

The Highland Council

Resources Committee - 28 May 2013

Agenda Item	6
Report No	RES/04/14

Corporate Capital Monitoring to 31 March 2014 (Near Final)

Report by Director of Finance

Summary

This report provides an overview of the General Fund and HRA capital programmes for the year to 31 March 2014.

1. Background

- 1.1 The purpose of this report is to present the near final outturn position of the 2013/14 capital programmes. The figures presented are the net budget, net expenditure for the year and variance at the year end. Although no further changes are anticipated at this stage the figures reported cannot be regarded as final until the accounts close down process is complete. The final position will be reported to the Council meeting on 26 June and detailed out-turn statements at Service level will be presented to the next round of Service Committees.
- 1.2 This report is produced in support of the Council's corporate governance process, which in turn is designed to support/augment the Council's overall/corporate delivery of all of its obligations in terms of the Single Outcome Agreement.

2. General Fund Capital Programme – Summary

- 2.1 The attached report (appendix 1) shows the General Fund net capital budget for 2013/14 of £88.813m, net expenditure in the year of £85.332m, resulting in an underspend of £3.481m on the programme for the year. The level of expenditure in the year is £9.265m greater than the capital expenditure incurred in 2012/13. This indicates that the Council's policy of over programming by £10.000m in 2013/14 has been successful in increasing the rate at which the 5 year capital programme is being delivered.
- 2.2 The Education, Culture and Sport capital programme shows a year-end underspend of £4.663m. Delays to projects including Invergordon Leisure Centre, Thurso Swimming Pool, Central Primary and the new Fort William Primary Schools are amongst the chief causes of the underspend together with delays and changes to the funding profile for the Wick Joint Campus and Inverness Royal Academy projects. Work on the Central primary school project has now started and the contracts for all three Fort William schools have been awarded. These underspends are partially offset by spend above budget on the Roll Pressures and ICT investment budgets as well as some acceleration in the Lochaber High Phase 3 project.

- 2.3 The Planning and Development service has an under spend on their capital programme of £0.301m; this is line with the position previously reported and is due to project lead in times being longer than anticipated. Underspends on projects will be carried forward to 2013/14 completion and delivery.
- 2.4 The Health and Social Care capital budget has an year-end underspend position of £0.083m which is made up of an £0.111m underspend on adult services projects, slightly offset by a £0.028m overspend on Children's Service projects.
- 2.5 In Transport Environmental and Community Services there is an under spend of £2.435m for 2013/14. The underlying reason for the underspend is planned slippage on several projects in the programme to accommodate an earlier projection that there would be a considerable overspend on the River Ness Flood Scheme project. However due to delays towards the end of the financial year on the River Ness project the over-all programme at the end of 2013/14 is in an underspend position.
- 2.6 The Non HRA capital programme has a year end under spend of £0.092m. The under spend is due in the main to a delay in expenditure of the Public Sector Housing Grant due to delays completions of some of the projects to funded. The impact of this has been mitigated to some extend by increasing expenditure on National Housing Trust Advances.
- 2.7 The budget for Strategic Property Management has a year end overspend position of £0.178m due to an increased level of property statutory compliance work.
- 2.8 The Accommodation Rationalisation budget has under spent by £1.212m mainly due to delays with the work on the Wick Office project and on the Fort William Office project, which have to some extent been offset by a change in the budget profile and spend on the "Starter Business Units" project.
- 2.9 The Energy Management budget has an overspend at the year-end of £0.464m as a direct result of work required to reduce the Council's Carbon Footprint in line with the Council's Carbon Management Plan.
- 2.10 The year end position on the Chief Executive's budget is an under spend of £3.463m; due mainly to slippage on three projects. The Kingussie Office Rationalisation project has a year end underspend of £1.774m due to delays in the completion of the land purchase and planning application process with the construction phase; the Modern Telephony Project has underspent by £0.782m as the work with Fujitsu has been withdrawn and is being replaced by a new Unified Communications project and there is a further underspend of £0.135m on the project for regeneration of Cameron Square, Fort William due to issues arising with the contractor.

- 2.11 The Discretionary Fund has an under spend of £1.810m. Ten projects to the value of £0.971m have been committed against this budget; the expenditure for these will be charged against future years. There is an uncommitted balance of £0.839m.
- 2.12 The programme for 2013/14 included an over programming line of £10.000m to provide flexibility in managing the scheduling of projects with the aim of maximising the expenditure in the year.

3. Housing Revenue Account (HRA) capital programme

- 3.1 The attached report (appendix 1) shows that the gross expenditure for HRA was £42.192m; being an over spend of £1.192m for 2013/14. This was funded by: increased income from Government Grants of £1.906m. However with the contribution from the Landbank being £1.030m less than budgeted but income from the sale of properties being £0.280m greater than anticipated there was a slight increase in borrowing of £0.036m.

4. Implications

- 4.1 Resource implications are noted in this report.
- 4.2 There are no risk, legal, equality, climate change/Carbon Clever or Gaelic implications arising as a direct result of this report.

Recommendation

The Committee is asked to agree the near final position on the General Fund and HRA capital programmes as at 31 March 2014.

Designation: Director of Finance

Date: 19 May 2014

Author: Margaret Grigor

Background Papers: Service monitoring statements

Capital Expenditure Monitoring Report - Service Summary

1 April 2013 - 31 March 2014 Near Final

	£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	27,112	31,775	27,112	(4,663)
Planning & Development	318	619	318	(301)
Health and Social Care	3,626	3,709	3,626	(83)
Transport Environmental & Community Services	22,804	25,239	22,804	(2,435)
Non HRA	4,694	4,786	4,694	(92)
Strategic Property Management	5,363	5,185	5,363	178
Accommodation Rationalisation	4,734	5,946	4,734	(1,212)
Energy Management	4,510	4,046	4,510	464
Chief Executive's Office	1,246	4,709	1,246	(3,463)
Discretionary Fund	0	1,810	0	(1,810)
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	85,332	88,813	85,332	(3,481)

	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
Housing Revenue Account				
Gross Expenditure Budget	42,192	41,000	42,192	1,192
Sale of Council House Receipts	(1,811)	(2,131)	(1,811)	320
CFCR	(4,325)	(4,325)	(4,325)	0
Miscellaneous Income	(5)	0	(5)	(5)
Developer Contributions	(1)		(1)	(1)
Land bank contribution	(160)	(1,190)	(160)	1,030
Sale of LIFT properties	(594)		(594)	(594)
Borrowing	(27,360)	(27,324)	(27,360)	(36)
Government Grant	(7,936)	(6,030)	(7,936)	(1,906)
	(0)	0	(0)	(0)