
Report To:	Policy & Resources Committee	Date:	19 September 2017
Report By:	Chief Financial Officer	Report No:	FIN/72/17/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2017/20 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2017/20 Capital Programme.

2.0 SUMMARY

- 2.1 On February 16 2017 the Council approved the 2017/20 Capital Programme. The Capital Programme reflects the confirmed 2017/18 capital grant plus an estimate of capital grants for the period 2018/20 and includes the return of £1.4m re-profiled by the Government in 2016/17 which is in addition to the core annual core allocations.
- 2.2 In order to fund increased investment in a number of areas it was agreed to overprovide by 5% against available (non SEMP) resources in recognition of potential increase in resources or cost reductions in the future. As a result the Capital Programme is reporting a deficit of £2.254m which represents 4.5% of the 2017/20 resources.
- 2.3 It can be seen from Appendix 2 that as at 31 July 2017 expenditure in 2017/18 was 14.02% of projected spend. Phasing and project spend has been reviewed by the budget holders and the relevant Corporate Director.
- 2.4 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. Overall committees are projecting to outturn on budget. In the current year net advancement of 4.61% is currently being reported. This is mainly due to advancement within the Roads Asset Management Strategy (£1.121m) and Vehicle Replacement Programme (£0.799m) partially offset by slippage within Flooding Strategy (£0.4m) and King George VI Building Refurbishment (£0.4m).

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2017/20 Capital Programme.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 On February 16 2017 the Council approved the 2017/20 Capital Programme. The approved Capital Programme reflects the confirmed 2017/18 capital grant plus an estimate of capital grants for the period 2018/20 and includes the return of £1.4m re-profiled by the Government in 2016/17 which is in addition to the core annual core allocations.
- 4.2 Overprovision of projects against estimated (non SEMP) resources of 5% has been made to allow for increased resources and/or cost reductions. This overprovision as well as the removal of unspent prior year budgets from 3 recurring budgets, ICT, Scheme of Assistance and Zero Waste Fund, has allowed for investment in Roads Assets, expansion of Cemetery provision, Open Spaces and a match funding allowance for an Indoor Sports Facility (Tennis) with further Revenue (CFCR) funding approved for Town and Village Centre Regeneration.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2017/20 period the Capital Programme is reporting a £2.254m deficit. This is within the 5% overprovision.
- 5.2 The position in respect of individual Committees is as follows:

Health & Social Care

No slippage is being reported with spend being 21.4% of projected spend for the year.

Environment & Regeneration

Net advancement of £1.487m (11.35%) is being reported with spend being 16.1% of projected spend for the year. The advancement is projected mainly within the Roads Asset Management Strategy (£1.121m), Vehicle Replacement Programme (£0.799m) and Asset Management Plan (Offices) (£.254m), offset by slippage within Flooding Strategy (£0.4m) and King George VI Refurbishment (£0.4m).

Education & Communities

No slippage is being reported with spend being 11.2% of projected spend for the year.

Policy & Resources

No slippage is being reported with spend being 29.1% of projected spend.

- 5.3 Overall in 2017/18 expenditure is 14.02% of the projected spend for the year and project advancement from the programme agreed in February 2017 is currently £1.487 million (4.61%).

6.0 CONSULTATION

- 6.1 This report reflects the detail reported to Service Committees.

7.0 IMPLICATIONS

Finance

- 7.1 Financial Implications

All financial implications are shown in detail within the report and in Appendices 1 & 2.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
N/A					

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (if Applicable)	Other Comments
N/A					

Legal

7.2 There are no legal implications.

Human Resources

7.3 There are no direct staffing implications in respect of this report and as such the Head of Organisational Development, HR & Communications has not been consulted.

Equalities

7.4 The report has no impact on the Council's Equalities policy.

Repopulation

7.5 The Council's continuing significant capital investment levels will have a positive impact on regeneration, job creation and hence repopulation.

