

**REPORT TO: POLICY & RESOURCES COMMITTEE ON 30 MARCH 2010**

**SUBJECT: CAPITAL PLAN 2009/10 MONITORING TO 28 FEBRUARY 2010**

**BY: CHIEF FINANCIAL OFFICER**

**1. REASON FOR REPORT**

- 1.1 The Committee is asked to note the expenditure under the Capital Plan for financial year 2009/10 to 28 February 2010.
- 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 28 February of £24.8 million and note the remaining provisional projects at that date.**

**3. BACKGROUND**

- 3.1 The provisional Capital Plan of £18.8 million excluding Flood Alleviation Schemes was approved by The Moray Council on 22 April 2009, as part of the Financial Plan for 2009 to 2012.
- 3.2 Flood Alleviation Schemes of £19.5 million approved at the budget setting meeting of Full Council on 12 February 2009 are also included in the Capital Plan.
- 3.3 Carry forwards from slippage in the 2008/09 Capital Plan were reported to this Committee on 25 August 2009 and have been added to the Plan. Leisure and Healthy Living projects and Efficiency projects have also been carried forward.
- 3.4 At the meeting of this Committee on 17 November 2009 it was agreed to amend the Capital Plan to reflect updated expenditure profiles for a number of projects.
- 3.5 **APPENDIX 1** shows the revised Capital Plan of £37.7 million.
- 3.6 Regular monitoring reports are provided to this Committee showing expenditure to date for each project and details of Capital receipts received. The status of projects to date, whether provisional or approved by Service Committee, is also reported.

- 3.7 Expenditure to 28 February 2010 amounts to £24.8 million. The latest projected spend for the year of £31.4 million is shown and this report indicates where overspends are projected and where slippage has been identified.
- 3.8 Capital works at school buildings are ongoing. Further slippage has been identified since the last monitoring report including delays at Milne's Learning Centre due to the recent bad weather, and also at Buckie High School performance space, and the localities team bases, which will require carry forward to progress in next financial year. The projected spend at Elgin High School sports facilities is higher than previously anticipated due to property and external consultant fees incurred on the initial stages of the project this year. The heating upgrades at Lossiemouth High and Forres Academy show a variance against the approved budget, these projects are part funded by the Energy Efficiency carbon footprint budget which has £52,000 budget this year.
- 3.9 Office Accommodation projects include the purchase of the former supermarket next to HQ at 2/10 High Street, Elgin. The projected spend this year includes asbestos and drainage surveys and property fees. The HQ Heating and Ventilation project is ongoing and Phase 2 of the works are due to begin next financial year. The projected overspend this year will be offset by a projected underspend on the Phase 2 budget next year. There are also additional costs incurred relating to ICT works and office decants while the HQ works are being carried out.
- 3.10 In Environmental Services works are progressing on the three Industrial Estates projects. The projects should be complete next year. It is planned to spend £10,000 on the burial grounds project to address problems with drainage at Duffus Cemetery.
- 3.11 Roads projects are mostly projecting to be within the revised budget, however the recent winter weather has impacted on the progress of many of the schemes. With Winter Maintenance taking precedence and utilising the available staff resources, many of the schemes are projecting to be under spent and will require carry forward to complete next year. The Road Safety projects previously projecting to be fully spent are now anticipating slippage due to bad weather and staff resources. The Cycling, Walking, Safer Streets project is grant funded by the Scottish Government and expenditure must be incurred in this financial year to be eligible. Works are being carried out primarily under this scheme to utilise the full £154,000 grant available.
- 3.12 Flood Alleviation Schemes are subject to more detailed monitoring reports to the Flood Alleviation Sub-Committee (FASC). A total budget of £19.5 million was originally approved for Flood Alleviation Schemes in 2009/10; the latest projection of £14.0 million was reported to FASC on 24 February 2010. The total expenditure this year to 28 February 2010 is £12.1 million.
- 3.13 A copy of the Capital Plan is attached as **APPENDIX 1**, showing the actual expenditure to 28<sup>th</sup> February of £24.8 million. Capital receipts of £568k from sale of assets are also detailed along with other receipts of £22.6 million, largely the General Capital Grant.

#### **4. SUMMARY OF IMPLICATIONS**

##### **(a) Single Outcome Agreement/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 28 February 2010 has £24.8 million of expenditure and £23.2 million Capital receipts.**

**5.2 The approved Capital Plan is £37.7 million. The latest projected expenditure is £31.4 million.**

Author of Report: Susan Souter, Accountant

Background Papers:

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