

REPORT TO: THE MORAY COUNCIL ON 2nd July 2008

SUBJECT: CAPITAL PLAN 2007/08 MONITORING TO 31st MARCH 2008

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 The Committee is asked to note the Capital Plan expenditure for financial year 2007/08 and to approve project carry forwards for inclusion in the 2008/09 Capital Plan.
- 1.2 This report is submitted to Committee in terms of Section A (7) of the Council's Administrative Scheme relating to Capital Expenditure Monitoring.

2. RECOMMENDATION

- 2.1 **It is recommended that the Committee notes the final expenditure to 31st March 2008 of £18.84 million.**
- 2.2 **It is recommended that Committee approve carry forwards of £7.9 million into 2008/09.**

3. BACKGROUND

- 3.1 The provisional Capital Plan was approved by The Moray Council on 8th February, as part of the Financial Plan for 2007 to 2010.
- 3.2 This Committee previously approved carry forwards from slippage in the 2006/07 Capital Plan. These projects have been added to this years Capital Plan.
- 3.3 The total approved Capital Plan for 2007/08 was £28.5 million. Slippage in various projects was reported throughout the year and an amended Capital Plan approved at Policy and Resources Committee on 24th October 2007. The plan was adjusted for slippage, which was principally attributable to Council Accommodation, Flood Alleviation Schemes and expenditure on school buildings. These amounts will be carried forward into next financial year where required. The plan was increased following grant funding for Efficiency Projects, Childcare and Play schemes, Strategic Waste and an additional allocation for the Schools Fund grant. The revised plan for 2007/08 was for expenditure of £20.9 million.
- 3.4 Regular monitoring reports are provided to this Committee showing expenditure to date for each project and details of Capital receipts received to date. Draft expenditure for 2007/08 was reported to Policy on 30th April along with progress on the projects.

- 3.5 Final expenditure to 31st March 2008 amounts to £18.84 million. A copy of the Capital Plan is attached as **APPENDIX 1**, showing the actual expenditure to 31st March 2008.
- 3.6 Proposed carry forwards of £7.9 million on projects for inclusion in 2008/09, are also shown in **APPENDIX 1**.
- 3.7 Prudential borrowing remains within approved limits, and is lower than anticipated at 24th October 2007. This is due to usable capital receipts being higher than anticipated.
- 3.8 Major variances in capital expenditure compared with the revised plan are commented on below. The main areas requiring carry forward are Council Office Accommodation (£2.95 million) and Flood Alleviation Schemes (£1.91 million). Council Office Accommodation works are subject to progress reports during the year with various office accommodation works being commenced during the year from the budget. This includes the roofing works at 30/32 High Street, Elgin which were completed in 2007.
- 3.9 Educational Services capital is largely made up of Schools Fund projects which are funded wholly through the Scottish Government grant. The bottom line balances projects moved from one year to another and carry forwards will be required to progress with projects deferred in 2007/08.
- 3.10 In Environmental Services the three Contaminated Land projects are funded from a Scottish Government grant of £2.15 million received in 2004/05. The remaining grant of £112k will be used for retention of the projects in 2008/09. Plasmon Yards contaminated land works were complete in the year under the available grant funded budget.
- 3.11 As previously reported, works on the Speyside Way, partly funded from the receipt of the sale of Blacksboat Station in 2005/06, will not be complete this financial year. External painting work requires to be redone by the contractor in the summer months and will require a carry forward.
- 3.12 Roads and Transport projects have progressed this year with a few projects requiring carry forwards. Cycling Provision capital project provides assistance and improved safety for cyclists in built-up areas in accordance with national and local policies for more sustainable transport. Due to staff resources this project did not progress and a carry forward is required to achieve the outcomes in 2008/09.

- 3.13 Bridge Assessment and Strengthening works are underspent due to design progress at Edinville, which will require carry forward to complete in next financial year. Also the Rail Bridge Assessment has been delayed, currently awaiting input from Network Rail. Elgin Traffic Management project, incorporating the Elgin Roads Strategy and Bypass Study and Development, will require a total net carry forward of £271k and will be brought together under one project heading next year. Works at Tyock Burn have been delayed pending redesign and will also require carry forward to next year. Another scheme underspent in 2007/08 and requesting carry forward is the Provision of Reed Beds, at £382k.
- 3.14 Flood Alleviation Schemes are reported in detail to the Flood Alleviation Sub Committee. There are no carry forwards required for the major schemes as the approved Capital Plan for 2008/09 reflects the budget for the schemes.
- 3.15 It was previously reported that the Vehicle Replacement Programme had a budget overspend of £99k due to the replacement of two disposal vehicles written off by insurance in the year. A negative carry forward would impact on the efficiencies expected.
- 3.16 Capital projects within Policy and Resources include the Disability Discrimination Act adaptation works which are underspent in the current year and require budget carry forward into next financial year to address the slippage.
- 3.17 There is slippage in the ICT Action Plan and PC replacement programme which will both require carry forward into 2008/09.
- 3.18 During the year the Council received a Capital Grant of £1.019 million to invest in Capital Projects to assist in the delivery of efficiency savings. Expenditure has been incurred on three approved projects, including a range of measures at school buildings per the Carbon Trust Report, a new Community Services residential unit in Forres and the purchase of a new colour Printer. Work is still ongoing at the first of the two projects and the grant has been carried forward to continue the funding of these in 2008/09.
- 3.19 Capital receipts from asset sales to 31st March 2008 total £1.1 million as listed in **APPENDIX 1**.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Development Plan/Community Plan/Service Improvement Plan

This report complies with the working principles of the Corporate Plan in terms of accountability and sound financial management.

(b) Policy and Legal

There are no Policy and Legal implications.

(c) Resources (Financial, Risks, Staffing and Property)

The financial implications are highlighted within the Report. There are no staffing and property resource implications.

(d) Consultations

Consultations with Budget Managers are ongoing throughout the year to monitor expenditure and progress of individual capital projects.

5. CONCLUSION

- 5.1 The Capital Plan to 31st March 2008 has £18.84 million of expenditure against a revised plan of £20.9 million. Carry forwards of £7.9 million are recommended as itemised in Appendix 1, many of which relate to the full list of capital expenditure approved in February 2007.**

Author of Report: Mark Palmer, Chief Financial Officer

Background Papers:

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