

The Highland Council
Finance, Housing and Resources Committee
- 27 November 2013

Agenda Item	7
Report No	FHR/ 151/13

Corporate Capital Monitoring to 30 September 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 September 2013 and the projected year end position for 2013/14.

1. Background

1.1 This report provides an overview of the progress to 30 September 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 £87.254m. The expenditure to date on the programme is £38.246m and the year end estimated outturn is £93.417m. The estimated year end position is an over spend of £6.163m.

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 has increased by £0.042m from that reported in October, as funding from developer's contributions has been added to the budget for the Education Culture and Sport Service towards the costs of providing community facilities at Ben Wyvis primary school.

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 There is a projected under spend of £0.499m on the ECS capital programme. This is mainly due to delays on the Invergordon Leisure Centre, Thurso Swimming Pool, Central Primary, Cromarty Primary and Black Isle Education Centre projects. This has been offset to some extent by good progress on the Lochaber High Phase 3 project and additional expenditure from the Roll Pressures budget due to the increased number of projects relating to provision for pupils with Additional Support Needs that have been required this year.
- 3.2 The Planning and Development capital programme has a predicted year end under spend of £0.366m due to staff resource limitations. The demands of managing the Service portfolio of nearly 250 countryside assets impacts significantly on the capacity of the Projects & Facilities Team and the Service is also initiating the preparation of a Planning and Development Service Facilities Management Strategy, with a view to rationalising and prioritising Service delivery in this regard. The Council is on track to achieve legal commitment of the VDLF grant by 31 March 2014.
- 3.3 An under spend of £2.558m on the Chief Executive's capital budget is mainly due to an under spend of £1.774m on the Kingussie office rationalisation project. The ICT contract asset investment project shows an under spend of £0.776 following the removal of the telephony project from the Fujitsu contract. This under spend has passed 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. The Video Conferencing, Web-casting and Voting Systems project and associated budget will also be incorporated into the unified communications project. Further detail is available in the Chief Executive's report as a separate item on this Agenda.
- 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 for Halkirk sports facility; £0.050m for Ullaspool re-roofing; £0.040m for Alexandra Bridge; £0.030m for Dingwall Town House Tollbooths; £0.070m for the Kirkmichael Heritage Centre Project and £0.015m for North Coast Leisure Centre Bettyhill. Consequently there is an uncommitted balance of £1.504m 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 (£2.261m); HRA revenue contribution (£4.281m); Landbank contributions (£1.190m); Government grant income (£6.030m) and borrowing (£27.841m).

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 30 September 2013.

Designation: Director of Finance

Date: 18 November 2013

Author: Margaret Grigor

Background Papers: Service Capital Monitoring statements

Capital Expenditure Monitoring Report - Service Summary

1 April 2013 - 30 September 2013

	£000 Actual Net Year to Date	£000 Annual Net Budget	£000 Year End Estimated Net Outturn	£000 Year End Net Variance
GENERAL FUND				
Education Culture & Sport	9,609	30,847	30,348	(499)
Planning & Development	(1,227)	619	253	(366)
Health and Social Care	1,109	3,914	3,564	(350)
Transport Environmental & Community Services	11,411	24,728	24,728	0
Non HRA	1,609	4,786	4,786	0
Strategic Property Management	2,490	5,060	5,060	0
Accommodation Rationalisation	1,183	5,946	5,946	0
Energy Management	1,586	3,796	3,796	0
Chief Executive's Office	(449)	4,660	2,102	(2,558)
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
Total General Fund	38,246	87,254	93,417	6,163

	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
Housing Revenue Account				
Gross Expenditure Budget	17,909	41,000	41,603	603
Sale of Council House Receipts	(838)	(2,131)	(2,261)	(130)
CFCR	0	(4,325)	(4,281)	44
Contribution from Other Services	0	0	0	0
Land bank contribution	(1,030)	(1,190)	(1,190)	0
Borrowing	(14,581)	(27,324)	(27,841)	(517)
Government Grants	(1,460)	(6,030)	(6,030)	0
	0	0	0	0