

**ANGUS COUNCIL**

**POLICY & RESOURCES COMMITTEE – 24 OCTOBER 2023**

**CAPITAL MONITORING – GENERAL FUND CAPITAL PROGRAMME – 2023/24**

**REPORT BY THE DIRECTOR OF FINANCE**

**ABSTRACT**

This report appries members of the capital expenditure incurred for the period from 1 April 2023 to 31 August 2023 and measures projected capital expenditure for the year against budgeted provision.

**1. RECOMMENDATION**

- 1.1 It is recommended that the committee reviews and scrutinises the expenditure to date and projected outturn position on the General Fund capital programme as per Tables 1 and 2 below and the accompanying capital monitoring statement (**Appendix 1**).

**2. ALIGNMENT TO COUNCIL PLAN**

- 2.1 The projects undertaken through the General Fund capital programme reflect the council's corporate priorities and contribute as a whole to the local outcomes contained within the Council Plan.

**3. BACKGROUND**

- 3.1 The responsibilities of chief officers with regard to capital monitoring are set out in Section 7 of the council's Financial Regulations. This report seeks to ensure that budgetary control is exercised in line with those regulations through the early identification of variances and the appropriate actions for dealing with these.

- 3.2 Where the possibility of significant expenditure slippage arises, the Director of Finance must ensure that an assessment of the relevant programme is carried out and must consider what resultant action needs to be taken. Accordingly, it is important that Directors identify and notify significant potential under and over spends to the Director of Finance at the earliest opportunity.

- 3.3 Report [226/23](#) approved the 2023/24 Final Capital Budget Volume, detailing the updated 2022/2027 Capital Plan which includes the capital monitoring budget for 2023/24. The 2023/24 gross and net budgets detailed in Tables 1 and 2 below, and **Appendix 1**, are the budgets against which services must monitor their spend for the remainder of the financial year.

**4. CURRENT POSITION**

- 4.1 Tables 1 and 2 below summarise the current position on the overall general fund capital programme for 2023/24 as at 31 August 2023 on a gross and net (after the deduction of funding contributions) basis respectively. **Appendix 1** gives further detail in respect of the 2023/24 position of all capital projects. It may be noted that a line for ANGUSalive has been included in both tables as projects relating to buildings and other physical assets occupied / used by ANGUSalive are separately identified within the capital programme. Angus Council continues however to own, replace, upgrade and maintain these assets.

**Table 1 – GROSS Capital Expenditure**

Programme	Gross Budget £000	Actual To 31 August 2023 £000	Actual Against Budget %	Latest Year End Estimate £000	Projected Under / (Over) Spend £000
Finance	0	0	0.0	0	0
Vibrant Communities & Sustainable Growth:					
– Economic Development	934	31	3.3	911	23
– Planning & Sustainable Growth	456	0	0.0	456	0
Infrastructure & Environment:					
– Assets	1,299	280	21.6	1,299	0
– Environmental Services	4,355	1,690	38.8	4,339	16
– Roads & Transportation	18,164	3,274	18.0	18,164	0
Education & Lifelong Learning	13,772	2,470	17.9	13,735	37
Information Technology	973	280	28.8	973	0
Angus Health & Social Care Partnership	361	272	75.3	411	(50)
ANGUSalve	2,121	201	9.5	2,121	0
Tay Cities Deal	1,000	54	5.4	1,000	0
<b>Net Total</b>	<b>43,435</b>	<b>8,552</b>	<b>19.7</b>	<b>43,409</b>	<b>26</b>

**Table 2 – NET Capital Expenditure**

Programme	Net Budget £000	Actual To 31 August 2023 £000	Actual Against Budget %	Latest Year End Estimate £000	Projected Under / (Over) Spend £000
Finance	0	0	0.0	0	0
Vibrant Communities & Sustainable Growth:					
– Economic Development	369	31	8.4	346	23
– Planning & Sustainable Growth	0	0	0.0	0	0
Infrastructure & Environment:					
– Assets	1,079	280	25.9	1,079	0
– Environmental Services	4,138	1,613	39.0	4,069	69
– Roads & Transportation	9,068	3,274	36.1	9,068	0
Education & Lifelong Learning	12,834	2,314	18.0	12,778	56
Information Technology	973	280	28.8	973	0
Angus Health & Social Care Partnership	100	272	272.0	100	0
ANGUSalve	218	0	0.0	218	0
Tay Cities Deal	-175	54	-30.9	-175	0
<b>Net Total</b>	<b>28,604</b>	<b>8,118</b>	<b>28.4</b>	<b>28,456</b>	<b>148</b>

