
Report To:	Policy & Resources Committee	Date:	14 November 2017
Report By:	Chief Financial Officer	Report No:	FIN/94/17/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 which includes the return of £1.4m re-profiled by the Government in 2016/17 and 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 30 September 2017 expenditure in 2017/18 was 25% 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 13% is currently being reported. This is mainly due to advancement within the School Estate (£4m), Roads Asset Management Strategy (£1.121m) and Vehicle Replacement Programme (£0.599m) partially offset by slippage within Flooding Strategy (£0.35m), King George VI Refurbishment (£0.46m), Watt Complex (£0.306m) and Crosshill Children's Home (£0.610m).
- 2.5 Whilst the level of advancement of 13.0% exceeds the 10% upper figure recommended by officers, it is recommended by officers that the projects continue as planned given the potential slippage over winter months.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the current position of the 2017/20 Capital Programme and confirm that projects should continue as planned despite the increase in advancement.

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 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual 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

Slippage of £0.610m (36.8%) is being reported with spend being 49.6% of projected spend for the year. The slippage is within the Crosshill Children's Home replacement.

Environment & Regeneration

Net advancement of £1.083m (8.3%) is being reported with spend being 26.5% of projected spend for the year. The advancement is projected mainly within the Roads Asset Management Strategy (£1.121m), Vehicle Replacement Programme (£0.599m) and Asset Management Plan (Offices) (£0.254m), offset by slippage within Flooding Strategy (£0.35m) and King George VI Refurbishment (£0.46m).

Education & Communities

Net advancement of £3.694m (21.5%) is being reported with spend being 22.6% of projected spend for the year. Advancement within the School Estate of £4m, mainly St Ninians (£1.9m), Moorfoot (£1.2m) and Greenock West Early Years Facility (£0.85m) is partly offset by slippage in the Watt Complex refurbishment of £0.306m. The significant advancement is based on cost plans submitted by contractors.

Policy & Resources

No slippage is being reported with spend being 32.6% of projected spend.

- 5.3 Overall in 2017/18 expenditure is 25.0% of the projected spend for the year and project advancement from the programme agreed in February 2017 is currently £4.197 million (13.0%).
- 5.4 Whilst the level of advancement of 13.0% exceeds the 10% upper figure recommended by officers, it is recommended by officers that the projects continue as planned given the potential slippage over winter months.

6.0 CONSULTATION

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

7.0 IMPLICATIONS

Finance

7.1 Financial Implications

Any financial implications arising from the increased advancement will be contained in either the Loans charges or SEMP Funding Models.

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)	17,302	7,943	2,560	-	27,805
Balance B/F From 16/17 (Exc School Estate)	(1,484)	-	-	-	(1,484)
Capital Funded from Current Revenue	2,337	4,803	356	-	7,496
	<u>24,641</u>	<u>17,280</u>	<u>7,652</u>	<u>-</u>	<u>49,573</u>

Overall Position 2017/20

Available Resources (Appendix 1, Column E)	<u>£000</u>
Projection (Appendix 2, Column B-E)	49,573
(Shortfall)/Under Utilisation of Resources	<u>51,827</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)

	2017/18	2018/19	2019/20	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	42	30	-	-	72
Vehicle Replacement Programme	1,115	1,047	1,106	-	3,268
Greenock Parking Strategy	(2)	-	-	-	(2)
Asset Management Plan - Offices	1,311	151	-	-	1,462
Asset Management Plan - Depots	924	2,074	-	-	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	150	1,360	125	-	1,635
Modernisation Fund	57	10	-	-	67
Watt Complex Refurbishment	680	970	29	-	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>17,302</u>	<u>7,943</u>	<u>2,560</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 30/09/17 £000
Policy & Resources	306	315	603	363	-	1,587	1,587	-	93
Environment & Regeneration	45,051	14,179	18,156	7,976	-	85,362	85,362	-	3,751
Education & Communities (Exc School Estate)	1,137	3,256	2,069	1,929	368	8,759	8,759	-	918
HSCP	1,116	1,047	1,441	125	-	3,729	3,729	-	519
Sub -Total	47,610	18,797	22,269	10,393	368	99,437	99,437	-	5,281
School Estate (Note 1)	3,099	17,654	13,815	4,767	160	39,495	39,495	-	3,813
Total	50,709	36,451	36,084	15,160	528	138,932	138,932	-	9,094

Note 1Summarised SEMP Capital Position - 2017/21

	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	9,079	(436)	(903)
Prudential Borrowing	11,300	-	-	-
Available Funding	<u>26,733</u>	<u>13,379</u>	<u>3,864</u>	<u>(903)</u>
<u>Projects</u>	<u>17,654</u>	<u>13,815</u>	<u>4,767</u>	<u>160</u>
Total	<u>17,654</u>	<u>13,815</u>	<u>4,767</u>	<u>160</u>
Surplus c/fwd	9,079	(436)	(903)	(1,063)