

**REPORT TO: FINANCE COMMITTEE - 12 MARCH 2001**

**REPORT ON: CAPITAL EXPENDITURE MONITORING 2000/01**

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 140-2001**

**1 PURPOSE OF REPORT**

- 1.1 To appraise Elected Members of the latest position regarding the Council's Capital Expenditure programme for 2000/01.

**2 RECOMMENDATION**

- 2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Expenditure programme for 2000/01.

**3 FINANCIAL IMPLICATIONS**

- 3.1 This report shows the spend on capital projects to 31 January 2001 compared with the latest outturn on capital expenditure for 2000/01. The spend to 31 January 2001 is £7.447m which is 73% of the projected capital expenditure in 2000/01 of £10.173m.
- 3.2 The bulk of the Council's Capital Expenditure in 2000/01 will be financed by borrowing and, as such, will result in Finance Charges being incurred over the estimated useful life of the assets concerned. Appropriate provision has been included in the Council's approved Revenue Budgets for 2000/01 and will also be included in future years' Revenue Budgets.

**4 LOCAL AGENDA 21 IMPLICATIONS**

None.

**5 EQUAL OPPORTUNITIES IMPLICATIONS**

None.

**6 BACKGROUND**

- 6.1 The Policy & Resources Committee, at its meeting on 12 June 2000 approved the 2000/01 Capital Budget for Housing HRA (Report No 368/2000) and the Special Policy & Resources Committee, at its meeting on 19 June 2000 approved the 2000/01 Capital Budget for General Services (Report No 410/2000).

**7 CURRENT POSITION**

- 7.1 The Director of Finance and the City Architectural Services Officer, in conjunction with the other Chief Officers of the Council, are closely monitoring the 2000/01 capital programme. The latest projections of capital expenditure and resources as compared with the provisions included in the approved Capital Budget, are shown in the Appendix to this report. The Appendix also shows the actual capital expenditure incurred compared with the phased budgeted level of expenditure to 31 January 2001. The Appendix is split into four separate sections, viz:

Section A

Those departments/services which are subject to the single Scottish Executive Capital Allocation.

Section B

Those departments/services which are subject to specific Scottish Executive Capital Allocations.

Section C

Those departments/services which are subject to the Scottish Executive Housing HRA Capital Allocation.

Section D

Projected Expenditure and Resources for financing the New Housing Partnership (Regeneration of Ardler).

## 8 DEPARTMENTS/SERVICES SUBJECT TO SINGLE SCOTTISH EXECUTIVE CAPITAL ALLOCATION

8.1 The latest projection of capital expenditure of £10.173m is £134,000 lower than the approved capital budget of £10.307m. The main reasons for this are:-

- i Additional capital consent from Scottish Executive for Safer Routes to Schools £145,000 (Planning & Transportation and Education), Air Quality Monitoring Equipment £32,000 and Contaminated Land £41,000 (Environmental & Consumer Protection). £50,000 of Safer Routes to Schools Allocation (Education), and Contaminated Land £41,000 (Environmental & Consumer Protection) will not be required in 2000/01. An allowance for this will have to be included in 2001/02 Capital Budget.
- ii Slippage on 'Disabled Access to Bases' Project (Chief Executive) of £50,000 due to works still ongoing to identify most effective use of this money on access for disabled.
- iii Slippage on "Mobile CCTV Unit" (Economic Development) of £59,000 due to the project having to be re-tendered. An allowance for this will have to be included within the 2001/02 Capital Budget.
- iv The loan to Dundee Rep (Arts & Heritage) of £95,000 will now not require to be paid in 2000/01. An allowance for this will have to be included in 2001/02 Capital Budget.
- v Saving in expenditure on Loans & Grants and Business Support (Economic Development) of £150,000.

8.2 The latest projection of capital resources of £9.937m is £376,000 greater than the original budget estimate of £9.561m. The main reasons for this are:

- i Additional Supplementary Consent from Scottish Executive of £218,000 as mentioned above.
- ii Anticipated capital receipts from net asset sales and contributions being £51,000 greater than budgeted.
- iii Additional income from European Regional Development Fund (ERDF) projects of £85,000.

- 8.3 Based on latest projections the 2000/01 capital expenditure is now projected at 102% of projected capital resources.

## **9 DEPARTMENTS/SERVICES SUBJECT TO SPECIFIC SCOTTISH EXECUTIVE ALLOCATIONS**

- 9.1 Capital expenditure on these services is subject to specific "ring-fenced" capital allocations, which are issued on a project by project basis by the Scottish Executive following approval by the appropriate Government Department. Based on latest estimates, expenditure is projected to be within the budget provision for Public Transport Fund, Dundee Airport and Social Inclusion Partnerships.

## **10 DEPARTMENTS/SERVICES SUBJECT TO SCOTTISH EXECUTIVE HOUSING HRA ALLOCATION**

- 10.1 The latest projection of capital expenditure of £10.072m is £685,000 lower than the original budget, due in part to slippage in the heating programme and transfer of projects to CFCR, which is currently underspending.
- 10.2 The latest projection of capital resources of £10.072m is £645,000 higher than the original budget due to receipts from Council House sales being higher than anticipated, the actual carry forward of unutilised resources in 1999/2000 into 2000/01, being greater than previously estimated, and supplementary capital allocation from Scottish Executive of £403,000.
- 10.3 Based on the latest projections, capital expenditure is now projected at 100% of projected capital resources.