8.0 BACKGROUND PAPERS

8.1 None.

Capital Programme - 2017/18 - 2019/20Available Resources

	A	B	C	D	E
	2017/18	2018/19	2019/20	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	9,560	8,700	8,700	-	26,960
Less: Allocation to School Estate	(4,300)	(4,300)	(4,300)	-	(12,900)
Capital Receipts (Note 1)	435	134	336	-	905
Capital Grants (Note 2)	791	-	-	-	791
Prudential Funded Projects (Note 3)	18,516	6,758	2,531	-	27,805
Balance B/F From 16/17 (Exc School Estate)	(1,484)	-	-	-	(1,484)
Capital Funded from Current Revenue	2,307	4,789	406	-	7,502
	<u>25,825</u>	<u>16,081</u>	<u>7,673</u>	<u>-</u>	<u>49,579</u>

Overall Position 2017/21

Available Resources (Appendix 1, Column E)	<u>£000</u>
Projection (Appendix 2, Column B-E)	49,579
(Shortfall)/Under Utilisation of Resources	<u>51,833</u>
	<u>(2,254)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2017/18	2018/19	2019/20	Future	Total
	£000	£000	£000	£000	£000
Sales	385	134	336	-	855
Contributions/Recoveries	50	-	-	-	50
	<u>435</u>	<u>134</u>	<u>336</u>	<u>-</u>	<u>905</u>

Note 2 (Capital Grants)

	2017/18	2018/19	2019/20	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	109	-	-	-	109
SPT	529	-	-	-	529
Historic Scotland	65	-	-	-	65
Big Lottery Fund	88	-	-	-	88
	<u>791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>791</u>

Notes to Appendix 1Note 3 (Prudentially Funded Projects)

	<u>2017/18</u>	<u>2018/19</u>	<u>2019/20</u>	<u>Future</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Additional ICT - Education Whiteboard & PC Refresh	42	30	-	-	72
Vehicle Replacement Programme	1,315	847	1,106	-	3,268
Greenock Parking Strategy	(2)	-	-	-	(2)
Asset Management Plan - Offices	1,311	151	-	-	1,462
Asset Management Plan - Depots	1,052	1,946	-	-	2,998
Capital Works on Former Tied Houses	78	195	300	-	573
Waterfront Leisure Complex Combined Heat and Power Plant	75	-	-	-	75
Leisure & Pitches Strategy	23	-	-	-	23
Broomhill Community Facility	500	-	-	-	500
CCTV	321	-	-	-	321
Clune Park Regeneration	-	-	1,000	-	1,000
Neil Street Childrens Home Replacement	841	81	-	-	922
Crosshill Childrens Home Replacement	760	750	125	-	1,635
Modernisation Fund	27	40	-	-	67
Watt Complex Refurbishment	986	693	-	-	1,679
Roads Asset Management Plan	5,377	2,025	-	-	7,402
Surplus Prudential Borrowing due to project savings	60	-	-	-	60
Reduction in Prudential Borrowing, ICT Annual allocation	(150)	-	-	-	(150)
Additional Prudential Borrowing to Support annual allocations	1,400	-	-	-	1,400
Additional Prudential Borrowing to allow return of Reserves	4,500	-	-	-	4,500
	<u>18,516</u>	<u>6,758</u>	<u>2,531</u>	<u>-</u>	<u>27,805</u>

Capital Programme - 2017/18 - 2019/20Agreed Projects

Committee	A Prior Years £000	B 2017/18 £000	C 2018/19 £000	D 2019/20 £000	E Future £000	F Total £000	G Approved Budget £000	H (Under)/ Over £000	I 2017/18 Spend To 31/07/17 £000
Policy & Resources	1,361	285	633	363	-	2,642	2,642	-	83
Environment & Regeneration	45,051	14,583	17,752	7,976	-	85,362	85,362	-	2,355
Education & Communities (Exc School Estate)	1,137	3,532	1,778	1,900	418	8,765	8,765	-	724
CHCP	1,116	1,657	831	125	-	3,729	3,729	-	355
Sub -Total	48,665	20,057	20,994	10,364	418	100,498	100,498	-	3,517
School Estate (Note 1)	3,099	13,654	17,815	4,767	160	39,495	39,495	-	1,208
Total	51,764	33,711	38,809	15,131	578	139,993	139,993	-	4,725

Note 1Summarised SEMP Capital Position - 2017/20

	2017/18	2018/19	2019/20	Future
Capital Allocation	4,300	4,300	4,300	-
Scottish Government School Grant (estimate)	384			-
Surplus b/fwd	10,749	15,479	1,964	1,497
Prudential Borrowing	11,300	-	-	-
Available Funding	<u>26,733</u>	<u>19,779</u>	<u>6,264</u>	<u>1,497</u>
<u>Projects</u>	<u>11,254</u>	<u>17,815</u>	<u>4,767</u>	<u>160</u>
Total	<u>11,254</u>	<u>17,815</u>	<u>4,767</u>	<u>160</u>
Surplus c/fwd	15,479	1,964	1,497	1,337