

REPORT TO: FINANCE COMMITTEE - 11 DECEMBER 2000

REPORT ON: CAPITAL EXPENDITURE MONITORING 2000/01

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 741-2000

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 October 2000 compared with the latest outturn on capital expenditure for 2000/01. The spend to 31 October 2000 is £5.595m which is 54% of the projected capital expenditure in 2000/01 of £10.431m.
- 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 October 2000. 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 £10.431m is £124,000 higher than the approved capital budget of £10.307m. The main reasons for this are:-

- i Additional Supplementary Consent from the Scottish Executive, for Safer Routes to Schools (Planning & Transportation) of £145,000, and Air Quality Monitoring Equipment (Environmental & Consumer Protection) of £32,000.
- 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.

8.2 The latest projection of capital resources of £9.940m is £379,000 greater than the original budget estimate of £9.561m. The main reasons for this are:

- i Additional Supplementary Consent from Scottish Executive of £177,000 as mentioned above.
- ii Anticipated capital receipts from net asset sales and contributions being £190,000 greater than budgeted.

8.3 Based on latest projections the 2000/01 capital expenditure is now projected at 105% 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 £10.382m is £375,000 lower than the approved capital budget of £10.757m, due in part to slippage in the heating programme.
- 10.2 The latest projection of capital resources of £9.625m is £198,000 higher than the original budget due to receipts from Council House sales being higher than anticipated, and the actual carry forward of unutilised resources in 1999/2000 into 2000/01, being greater than previously anticipated.
- 10.3 Based on the latest projections, capital expenditure is now projected at 108% of projected capital resources. Careful monitoring of the Capital Programme will ensure that expenditure is within the limits laid down by the Scottish Executive.

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

- 11.1 The latest projection of gross capital expenditure is £2.386m. This expenditure will be financed from a capital allocation from the Scottish Executive of £647,000 for 2000/01 and £166,000 carry forward of allocation from 1999/2000 and Capital Receipts, such as ERDF, SET, Scottish Homes and sale of assets. Effective monitoring controls should ensure that there is no deficit 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</u> <u>£000</u>	<u>Revised Capital Estimates 2000/01</u> <u>£000</u>	<u>Actual Spend 31-Oct-00</u> <u>£000</u>	<u>Projected Outturn 2000/01</u> <u>£000</u>	<u>Spend as a % of Projected Outturn</u> <u>%</u>
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A. SUBJECT TO SINGLE SCOTTISH OFFICE ALLOCATION

Capital Expenditure 2000/01

Education	1,826	1,826	659	1,826	36
Social Work	877	877	516	885	58
Planning & Transportation	895	1,040	140	1,088	13
Leisure & Parks	2,372	2,372	2,026	2,372	85
Neighbourhood Resources	283	283	54	283	19
Arts	312	312	124	303	41
Economic Development	1,897	1,897	1,273	1,847	69
Environment & Consumer Protection	360	392	5	392	1
Chief Executive	123	123		73	
Joint Boards/Committees	7	7	7	7	100
Housing (Non-HRA)	1,355	1,355	791	1,355	58

Capital Expenditure 2000/01	10,307	10,484	5,595	10,431	54
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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	

Capital Receipts

ERDF	100	100	59	90	
Net Asset Sales and Contributions	1700	1,700	1,011	1,890	

Capital Resources 2000/01	9,561	9,738	1,070	9,940	
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Capital Expenditure as % of Capital Resources	108%	108%		105%	
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B. SUBJECT TO SPECIFIC SCOTTISH OFFICE ALLOCATIONS

Capital Expenditure 2000/01

Public Transport Fund (Planning & Transportat	279	279	31	279	11
Dundee Airport (Economic Development)	640	640	21	640	3
Social Inclusion Partnership (Neighbourhood R	120	120	29	120	24

	1,039	1,039	81	1,039	
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Capital Resources 2000/01

Specific Capital Allocations	1,039	1,039		1,039	
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Capital Expenditure as % of Capital Resources	100%	100%		100%	
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C. SUBJECT TO SCOTTISH OFFICE HOUSING HRA ALLOCATION

Capital Expenditure 2000/01

Housing HRA	10,757	10,757	5,756	10,382
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Capital Resources 2000/01

Carry Forward from 1999/2000	73	73		228
Single Capital Allocation	8,436	8,436		8,436
Useable Capital Receipts	918	918		961
	9,427	9,427		9,625

Capital Expenditure as % of Capital Resources **114%** **114%** **108%**

D. NEW HOUSING PARTNERSHIP (ARDLER REGENERATION PROGRAMME 2000/01)

Capital Expenditure 2000/01

Expenditure Funded from Allocation	166	166	166	813
Expenditure Funded from Capital Receipts	1824	1738	733	1573
	1990	1904	899	2386

Capital Resources 2000/01

Carry Forward 1999/2000	166	166		166
Capital Allocation 2000/01		647		647

Capital Receipts

Carry Forward Unutilised Receipts 1999/2000	384	384	384	384
ERDF	375	375		401
SET	175	110	70	140
Scottish Homes	175	175		140
Sale of Assets	1495	1532		728
	2770	3389	454	2606

Capital Expenditure as % of Capital Resources **72%** **56%** **92%**