
Report To:	Policy & Resources Committee	Date:	22 May 2018
Report By:	Chief Financial Officer	Report No:	FIN/59/18/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2017/21 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2017/21 Capital Programme.

2.0 SUMMARY

- 2.1 On March 15 2018 the Council approved the 2018/21 Capital Programme which built on the previously approved 2017/20 Capital Programme.
- 2.2 The Capital Programme reflects the confirmed 2018/19 capital grant plus an estimate of capital grants for the period 2019/21 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual allocations.
- 2.3 In order to fund increased investment in a number of areas it was agreed to overprovide by up to 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 £2.197m which represents 3.92% of the 2017/21 resources.
- 2.4 It can be seen from Appendix 2 that as at 31 March 2018 expenditure in 2017/18 was 93.82% of projected spend, expenditure still to be accrued will make up the balance of the projected spend.
- 2.5 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 slippage of 1.28% is currently being reported, a decrease in slippage of 3.23% (£1.084m) since the previous Committee. This is mainly due to advancement within the School Estates Management Plan (£1.780m), offset by further slippage in the Vehicle Replacement Programme (£0.397m), New Community Facility Broomhill (£0.158m), Watt Complex refurbishment (£0.055m) and other Environmental and Regeneration projects (£0.070m).
- 2.6 A detailed report on the 2017/18 Capital out-turn will be reported to the next meeting of the Committee.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the current position of the 2017/21 Capital Programme and that a report on the 2017/18 out-turn will be presented to the next meeting of the Committee.

4.0 BACKGROUND

- 4.1 On March 15 2018 the Council approved the 2018/21 Capital Programme which built upon the previously approved 2017/20 Capital Programme to 2017/21.
- 4.2 The approved Capital Programme reflects the confirmed 2018/19 capital grant plus an estimate of capital grants for the period 2019/21 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual allocations.
- 4.3 Over provision of projects against estimated (non SEMP) resources of up to 5% has been made to allow for increased resources and/or cost reductions. This overprovision as well as other approved savings and extra resources has allowed for investment in Inverclyde Leisure spend to save investments at Lady Octavia and Boglestone Community Centres, work at Kirn Drive and a match funding allowance for an Indoor Sports Facility (Tennis).

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2017/21 period the Capital Programme is reporting a £2.197m deficit. This is considered to be within an acceptable level of up to 5% over provision.
- 5.2 The position in respect of individual Committees for 2017/18 is as follows:

Health & Social Care

Net slippage of £0.720m (42.28%) is being reported with spend of £0.983m for the year. The slippage is due to the revised phasing of the Crosshill Children's Home Replacement.

Environment & Regeneration

Net slippage of £1.965m (15.00%) is being reported with spend of £11.131m for the year. The slippage is projected mainly within the Flooding strategy (£1.039m), Bakers Brae Re-alignment (£0.804m), District Court Room restoration (£0.371m), King George the VI refurbishment (£0.460m) and Asset Management plan (£0.417m), offset by advancement within the RAMP (£1.113m).

Education & Communities

Net advancement of £2.251m (13.08%) is being reported with spend of £19.467m for the year. The advancement is mainly due to the revised phasing of various projects within the School Estates Management Plan (£3.729m), offset by slippage in the Watt Complex (£0.541m), the New Broomhill Community Facility (£0.158m), the Scheme of Assistance (£0.164m), Birkmyre Park pitch improvements (£0.246m) and in Public Space CCTV (£0.321m).

Policy & Resources

Net advancement of £0.020m (7.81%) is being reported with spend of £0.276m for the year. The advancement is mainly within the Modernisation Fund (£0.022m).

- 5.3 Overall in 2017/18 expenditure is 93.82% of projected spend, expenditure still to be accrued will make up the balance of the projected spend of £31.857million. Projected slippage from the programme agreed in February 2017 is £0.414million (1.28%).

