energy Management	1,037	3,796	3,796	0
Chief Executive's Office	(705)	4,594	2,812	(1,782)
Discretionary Fund	0	1,909	1,909	0
Digital Broadband	10,925	10,925	10,925	0
Unallocated Budget	0	64	0	(64)
Over Programming	0	(10,000)	0	10,000
<b>Total General Fund</b>	<b>48,273</b>	<b>93,181</b>	<b>101,706</b>	<b>8,525</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	5,315	41,000	41,000	0
Sale of Council House Receipts	(332)	(2,131)	(2,131)	0
CFCR	0	(4,325)	(4,376)	(51)
Land bank contribution	0	(690)	(690)	0
Borrowing	(4,563)	(27,824)	(27,773)	51
Government Grants	(420)	(6,030)	(6,030)	0
	0	0	0	0