

The Highland Council
Resources Committee – 27 August 2014

Agenda Item	9
Report No	RES/ 30/14

Corporate Capital Monitoring Report to 30 June 2014

Report by Director of Finance

Summary

This report provides an overview of expenditure on the General Fund and HRA capital programmes for the period from 1 April 2014 to 30 June 2014 and the projected year end position for the 2014/15 financial year.

1. Background

- 1.1 This report provides an overview as at 30 June 2014 of the position on the General Fund and Housing Revenue Account (HRA) Capital Programmes. Appendix 1 shows the net budget and estimated outturn for the year with expenditure to date.

2. General Fund Capital Programme

- 2.1 The General Fund statement in Appendix 1 shows a total net programme budget of £111.474m. Expenditure to date is £8.635m and the estimated year end position is an overspend of £9.842m.
- 2.2 The budget figures presented are as per the 10 year capital programme agreed by the Council on 27 June 2013 including carry forward amounts from 2013/14 and additional funding as follows:

	£000
Gross budget agreed 27 June 2013	96,178
Project income	(3,105)
Net budget 2014/15	93,073
2013/14 carry forward balances	13,418
Additional funding	
National Housing Trust	3,624
Starter units (funded by additional rents)	674
Developers contributions applied	685
Net budget at 30 June 2014	<u>111,474</u>

- 2.3 The agreed budget includes £10.000m of over-programming in 2014/15 representing the difference between the capital programme agreed and the funding in place. This reflects the fact that some degree of slippage is expected in each year which will bring expenditure down to the funded level. In 2013/14 the in-year programme underspend was reduced to £3.418m as a result of over-programming.
- 2.4 The current budget total at 2.2 above assumes full carry forward of last year's underspend. Over programming on an annual basis requires some elements of slippage to be captured in the year that they occur. Therefore a review of all balances carried forward from 2013/14 into 2014/15 will be undertaken in the near future to avoid a cumulative funding shortfall. This will result in an adjustment to the over-programming line in future reports.

3. General Fund – variances

- 3.1 At this stage in the financial year most services are reporting a balanced programme. However there are likely to be variances on major spending lines as the year progresses but at this point in the year it is difficult to predict.
- 3.2 The Corporate Development Service anticipates a year end underspend of £0.151m due to aligning the Video Conferencing project to the Unified Comms project in order to provide a fully integrated solution. Procurement is now underway but the expenditure is not expected to occur until the next financial year.
- 3.3 The Chief Executive's Service has a small expected underspend of £0.007m due to the regeneration of Cameron Square, Fort William project which is due to be completed in 2014/15 with a retention falling due in 2015/16.

4. Housing Revenue Account (HRA) Capital Programme

- 4.1 The gross budget for the HRA Capital Programme for the year is £51.534m. This is expected to be funded as follows:

	£m
Sale of Council Houses	1.279
Borrowing	35.356
HRA revenue contribution	4.325
Landbank contribution	1.980
Government Grant	<u>8.594</u>
Total	<u><u>51.534</u></u>

5. Capital Discretionary Fund

- 5.1 The balance on the capital discretionary fund is £2.310m. A separate report to this committee provides further analysis of this part of the capital programme.

6. Implications

- 6.1 Resource implications are noted in this report.
- 6.2 There are no legal, equalities, climate change/Carbon Clever, risk, Gaelic or rural 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 June 2014; and
- note the forthcoming review of the 2013/14 balances carried forward.

Designation: Director of Finance

Date: 18 August 2014

Author: Margaret Grigor, Service Finance Manager

Background Papers: Service capital budget monitoring statements

Capital Expenditure Monitoring Report - Service Summary

1 April - 30 June 2014

	£000 Actual Net Year to Date	£000 Annual Net Budget	£000 Year End Estimated Net Outturn	£000 Year End Net Variance
General Fund				
Care and Learning	4,169	62,625	62,625	0
Chief Executive's Office	263	356	349	(7)
Community Services	1,292	12,451	12,451	0
Corporate Development	(52)	1,614	1,463	(151)
Development and Infrastructure	2,963	41,118	41,118	0
Carbon CLEVER	0	1,000	1,000	0
Discretionary Fund	0	2,310	2,310	0
Over Programming	0	(10,000)	0	10,000
Total General Fund	8,635	111,474	121,316	9,842

	£000 Actual Year to Date	£000 Annual Budget	£000 Year End Outturn	£000 Year End Variance
Housing Revenue Account				
Gross Expenditure Budget	7,067	51,534	51,534	0
Sale of Council House Receipts	(381)	(1,279)	(1,279)	0
CFCR	0	(4,325)	(4,325)	0
Developer Contributions	0	0	0	0
Land bank contribution	0	(1,980)	(1,980)	0
Borrowing	(6,686)	(35,356)	(35,356)	0
Government Grant	0	(8,594)	(8,594)	0
Total Housing Revenue Account	0	0	0	0