

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

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

**REPORT BY: DIRECTOR OF FINANCE**

**REPORT NO: 74-2001**

## **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 December 2000 compared with the latest outturn on capital expenditure for 2000/01. The spend to 31 December 2000 is £6.899m which is 67% of the projected capital expenditure in 2000/01 of £10.239m.
- 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 December 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 £10.239m is £68,000 lower than the approved capital budget of £10.307m. The main reasons for this are:-
- i Additional Expenditure via 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.
  - 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 draft 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 draft 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 £9.820m is £259,000 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 £70,000 greater than budgeted.

- 8.3 Based on latest projections the 2000/01 capital expenditure is now projected at 104% 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 £10.305m is £452,000 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 £9.663m is £236,000 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 estimated.
- 10.3 Based on the latest projections, capital expenditure is now projected at 107% 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 £2.194m. 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 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**

DEPARTMENT/SERVICE	Approved	Revised	Actual	Projected	Spend as a % of
	Capital	Capital			
	Estimates	Estimates	Spent	Outturn	Projected
	2000/01	2000/01	31-Dec-00	2000/01	Outturn
	£000	£000	£000	£000	%

**A. SUBJECT TO SINGLE SCOTTISH OFFICE ALLOCATION**

**Capital Expenditure 2000/01**

Education	1,826	1,876	793	1,876	42
Social Work	877	877	585	885	66
Planning & Transportation	895	1,040	600	1,040	58
Leisure & Parks	2,372	2,372	2,067	2,497	83
Neighbourhood Resources	283	283	97	283	34
Arts	312	312	115	196	59
Economic Development	1,897	1,920	1,425	1,725	83
Environment & Consumer Protection	360	392	167	375	45
Chief Executive	123	50	0	0	0
Joint Boards/Committees	7	7	7	7	100
Housing (Non-HRA)	1,355	1,355	1,043	1,355	77

<b>Capital Expenditure 2000/01</b>	<b>10,307</b>	<b>10,484</b>	<b>6,899</b>	<b>10,239</b>	<b>67</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
<b>Capital Receipts</b>				
ERDF	100	100	59	90
Net Asset Sales and Contributions	1,700	1,700	1,131	1,770

<b>Capital Resources 2000/01</b>	<b>9,561</b>	<b>9,738</b>	<b>1,190</b>	<b>9,820</b>
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<b>Capital Expenditure as % of Capital Resources</b>	<b>108%</b>	<b>108%</b>		<b>104%</b>
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**B. SUBJECT TO SPECIFIC SCOTTISH OFFICE ALLOCATIONS**

**Capital Expenditure 2000/01**

Public Transport Fund (Planning & Transportation)	279	279	44	272	16
Dundee Airport (Economic Development)	640	640	41	640	6
Social Inclusion Partnership (Neighbourhood Resources)	120	120	43	120	36

	<b>1,039</b>	<b>1,039</b>	<b>128</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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<b>Capital Expenditure as % of Capital Resources</b>	<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	<b>10,757</b>	<b>10,757</b>	<b>7,110</b>	<b>10,305</b>
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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
Useable Capital Receipts	918	918		998
	<b>9,427</b>	<b>9,427</b>		<b>9,663</b>

<b>Capital Expenditure as % of Capital Resources</b>	<b>114%</b>	<b>114%</b>		<b>107%</b>
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**D. NEW HOUSING PARTNERSHIP (ARDLER REGENERATION PROGRAMME 2000/01)**

**Capital Expenditure 2000/01**

Expenditure Funded from Allocation	166	166	230	813
Expenditure Funded from Capital Receipts	1824	1738	866	1381
	<b>1990</b>	<b>1904</b>	<b>1096</b>	<b>2194</b>

**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	185	185
SET	175	110	70	150
Scottish Homes	175	175		140
Sale of Assets	1495	1532	157	746
	<b>2770</b>	<b>3389</b>	<b>796</b>	<b>2418</b>

<b>Capital Expenditure as % of Capital Resources</b>	<b>72%</b>	<b>56%</b>		<b>91%</b>
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