- 4.2 A small number of projects detailed on **Appendix 1** are classified as non-enhancing expenditure. This may be because the expenditure (for accounting purposes) is revenue in nature, or is capital expenditure on a third party's asset, and therefore must be transferred back to revenue at the year end. These projects are not included within the summaries of gross and net capital expenditure detailed in **Appendix 1** (page 1) or within Tables 1 and 2, above, but will continue to be monitored through the capital monitoring process.
- 4.3 With five months (41.67 per cent) of the financial year gone the actual spend levels presented in Tables 1 and 2 are low, at 19.7 per cent on a gross basis and 28.4 per cent on a net basis respectively.
- 4.4 Up to 10 per cent of annual capital spend can come through as accruals at the year end. The value of work completed up to 31 March 2024 will be assessed as part of the year end process and expenditure accrued accordingly, hence the reason why spend can increase significantly in the final month of the year. It should also be noted that work is ongoing on a number of significant projects for which no payment has yet been made by virtue of the phasing of such projects. For information purposes, the 2022/23 actual spend outturn was 74.7 per cent (gross) and 73.3 per cent (net).
- 4.5 The projected net expenditure of £28.456 million (reflected in Table 2) will be indicatively funded from the sources detailed in Table 3 below (the monitoring budget figures are presented for information purposes):

**Table 3 – Funding**

Expenditure / Funding Source	Monitoring Budget £000	Latest Projection £000	Variance £000
Projected net expenditure	28,604	28,456	148
Borrowing	17,825	17,677	148
General capital grant (balance)	9,929	9,929	-
CFCR (Balance of Special Repayments)	600	600	-
Corporate capital receipts from sale of assets	250	250	-
Total funding	28,604	28,456	148

## 5. COMMENTARY ON SIGNIFICANT MONITORING ISSUES

- 5.1 The following table(s) detail those services which are currently anticipating significant under or overspends of overall gross expenditure. Only the main areas making up each overall variance have been highlighted, along with a brief commentary on the reasons for that variance.
- 5.2 Individual variances of lesser value are reflected in the 'Other Minor Variances' line (where applicable). While these individual variances may actually total a significant level, particularly for the bigger capital programmes, no specific commentary has been provided. If members require specific detail on individual projects beyond the summary position presented in this report, they should contact the relevant Director.

### 5.3 Table 4 – Angus Health & Social Care Partnership

Project Nos.	Project	Gross Under/ (Over)spend £000	Commentary
101	Analogue to Digital Community Alarm	(50)	Later years spend brought forward to 2023/24, fully funded by AHSCP revenue reserves.
	Other Minor Variances	0	
	<b>Gross Under / (Over)spend</b>	<b>(50)</b>	

## 6. HOUSING CAPITAL MONITORING

- 6.1 Table 5 below sets out for information purposes, a summary of the position on the Housing Revenue Account (HRA) capital monitoring which was last reported to the Communities Committee of 26 September 2023 ( report 260/23 refers).

**Table 5 – Housing Capital Programme**

Expenditure / Funding Source	<i>Monitoring Budget</i> £000	<b>Latest Projection</b> £000	Variance £000
Projected net expenditure	11,937	<b>11,937</b>	-
Borrowing (including Survive & Thrive)	6,119	<b>6,119</b>	-
Capital receipts	234	<b>234</b>	-
Capital Funded from Current Revenue	4,284	<b>4,284</b>	-
Affordable Housing Reserve	500	<b>500</b>	-
Transfer from Earmarked Reserves	800	<b>800</b>	-
Total funding	11,937	<b>11,937</b>	-

## 7. CAPITAL PROJECTS MONITORING GROUP

- 7.1 The first Capital Projects Monitoring Group (CPMG) meeting of the 2023/24 financial year took place on 10 August 2023, when the Group considered and made recommendations regarding the updated 2022/2027 Capital Plan and proposed 2023/24 capital monitoring budget.
- 7.2 The next meeting of the CPMG took take place on 12 October 2023, where expenditure to 31 August 2023, projected outturns and any necessary remedial action was discussed. Should members wish to see the full minute of CPMG meetings, these are available from the Democratic & Members Services section of Legal & Democratic Services.

## 8. FINANCIAL IMPLICATIONS

- 8.1 The financial implications for the council arising from this report are as detailed in the body of the report. Any future variances of projected spend against available budget will be subject to ongoing review and the need for corrective action will be raised with the appropriate Director where considered appropriate.

## 9. EQUALITY IMPACT ASSESSMENT

- 9.1 An equality Impact Assessment is not required as this is a noting report and does not have any impact on individuals.

**IAN LORIMER**  
**DIRECTOR OF FINANCE**

**NOTE:** 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 this Report.

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List of Appendices: Appendix 1 – Capital Monitoring Statement