

REPORT TO: FINANCE COMMITTEE - 13 AUGUST 2001

REPORT ON: CAPITAL EXPENDITURE MONITORING 2001/02

REPORT BY: DIRECTOR OF FINANCE

REPORT NO: 453-2001

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 30 June 2001 compared with the latest outturn on capital expenditure for 2001/02. The spend to 30 June 2001 is £1.143m which is 10% of the projected capital expenditure in 2001/02 of £11.482m.
- 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 30 June 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 £11.482m is £270,000 lower than the revised capital budget of £11.752m. The main reason for this is:-

- i Caird Hall - Replacement of Seating £270,000 (Arts) will not be required in 2001/02. This project is being deferred until 2002/03 to allow possible sources of external funding to be pursued.

8.2 The latest projection of capital resources of £10.947m is £50,000 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.

8.3 Based on latest projections the 2001/02 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 £9.270m is £1.348m 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 £9.270m is £37,000 higher than the original budget due to receipts from Council House sales being higher than anticipated.

10.3 Based on the latest projections, capital expenditure is now projected at 100% of projected capital resources.

11 CONSULTATION

- 11.1 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
Reports/CapExpen

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

<u>DEPARTMENT / SERVICE</u>	<u>Approved Capital Estimates 2001/02</u> £000	<u>Revised Capital Estimates 2001/02</u> £000	<u>Actual Spend to 30 June 2001</u> £000	<u>Projected Outturn 2001/02</u> £000	<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	40	1,818	2
Social Work	1,349	1,349	188	1,349	14
Planning & Transportation	1,787	1,787	133	1,787	7
Leisure & Parks	1,456	1,456	(2)	1,456	(0)
Neighbourhood Resources	881	881	19	881	2
Arts	504	504	7	234	3
Economic Development	1,728	1,728	64	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	683	1,312	52

Capital Expenditure 2001/02	11,717	11,752	1,143	11,482	10
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Capital Resources 2001/02

Carry Forward from 2000/2001	(199)	(199)		(199)	
Single Capital Allocation	9,286	9,286		9,286	
Supplementary Consent - Cycling, Walking & Safer Street	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	10,947	
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Capital Expenditure as % of Capital Resources	108%	107%		105%	
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B. SUBJECT TO SPECIFIC SCOTTISH OFFICE ALLOCATIONS**Capital Expenditure 2001/02**

Public Transport Fund (Planning & Transportation)	842	842	40	842	5
Dundee Airport (Economic Development)	715	715	111	715	16
Social Inclusion Partnership (Neighbourhood Resources)	335	335	1	335	0

	1,892	1,892	152	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

DEPARTMENT / SERVICE	<u>Approved Capital Estimates 2001/02 £000</u>	<u>Revised Capital Estimates 2001/02 £000</u>	<u>Actual Spend to 30 June 2001 £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	852	9,270
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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
Supplementary Capital Allocation	0	0		0
Useable Capital Receipts	797	797		834
	9,233	9,233		9,270

Capital Expenditure as % of Capital Resources **115%** **115%** **100%**

D. NEW HOUSING PARTNERSHIP (ARDLER REGENERATION PROGRAMME 2001/02)

Capital Expenditure 2001/02

Expenditure Funded from Allocation	590	590	82	590
Expenditure Funded from Capital Receipts	2,047	2,125	108	2,125
	2,637	2,715	190	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	328
Sale of Assets	1,898	1,848	408	1,848
	3,697	3,672	1,005	3,380

Capital Expenditure as % of Capital Resources **71%** **74%** **80%**