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 - 2019/21Available Resources

	A	B	C	D	E
	2017/18	2018/19	2019/20	2020/21	Total
	£000	£000	£000	£000	£000
Government Capital Support	9,560	8,282	9,500	8,500	35,842
Less: Allocation to School Estate	(4,300)	(4,300)	(4,300)	(3,000)	(15,900)
Capital Receipts (Note 1)	435	134	336	543	1,448
Capital Grants (Note 2)	791	1,708	-	-	2,499
Prudential Funded Projects (Note 3)	14,411	6,542	6,732	1,633	29,318
Balance B/F From 16/17 (Exc School Estate)	(1,700)	-	-	-	(1,700)
Capital Funded from Current Revenue	7,316	4,489	356	406	12,567
	<u>26,513</u>	<u>16,855</u>	<u>12,624</u>	<u>8,082</u>	<u>64,074</u>

Overall Position 2017/21

Available Resources (Appendix 1, Column E)	<u>£000</u>	
Projection (Appendix 2, Column B-E)	64,074	
(Shortfall)/Under Utilisation of Resources	<u>(2,197)</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	543	1,398
Contributions/Recoveries	50	-	-	-	50
	<u>435</u>	<u>134</u>	<u>336</u>	<u>543</u>	<u>1,448</u>

Note 2 (Capital Grants)

	2017/18	2018/19	2019/20	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	109	108	-	-	217
SPT	529	1,600	-	-	2,129
Historic Scotland	65	-	-	-	65
Big Lottery Fund	88	-	-	-	88
	<u>791</u>	<u>1,708</u>	<u>-</u>	<u>-</u>	<u>2,499</u>

Notes to Appendix 1

<u>Note 3 (Prudentially Funded Projects)</u>	<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	475	1,256	1,537	1,633	4,901
Greenock Parking Strategy	(2)	-	-	-	(2)
Asset Management Plan - Offices	1,410	33	19	-	1,462
Asset Management Plan - Depots	-	1,573	1,425	-	2,998
Capital Works on Former Tied Houses	78	50	445	-	573
Waterfront Leisure Complex Combined Heat and Power Plant	75	-	-	-	75
Leisure & Pitches Strategy	23	-	-	-	23
Broomhill Community Facility	500	-	-	-	500
CCTV	-	201	-	-	201
Clune Park Regeneration	-	-	1,000	-	1,000
Neil Street Childrens Home Replacement	849	73	-	-	922
Crosshill Childrens Home Replacement	(157)	1,075	717	-	1,635
Modernisation Fund	49	(38)	56	-	67
Watt Complex Refurbishment	445	905	329	-	1,679
Roads Asset Management Plan	4,814	1,384	1,204	-	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>14,411</u>	<u>6,542</u>	<u>6,732</u>	<u>1,633</u>	<u>29,318</u>

Capital Programme - 2017/18 - 2019/21Agreed 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 31/03/18 £000
Policy & Resources	306	276	405	569	363	1,919	1,919	-	231
Environment & Regeneration	45,051	11,131	13,632	17,546	8,945	96,305	96,305	-	10,229
Education & Communities (Exc School Estate)	1,137	2,084	2,672	4,024	1,733	11,650	11,650	-	1,906
HSCP	1,116	983	1,191	717	-	4,007	4,007	-	983
Sub -Total	47,610	14,474	17,900	22,856	11,041	113,881	113,881	-	13,349
School Estate (Note 1)	3,099	17,383	9,813	9,040	2,190	41,525	41,525	-	16,539
Total	50,709	31,857	27,713	31,896	13,231	155,406	155,406	-	29,888

Note 1Summarised SEMP Capital Position - 2017/21

	2017/18	2018/19	2019/20	2020/21
Capital Allocation	4,300	4,300	4,300	3,000
Scottish Government School Grant (estimate)	384			-
Surplus b/fwd	10,749	9,350	3,837	(903)
Prudential Borrowing	11,300	-	-	-
Available Funding	<u>26,733</u>	<u>13,650</u>	<u>8,137</u>	<u>2,097</u>
<u>Projects</u>	<u>17,383</u>	<u>9,813</u>	<u>9,040</u>	<u>2,190</u>
Total	<u>17,383</u>	<u>9,813</u>	<u>9,040</u>	<u>2,190</u>
Surplus c/fwd	9,350	3,837	(903)	(93)