

REPORT TO: POLICY COMMITTEE ON 5th MARCH 2008

SUBJECT: CAPITAL PLAN 2007/08 MONITORING TO 31ST JANUARY 2008

BY: CHIEF FINANCIAL OFFICER

1. REASON FOR REPORT

- 1.1 The Committee is asked to note the expenditure of the Capital Plan for financial year 2007/08 to 31st January 2008.
- 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 expenditure to 31st January 2008 of £12.25 million and the remaining provisional projects in the Capital Plan for 2007/08.**

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 revised Capital Plan approved by Policy Committee on 24th October 2007 totalled £20.5 million. 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.
- 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.
- 3.5 Expenditure to 31st January 2008 amounts to £12.25 million. A copy of the Capital Plan is attached as **APPENDIX 1**, showing the actual expenditure to 31st January 2008 and the projected expenditure for each service in the financial year.
- 3.6 Educational Services capital is largely made up of Schools Fund projects which are funded wholly through the Scottish Government grant. The funding available in this financial year is over £2.6 million and capital works in schools are ongoing to ensure full utilisation of the grant. There is currently over £300k of unallocated grant; projects which will need to be identified and approved this financial year as the grant cannot be carried forward to future years.

- 3.7 As previously reported, the refurbishment of the Falconer Museum is complete and there is still expenditure and grant income due for the works.
- 3.8 A number of Environmental Services capital projects are projecting underspends this year. Contaminated Land works at Plasmon Yards in Forres should be complete this year and will be within the grant funding available from the Scottish Government.
- 3.9 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 so will require a carry forward.
- 3.10 Roads and Transport projects are generally progressing against the plan with few underspends projected since the projects were last reported.
- 3.11 Flood Alleviation Schemes are subject to more detailed monitoring reports to the Sub-Committee and the Capital Plan is kept in line with the latest projections.
- 3.12 The Vehicle and Plant replacement programme has fully committed its approved budget this financial year. Two disposal vehicles have been written off by insurance following accidental damage and require to be replaced. As these vehicles were not due to be replaced for a few years this will incur additional costs on top of the capital budget. The department are currently hiring replacement vehicles from an external provider at a higher cost than is provided by Fleet Services. An insurance settlement is yet to be agreed but it is estimated to be a net cost to the Council of £99k if the vehicles can be purchased. The 5 year Capital Plan will be reduced to reflect these costs being purchased earlier than anticipated.
- 3.13 Policy and Resources capital projects includes the Office Accommodation budget which is the subject of regular reports to Committee and remains provisional apart from the individual projects identified.
- 3.14 A copy of the Capital Plan is attached as **APPENDIX 1**, showing the actual expenditure to 31st January of £12.25 million. The Capital receipts of £1.1 million to date from sale of assets are also attached alongside the latest projections for the year.

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 amended Capital Plan to 31st January 2008 has £12.25 million of expenditure to date and £1.1 million capital receipts from sale of assets.

5.2 The 2007/08 projected expenditure against the Plan is £17.8 million which compares against the revised plan of £20.5 million.

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Background Papers:

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