

REPORT TO: FINANCE COMMITTEE - 10 SEPTEMBER 2001

REPORT ON: CAPITAL EXPENDITURE MONITORING 2001/02

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 540-2001

1 PURPOSE OF REPORT

- 1.1 To appraise Elected Members of the latest position regarding the Council's Capital Expenditure programme for 2001/02.

2 RECOMMENDATION

- 2.1 It is recommended that the Committee note the latest position regarding the Council's Capital Expenditure programme for 2001/02.

3 FINANCIAL IMPLICATIONS

- 3.1 This report shows the spend on capital projects to 31 July 2001 compared with the latest outturn on capital expenditure for 2001/02. The spend to 31 July 2001 is £1.495m which is 13% of the projected capital expenditure in 2001/02 of £11.449m.
- 3.2 The bulk of the Council's Capital Expenditure in 2001/02 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 2001/02 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 Special Policy & Resources Committee, at its meeting on 18 June 2001 approved the 2001/02 Capital Budget for Housing HRA (Report No 342-2001) and the 2001/02 Capital Budget for General Services (Report No 353-2001).

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 2001/02 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 to 31 July 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 £11.449m is £268,000 lower than the approved capital budget of £11.717m. The main reason for this is:-

i Underspend on Caird Hall - Replacement of Seating £270,000 and Caird Hall Improvements £33,000 (Arts) will not be required in 2001/02. These projects are being deferred until 2002/03 to allow possible sources of external funding to be pursued.

8.2 The latest projection of capital resources of £11.112m is £215,000 greater than the original budget estimate of £10.897m. The main reason for this is:

i Additional Capital consent from Scottish Executive for Air Quality Monitoring Equipment £50,000 (Environmental & Consumer Protection). A budget allowance of £67,000 has already been included within the approved budget.

ii The projected overspend in 2000/01, carried forward into 2001/02, is less than what was anticipated when the 2001/02 Capital Budget was prepared. This increase projected resources in 2001/02 by £165,000.

8.3 Based on latest projections the 2001/02 capital expenditure is now projected at 103% 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 £9.258m is £1.360m lower than the original budget, due to anticipated slippage in MSD Fabric/Estate Strategies and Rewiring Programme.

10.2 The latest projection of capital resources of £9.258m is £25,000 higher than the original budget due to receipts from Council House sales being slightly higher than anticipated.

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 2001/02)

11.1 The latest of gross capital expenditure is £2.715m. This expenditure will be financed from a capital allocation from the Scottish Executive of £590,000 for 2001/02 and Capital Receipts such as ERDF, SET, Scottish Homes 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.

AMcC/AK
22-Nov-01
Reports/CapExpen.Sept

DUNDEE CITY COUNCIL

CAPITAL EXPENDITURE MONITORING 2001/02

<u>DEPARTMENT / SERVICE</u>	<u>Approved Capital Estimates 2001/02 £000</u>	<u>Revised Capital Estimates 2001/02 £000</u>	<u>Actual Spend to 31-Jul-01 £000</u>	<u>Projected Outturn 2001/02 £000</u>	<u>Spend as a % of Projected Outturn %</u>
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A. SUBJECT TO SINGLE SCOTTISH OFFICE ALLOCATION

Capital Expenditure 2001/02

Education	1,818	1,818	97	1,818	5
Social Work	1,349	1,349	334	1,349	25
Planning & Transportation	1,787	1,787	171	1,787	10
Leisure & Parks	1,456	1,456	5	1,456	0
Neighbourhood Resources	881	881	24	881	3
Arts	504	504	8	201	4
Economic Development	1,728	1,728	75	1,728	4
Environment & Consumer Protection	570	570	4	570	1
Chief Executive	340	340	0	340	0
Joint Boards/Committees	7	7	7	7	100
Housing (Non-HRA)	1,277	1,312	770	1,312	65

Capital Expenditure 2001/02

11,717	11,752	1,495	11,449	20
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Capital Resources 2001/02

Carry Forward from 2000/2001	(199)	(199)		(34)
Single Capital Allocation	9,286	9,286		9,286
Supplementary Consent - Cycling, Walking & Safer Streets	82	82		82
Supplementary Consent - Air Quality Monitoring	0	50		50

Capital Receipts

ERDF/Contributions	150	150		150
Insurance Receipts	199	199		199
Net Asset Sales	1,379	1,379		1,379

Capital Resources 2001/02

10,897	10,947	0	11,112
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Capital Expenditure as % of Capital Resources

108%	107%	103%
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B. SUBJECT TO SPECIFIC SCOTTISH OFFICE ALLOCATIONS

Capital Expenditure 2001/02

Public Transport Fund (Planning & Transportation)	842	842	64	842	40
Dundee Airport (Economic Development)	715	715	192	715	37
Social Inclusion Partnership (Neighbourhood Resources)	335	335	1	335	0

1,892	1,892	257	1,892
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Capital Resources 2001/02

Specific Capital Allocations	1,892	1,892	1,892
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Capital Expenditure as % of Capital Resources

100%	100%	100%
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DUNDEE CITY COUNCIL**CAPITAL EXPENDITURE MONITORING 2001/02**

<u>DEPARTMENT / SERVICE</u>	<u>Approved Capital Estimates 2001/02 £000</u>	<u>Revised Capital Estimates 2001/02 £000</u>	<u>Actual Spend to 31-Jul-01 £000</u>	<u>Projected Outturn 2001/02 £000</u>	<u>Spend as a % of Projected Outturn %</u>
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C. SUBJECT TO SCOTTISH OFFICE HOUSING HRA ALLOCATION**Capital Expenditure 2001/02**

Housing HRA	10,618	10,618	1,317	9,258
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Capital Resources 2001/02

Carry Forward from 2000/2001	0	0		0
Single Capital Allocation	8,436	8,436		8,436
Useable Capital Receipts	797	797		822
	9,233	9,233		9,258

Capital Expenditure as % of Capital Resources	115%	115%		100%
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D. NEW HOUSING PARTNERSHIP (ARDLER REGENERATION PROGRAMME 2001/02)**Capital Expenditure 2001/02**

Expenditure Funded from Allocation	590	590	115	590
Expenditure Funded from Capital Receipts	2,047	2,125	388	2,125
	2,637	2,715	503	2,715

Capital Resources 2001/02

Carry Forward 2000/2001	0	0	0	0
Capital Allocation 2001/02	590	590	0	590

Capital Receipts

Carry Forward Unutilised Receipts 2000/2001	305	305	305	305
ERDF	109	109	0	109
SET	175	175	0	175
Education	0	25	0	25
Scottish Homes	620	620	292	620
Sale of Assets	1,898	1,848	408	1,848
	3,697	3,672	1,005	3,672

Capital Expenditure as % of Capital Resources	71%	74%		74%
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