

Commentary on Net Capital Expenditure against Budget – General Fund

A commentary on the significant areas of variance between budget and actual for each council directorate is outlined below:

Directorate / Division	Net Under / (Over) Spend £m	Significant Areas of Under / (Over) Spend (Net)
Chief Executives	0.595	<ul style="list-style-type: none"> Montrose South Regeneration – unable to agree compensation with property owners, with matter now referred to the Lands Tribunal for determination (£0.493m).
Place	3.015	<ul style="list-style-type: none"> Provision for Zero Waste Implementation – slippage due to Council agreement to postpone decision on recycling centre provision (report 264/18) (£0.639m) Contribution to CCTV Upgrade – Delayed due to contractor vetting and Construction Design Management issues (£0.201m). Arbroath Flood Strategy (Brothock Burn/Seawall projects) – Contract not procured until January 2019 therefore spend in 2018/19 lower than anticipated (£1.430m).
People	0.679	<ul style="list-style-type: none"> Arbroath Schools Project (Phases 2 & 3a) – projects have incurred less expenditure through phase 1 than expected. The higher risk elements with regards to removing asbestos, demolition etc. will be completed in 19/20 (£0.432m).
Adult Services (IJB)	0.004	<ul style="list-style-type: none"> Community Meals Hub at County Buildings – expenditure lower than expected (£0.004m).
Angus Alive	0.103	<ul style="list-style-type: none"> Library/ACCESS Integration – final account for Montrose lower than expected. Book tracking system carried forward to 19/20 (£0.104m).
General Fund Underspend	4.396	

Commentary against Last Projected Outturn

The most recent projected outturn for 2018/19 based on February 2019 ledgers showed an anticipated underspend on a net basis for General Fund services of £3.425 million (report 134/19 refers). The actual underspend of £4.396 million at the year end shows an increase in the underspend of £0.971 million from the previously reported position.

The more significant movements which have arisen when comparing actual net expenditure to the outturns noted in report 134/19 include:

Directorate / Division	Movement in Outturn £m	Commentary
Place – Environmental Services	(0.188)	Contribution from General Vehicle Replacement Programme towards purchase of Angus Alive new library van delayed until 19/20 and expenditure on Zero Waste Implementation lower than anticipated.
People – Schools & Learning	(0.529)	Expenditure on higher risk elements at Arbroath Schools Project (Phase 2 & 3a) delayed until 19/20.
People – Information Technology	(0.107)	Expenditure on Wi-Fi projects / Eclipse purchases transferred from revenue was lower than expected.

Commentary on Net Capital Expenditure against Budget – Housing Revenue Account

A commentary on the significant areas of variance between budget and actual for the Housing Revenue Account is outlined below:

Capital Programme	Net Under / (Over) Spend £m	Significant Areas of Under / (Over) Spend (Net)
New Build	(0.160)	<ul style="list-style-type: none"> Spend for Timmergreens has slipped due to delays in finalising design drawings, cost plan and return of stage 1 tender. Also allowance for the acquisition of Invertay House - delayed due to Community Asset Transfer application. Offset by delayed receipt of affordable housing grant as a result of delays to the Damacre Centre project in Brechin.
Conversion	0.095	<ul style="list-style-type: none"> A number of minor variances – no major variances to report.
Aids & Adaptations	(0.013)	<ul style="list-style-type: none"> A number of minor variances – no major variances to report.
Improvements	0.024	<ul style="list-style-type: none"> A number of minor variances – no major variances to report.
Heating Installations & Replacements	1.445	<ul style="list-style-type: none"> Termination of heating contract as a result of poor contractor performance.
Window Replacements	(0.090)	<ul style="list-style-type: none"> A number of minor variances – no major variances to report.
Energy Savings	1.703	<ul style="list-style-type: none"> Slippage due to preparation of complex Energy Efficiency Standard for Social Housing (EESH) project, but still on target for overall completion by 2020 deadline.
Sheltered Housing	0.195	<ul style="list-style-type: none"> General allowance for improvement works not required. Delay to replacement warden call system / door entry project.
Kitchen Replacements	0.094	<ul style="list-style-type: none"> A number of minor variances – no major variances to report.
Bathroom Replacements	0.506	<ul style="list-style-type: none"> Delayed to allow inclusion of lessons learned from pilot project into the bulk replacement project. Project awarded but long mobilisation period for contractor.
Miscellaneous	0.060	<ul style="list-style-type: none"> Delay in identifying garage refurbishment projects. Projects now being delivered in 19/20.
Housing Capital Underspend	3.859	

Commentary against Last Projected Outturn

The most recent projected outturn for 2018/19 based on December 2018 ledgers showed an anticipated underspend on a net basis for Housing Revenue Account capital of £3.857 million (report 46/19 refers). The actual underspend of £3.859 million at the year-end shows an increase in the underspend of £0.002 million from the previously reported position.

The more significant movements which have arisen when comparing actual net expenditure to the outturns noted in report 46/19 include:

Capital Programme	Movement in Outturn £m	Commentary
New Build	(0.147)	A number of further relatively minor variance movements – primarily related additional spend on the projects noted under New Build above.
Conversion	0.048	Slower than expected progress on 2 conversion projects.
Heating Installations & Replacements	(0.169)	Better than expected numbers of completed replacements despite termination of contract.
Energy Savings	0.337	Further delay for the preparation of the complex EESH project. Overall completion still expected on time as noted above.
Kitchen Replacements	(0.106)	Better than expected numbers of completed replacements in the last quarter of the year.