## **11 NEW HOUSING PARTNERSHIP (ARDLER REGENERATION PROGRAMME 2000/01)**

- 11.1 The latest projection of gross capital expenditure is £1.804m. This expenditure will be financed from a capital allocation from the Scottish Executive of £435,000 for 2000/01 and £166,000 carry forward of allocation from 1999/2000 and Capital Receipts, such as ERDF, SET, and sale of assets. Effective monitoring controls should ensure that there is no deficit on the whole programme at the year end.

## **12 CONSULTATION**

- 12.1 The Director of Housing and Director of Support Services have been consulted in the preparation of this report.

**DAVID K DORWARD**  
**DIRECTOR OF FINANCE**

## **BACKGROUND PAPERS**

No background papers, as defined by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to any material extent in preparing the above Report.



**DUNDEE CITY COUNCIL****CAPITAL EXPENDITURE MONITORING 2000/01**

<u>DEPARTMENT/SERVICE</u>	<u>Approved Capital Estimates 2000/01 £000</u>	<u>Revised Capital Estimates 2000/01 £000</u>	<u>Actual Spend 31-Jan-01 £000</u>	<u>Projected Outturn 2000/01 £000</u>	<u>Spend as a % of Projected Outturn %</u>
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**A. SUBJECT TO SINGLE SCOTTISH OFFICE ALLOCATION****Capital Expenditure 2000/01**

Education	1,826	1,876	855	1,832	47
Social Work	877	877	635	885	72
Planning & Transportation	895	1,040	622	1,040	60
Leisure & Parks	2,372	2,372	2,197	2,497	88
Neighbourhood Resources	283	283	122	283	43
Arts	312	312	125	196	64
Economic Development	1,897	1,920	1,499	1,711	88
Environment & Consumer Protection	360	433	188	367	51
Chief Executive	123	50	0	0	0
Joint Boards/Committees	7	7	7	7	100
Housing (Non-HRA)	1,355	1,355	1,197	1,355	88

**Capital Expenditure 2000/01**

<b>10,307</b>	<b>10,525</b>	<b>7,447</b>	<b>10,173</b>	<b>73</b>
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**Capital Resources 2000/01**

Carry Forward from 1999/2000	17	17		39
Single Capital Allocation	7,744	7,744		7,744
Supplementary Consent - Safer Routes to Schools		145		145
Supplementary Consent - Air Quality Monitoring		32		32
Supplementary Consent - Contaminated Land		41		41

**Capital Receipts**

ERDF	100	100	59	185
Net Asset Sales and Contributions	1700	1,700	1,160	1,751

**Capital Resources 2000/01**

<b>9,561</b>	<b>9,779</b>	<b>1,219</b>	<b>9,937</b>
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**Capital Expenditure as % of Capital Resources**

<b>108%</b>	<b>108%</b>	<b>102%</b>
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**B. SUBJECT TO SPECIFIC SCOTTISH OFFICE ALLOCATIONS****Capital Expenditure 2000/01**

Public Transport Fund (Planning & Transportation)	279	279	141	272	52
Dundee Airport (Economic Development)	640	640	42	640	7
Social Inclusion Partnership (Neighbourhood Resources)	120	120	43	120	36

<b>1,039</b>	<b>1,039</b>	<b>226</b>	<b>1,032</b>
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**Capital Resources 2000/01**

Specific Capital Allocations	<b>1,039</b>	<b>1,039</b>	<b>1,039</b>
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**Capital Expenditure as % of Capital Resources**

<b>100%</b>	<b>100%</b>	<b>99%</b>
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**C. SUBJECT TO SCOTTISH OFFICE HOUSING HRA ALLOCATION**

**Capital Expenditure 2000/01**

Housing HRA

10,757	10,757	7,595	10,072
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**Capital Resources 2000/01**

Carry Forward from 1999/2000

73 73 229

Single Capital Allocation

8,436 8,436 8,436

Supplementary Capital Allocation

403

Useable Capital Receipts

918 918 1,004

9,427	9,427	10,072
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**Capital Expenditure as % of Capital Resources****114% 114% 100%****D.****NEW HOUSING PARTNERSHIP (ARDLER REGENERATION PROGRAMME 2000/01)****Capital Expenditure 2000/01**

Expenditure Funded from Allocation

166 166 284 601

Expenditure Funded from Capital Receipts

1824 1738 915 1203

1990	1904	1199	1804
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**Capital Resources 2000/01**

Carry Forward 1999/2000

166 166 166

Capital Allocation 2000/01

647 435

**Capital Receipts**

Carry Forward Unutilised Receipts 1999/2000

384 384 384 384

ERDF

375 375 185 185

SET

175 110 70 140

Scottish Homes

175 175 0

Sale of Assets

1495 1532 155 986

2770	3389	794	2296
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**Capital Expenditure as % of Capital Resources****72% 56% 79%**