

To: POLICY & RESOURCES (FINANCE) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2004/2005 MONITORING REPORT 1 APRIL TO 12 NOVEMBER 2004
From: DIRECTOR OF FINANCE		
Date: 20 December 2004	Ref: AC/KS/P9	

1. **Introduction**

1.1 The purpose of this report is to update Committee on the 2004/2005 composite capital programme including details of the movement of resources/expenditure budgets since the previous report. The report also provides a summary of the financial performance of the programme and shows the commitments, projected year-end outturn position and resultant variances. Information on current expenditure is up to and including 12th November 2004.

2. **Capital Budget Update**

2.1 The capital programme is currently £67.172m, which is an increase of £2.569m, since the last report to Committee. This increase is primarily as a result of the following:

- a ring fenced grant of £2m for Cities Review
- a £0.313m contribution from third parties to a variety of P & E projects
- a £0.046m increase in cash grant for Air Quality Monitoring
- a £0.196m increase on the Park and Ride at Greenfaulds allocation(grant funded) to reflect the projected outturn expenditure now anticipated.

3. **Budget Monitoring Summary**

3.1 The position of the Composite Programme can be summarised as follows: -

	Current Programme £000s	Projected Outturn £000s	Outturn Variance £000s
Prudential Borrowing	32,433	32,433	-
Capital Receipts Programme	10,411	10,411	-
Unapplied Receipts c/fwd	3,481	3,481	-
Cash Grants/Other Contributions	15,566	15,566	-
CFCR	3,968	3,968	-
Total Resources	65,869	65,869	-
Expenditure Programme	67,172	65,944	1,228
Slippage	(3,000)	(3,000)	-
Expenditure Programme	64,172	62,944	1,228
Additional Resources	1,697	2,925	1,228

3.2 The actual expenditure to 12th November is £22.998m, which represents 34.2% of the current programme, leaving a balance of over £44.2m to be spent by 31st March 2005. In percentage terms this is lower than the same period last year, which was £14.7m or 38%. The actual commitments to date are £49.6m or 74% of the full programme, which compares favorably with last year at £27m or 70%. A detailed analysis containing information on departmental programmes is contained at Appendix 1.

4. Projected Outturn at 12 November 2004

- 4.1 Resource projections are currently estimated to be £65.869m, which is in line with the budget.
- 4.2 Expenditure projections are currently estimated to be £65.944m against a budget of £67.172m, resulting in further slippage of £1.228m. This slippage is additional to the amount reported at the mid-year review and is primarily due to;
- £0.250m slippage anticipated on the upgrade of the Lenziemill Industrial Estate.
 - slippage of £0.045m arising through the rescheduling of Covenants in the current financial year.
 - a £0.170m projected underspend on the Community Services programme primarily due to slippage on the Broadwood Stadium project.
 - a net £0.290m underspend on the Social Work programme mainly due to £0.250m slippage on the Bron Way project and £0.125m on 'Upgrading Residential Care Homes'. However, this has been offset by a number of projected overspends on other projects.
 - a £0.118m slippage on the 'Enterprise Computing' project within the Finance Department programme.
 - a £0.100m underspend on the Design and Project Management allocation.
 - an anticipated £0.055m underspend on Non HRA grants expenditure.
 - slippage in the external funding budget of £0.200m resulting from a combination of delays in project approvals by external funders together with extended timescales for project completions.
- 4.3 It should be noted the current year programme is approximately £29.0m greater than the programme at this time last year, which incurred slippage of £6.1m by the 31/3/04. As at period 8 £17.6m remains uncommitted, with the level of uncommitted expenditure varying across departments, all relative to the size of the individual programmes. As indicated in paragraph 3.2 although this is a high figure it represents an improved percentage position compared to the same time last year. However in order to manage such a sizeable programme one would expect projects to be committed earlier in the year to allow more time to actually deliver the programme.

5. Future Year Programmes – 2005/06 to 2007/08

- 5.1 Members will recall the capital programme for 2005/06, was approved by the Policy & Resources Committee in February 2004. The programme is currently being updated to reflect decisions taken by the Council during the past year, and it is intended to present a report on the Capital Budget 2005/6 to the Policy & Resources Committee.

- 5.2 In terms of the 2006/07 and 2007/08 programmes, spending proposals are currently being developed by the Capital Planning Group that will recognise the Council's service objectives and strategic investment needs within a framework of asset management planning and option appraisal techniques. The Council will also wish to have regard to the level of borrowing which it can sustain within the parameters of the Prudential Code for capital funding.
- 5.3 Detailed spending proposals for 2006/07 and 2007/08 will be brought to Council early in the new financial year.

6. **Recommendation**

6.1 The Committee is asked to note:

- the financial position of the Capital Programme at 12th November 2004
- the current position of the 2005/06 to 2007/08 capital investment plans



Director of Finance

COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2004/2005 (£'000)

EXPENDITURE PROGRAMME : Period 7

Department	Current Programme 2004/05	Projected Outturn 2004/05	Projected Outturn Variance	Actual Expenditure to 12/11/04	Committed Expenditure to 12/11/04	% Committed
Administration	931	931	0	575	624	67.02%
Chief Executive	261	261	0	42	261	100.00%
Corporate : Design & Project Management	100	0	100			
Community Services	11,785	11,570	215	6,249	9,224	78.27%
Education Programme	13,318	13,318	0	6,174	12,271	92.14%
Finance/IT	2,005	1,687	318	293	1,748	87.18%
Housing & Property Services						
: NHRA Grants	4,263	4,208	55	1,098	2,995	70.26%
: Property Services	4,325	4,075	250	1,469	3,324	76.86%
Planning & Environment	26,722	26,722	0	6,418	17,199	64.36%
Social Work	3,462	3,172	290	680	1,983	57.28%
SUB-TOTAL	67,172	65,944	1,228	22,998	49,629	
less : Slippage Factor	-3,000	-3,000	0			
Departmental Expenditure Total	64,172	62,944	1,228	22,998	49,629	

34.24%

73.88%