

**For General Release**

**Meeting:**      **Overview & Scrutiny Organisation Committee**  
Policy & Resources

**Date:**        **19 July 2004**  
23 June 2004

**Report of:**    **Director of Finance & Property**

**Subject:**      **Capital Monitoring and Provisional Outturn 2003/04**

**1. Purpose of the report**

1.1 The purpose of this report is to inform Members of the provisional capital outturn for the year ending 31 March 2004, to highlight significant project variations and the funding of these variations.

**2. Recommendations**

2.1 Members are asked to:

2.1.1. Note the provisional 2003/04 capital outturn of £54,923,238;

2.1.2. Approve the budget adjustments and changes in the level of resources as set out in Appendix 1 to this report;

2.1.3. Approve new schemes totalling £1.193 million as shown in Appendix 1;

2.1.4. Note total project variations of £749,850 and the funding of these variations, as explained in further detail at Appendix 3;

2.1.5. Note the net level of capital slippage totalling £2.618 million, which is 4.55% of the latest approved capital programme;

2.1.6. Note the comments by Directors relating to the impact on service delivery resulting from capital slippage as shown in Appendix 2;

2.1.7. Approve the carry forward of the 2003/04 capital slippage (£2.618m) into the 2004/05 capital programme, to meet the council's continuing capital commitments on these projects;

2.1.8. Note that no resources have been lost as a result of capital slippage.

### 3. Information/background

#### Capital Budget 2003/04

- 3.1 On 3 March 2004, Policy & Resources Committee considered a monitoring report on the capital investment programme for the period ending 31 December 2003 and agreed a revised capital budget of £56.633 million.
- 3.2 The table below shows the summary of the changes to the capital budget for 2003/04

	£'000
Capital budget at 31 December 2003	56,633
New scheme approvals (Appendix 1)	1,193
Changes in levels of resources (Appendix 1)	(78)
Changes in levels of scheme specific resources (Appendix 1)	(207)
Total revised budget at 31 March 2004	57,541

Some completed projects are funded from scheme specific resources which are not available for redistribution to other projects within the council's capital programme.

#### Projected Outturn

- 3.3 The provisional capital outturn for 2003/04 totals £54.923 million.
- 3.4 Directorates have also forecast net slippage of £2.618 million. This represents 2003/04 resources which have not been spent by 31 March 2004 but which are still available for use in meeting the council's capital commitments in future years.

### 4. Further information

#### Capital Slippage

- 4.1 Slippage amounts to £2.618 million, which is 4.55% of the latest approved capital programme, compared with 7.28% in 2002/03. The target slippage agreed within the capital strategy is 5% or less.

4.2 The following table identifies the level of slippage against the budget per quarter during this and the previous year

	<b>2002/2003 Estimated Slippage £'000</b>	<b>2002/2003 % of Budget</b>	<b>2003/04 Estimated Slippage £'000</b>	<b>2003/04 % of Budget</b>
Quarter 1	760	1.89	856	1.46
Quarter 2	940	2.09	1,102	1.89
Quarter 3	510	1.16	2,076	3.67
Quarter 4	3,350	7.28	2,618	4.55

4.3 No capital resources have been lost as a result of the 2003/04 capital slippage.

4.4 Explanations of the reasons for slippage and the impact on service delivery have been supplied by service directorates and are included at Appendix 2 of this report.

#### **Project Variations**

4.5 The total programme spend exceeds the revised 2003/04 budget by £749,850. These project variations represent spend on schemes in 2003/04 using resources brought forward from 2004/05.

4.6 All projects have sufficient resources in 2004/05 to fund the 2003/04 variations. Explanation by departments on these net project variations and the funding of projected overspends in excess of £25,000 are included at Appendix 3.

#### **5. Consultation**

5.1 This report was prepared using information provided by directorates.

<b>Meeting/Date</b>	Policy and Resources Committee	23 June 2004
<b>Report of</b>	Acting Director of Finance & Property	
<b>Subject</b>	Capital Monitoring – period ending 31 March 2004	
<b>Wards affected</b>	All	

**Financial implications**

These are addressed in the main body of this report.

*Finance Officer consulted: Peter Wright*

**Legal implications**

The proposals in the report comply with local government law on capital financing. There are no Human Rights Act implications.

**Corporate/Citywide implications**

None

**Risk assessment**

There has been no risk assessment for this report.

**Sustainability implications**

There are no direct environmental implications arising from this report. However, it is believed that the reputation of the Council's financial framework and its ability to demonstrate sound budgetary control, could have an impact on the willingness of other funding partners to invest in and with the Council. This could invariably affect the level of inward investment in respect of environmental projects.

**Equalities implications**

There are no direct equalities implications arising from this report although reductions in expenditure may reduce opportunities in employment from disadvantaged groups. As previously stated if the reputation of the Council's financial framework is good, then more opportunities for partnership working, particularly targeting specific areas may be created.

**Implications for the prevention of crime and disorder**

There are no implications for the prevention of crime and disorder arising from this report.

**Background papers**

Information provided by directorates. Data provided from the council's General Ledger system. Files held within Corporate Finance and Strategic Finance, Corporate Services.

**Contact Officer**

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