

## The Highland Council

### Finance, Housing and Resources Committee - 9 October 2013

Agenda Item	8
Report No	FHR/ 121/13

#### Corporate Capital Monitoring

#### 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 31 August 2013 and the projected year end position for 2013/14.

#### 1. Background

- 1.1 This report provides an overview of the progress to 31 August 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 £87.211m. The expenditure to date on the programme is £31.928m and the year end estimated outturn is £93.769m. The estimated year end position is an over spend of £6.558m.
- 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 reported also reflects a reduction in the current year of £5.970m in the Non HRA housing budget, as the level of funding required from the National Housing Trust allocation for 2013/14 will only be £1.682m, compared to the £7.652m originally anticipated. The funds will be available to complete the programme in 2014/15.
- 2.4 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.
- 2.5 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 years' programmes will be adjusted to accommodate this.

### **3. Variances**

- 3.1 An under spend of £0.261m is currently forecast against the Education, Culture and Sport capital budget. Acceleration in the refurbishment of Lochaber High School is more than offset by slippage across a number of projects including Invergordon Leisure, Thurso Library, Thurso Pool and Central Primary.
- 3.2 The Planning and Development capital programme has a predicted year end under spend of £0.370m as expenditure on vacant and derelict land fund projects has been delayed pending Ministerial approval of the Council's delivery plan. This has only recently been received.
- 3.3 An under spend of £2.747m on the Chief Executive's capital budget is mainly due to an under spend of £1.774m on the Kingussie office rationalisation project. The removal of the telephony project from the Fujitsu contract, as agreed at the last FHR Committee, has created an under spend of £0.765m on the ICT contract asset investment project. This under spend will pass to the unified communications project which has been created to deliver the telephony solution and will incorporate the refresh of the Council's video conferencing provision. Consequently, the Video Conferencing, Web-casting and Voting Systems project and associated budget will be incorporated into the unified communications project.
- 3.4 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.
- 3.5 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.
- 3.6 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; £0.030m for Dingwall Town House Tollbooths and £0.070m for the Kirkmichael Heritage Centre Project. Consequently there is an uncommitted balance of £1.319m 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 current funding for the programme is expected to be: sale of council houses (£2.131m); HRA revenue contribution (£4.424m); Landbank contributions (£1.190m); Government grant income (£6.030m) and borrowing (£27.225m).

## **5. Implications**

5.1 Resource implications are noted in this report.

5.2 There are no risk, legal, equality or climate change/Carbon Clever implications arising as a direct result of this report.

### **Recommendation**

The Committee is asked to approve the financial position of the General Fund and HRA capital programmes as at 31 August 2013.

Designation: Director of Finance

Date: 30 September 2013

Author: Margaret Grigor

Background Papers: Service Capital Monitoring statements

## Capital Expenditure Monitoring Report - Service Summary

1 April 2013 - 31 August 2013

	£000 Actual Net Year to Date	£000 Annual Net Budget	£000 Year End Estimted Net Outturn	£000 Year End Net Variance
<b>GENERAL FUND</b>				
Education Culture & Sport	7,068	30,804	30,543	(261)
Planning & Development	(1,207)	619	249	(370)
Health and Social Care	977	3,914	3,914	0
Transport Environmental & Community Services	9,214	24,728	24,728	0
Non HRA	1,609	4,786	4,786	0
Strategic Property Management	1,572	5,060	5,060	0
Accommodation Rationalisation	887	5,946	5,946	0
Energy Management	1,511	3,796	3,796	0
Chief Executive's Office	(628)	4,660	1,913	(2,747)
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>31,928</b>	<b>87,211</b>	<b>93,769</b>	<b>6,558</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	14,101	41,000	41,000	0
Sale of Council House Receipts	(674)	(2,131)	(2,131)	0
CFCR	0	(4,325)	(4,424)	(99)
Contribution from Other Services	0	0	0	0
Land bank contribution	(1,030)	(1,190)	(1,190)	0
Borrowing	(11,477)	(27,324)	(27,225)	99
Government Grants	(920)	(6,030)	(6,030)	0
	0	0	0	0