
Report To:	Policy & Resources Committee	Date:	21 May 2019
Report By:	Chief Financial Officer	Report No:	FIN/54/19/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2018/23 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2018/23 Capital Programme.

2.0 SUMMARY

- 2.1 On March 21 2019 the Council approved the 2019/23 Capital Programme.
- 2.2 The Capital Programme reflects the confirmed 2019/20 capital grant plus an estimate of capital grants for the period 2020/23. The 2019/20 grant includes the return of £1.4m re-profiled by the Government in 2016/17 which is in addition to the core annual allocations.
- 2.3 An over provision of projects against estimated resources of up to 5% is considered acceptable to allow for increased resources and/or cost reductions. As a result the Capital Programme is reporting a deficit of £2.437m which represents 3.09% of the 2018/23 resources.
- 2.4 It can be seen from Appendix 2 that as at 31 March 2019 expenditure in 2018/19 was 88.68% of projected spend, expenditure still to be accrued will make up the balance of projected spend. A detailed report on the 2018/19 Capital out-turn will be reported to the next meeting of the Committee.
- 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 1.06% is currently being reported, a decrease from the 5.93% net slippage previously reported. This is due to slippage in Health & Social Care (£0.582m), Environment and Regeneration (£0.119m) and School Estates (£0.359m) offset by advancement in Education and Lifelong Learning (Excluding School Estate) (£0.765m).
- 2.6 It should be noted that where available the projected outturn has been updated to reflect actual spend resulting in some cases in an improved position to that reported to the individual Service Committees which in turn has contributed to the reduced slippage position.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee notes the current position of the 2018/23 Capital Programme and that a report on the 2018/19 out-turn will be presented to the next meeting of the Committee.

4.0 BACKGROUND

- 4.1 On March 21 2019 the Council approved a 4 year 2019/23 Capital Programme which built upon the previously approved 2018/21 Capital Programme and takes the Capital Programme up to the end of the current Council Administration.
- 4.2 The Capital Programme reflects the confirmed 2019/20 capital grant plus an estimate of capital grants for the period 2020/23. The 2019/20 grant includes the return of £1.4m re-profiled by the Government in 2016/17 which is in addition to the core annual allocations.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2018/23 period the Capital Programme is reporting a £2.437m deficit. This is within an acceptable level of up to 5% over provision.
- 5.2 The position in respect of individual Committees for 2018/19 is below. It should be noted that the figures have been updated to reflect actual spend where available resulting in some cases in an improved position to that reported to the individual Service Committees:

Health & Social Care

Net slippage of £0.582m (42.67%) is being reported with spend of £0.782m for the year. Slippage is projected within Crosshill Children's Home Replacement due to delays experienced and projected cost reductions.

Environment & Regeneration

Net slippage of £0.119m (0.82%) is being reported with spend of £14.423m for the year. Slippage is projected mainly within Pottery Street (£0.394m), SPT (£0.335m), Flooding (£0.611m), King George VI refurbishment (£0.246m) and other minor slippages on various budgets across the Property Services annual allocations offset by advancement within Clune Park (£0.431m), Bakers Brae realignment (£0.204m), minor works (£0.168m), statutory duty works (£0.140m), vehicle wash installation (£0.07m) and Town and Village Centres (£0.440m).

Education & Communities

Net advancement of £0.406m (3.50%) is being reported with spend of £11.995m for the year. The advancement is mainly due to the Inverclyde Leisure projects at Lady Octavia Sports Centre (0.455m) and Boglestone Community Centre (£0.115m) and Watt Complex (£0.230m) offset by slippage within the School Estates Management Plan (£0.359m) mainly due to the revised phasing of various projects.

Policy & Resources

Net slippage of £0.001m (0.20%) is being reported with spend of £0.499m for the year. Advancement within the PC Refresh and Server Replacement Programme (£0.055m) is offset by slippage within Minor Works and Whiteboard refresh (£0.045m) and the modernisation fund (£0.011m).

- 5.3 Overall in 2018/19 expenditure is 88.68% of projected spend, expenditure still to be accrued will make up the balance of the projected spend of £27.740m. Project slippage from the programme agreed in March 2018 is £0.296m (1.06%).

6.0 CONSULTATION

- 6.1 The figures in this report have been updated to reflect actual spend where available resulting in some cases in an improved position to that reported to the individual Service Committees which in turn has contributed to the reduced slippage position.

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 - 2018/19 - 2022/23Available Resources

	A	B	C	D	E	F	G
	2018/19	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000	£000
Government Capital Support	8,282	9,390	8,100	8,100	8,100	-	41,972
Capital Receipts (Note 1)	389	282	543	148	95	-	1,457
Capital Grants (Note 2)	3,526	4,263	1,500	19	-	-	9,308
Prudential Funded Projects (Note 3)	5,784	4,004	3,768	463	332	230	14,581
Balance B/F From 17/18	21,364	-	-	-	-	-	21,364
Capital Funded from Current Revenue	6,063	671	833	683	233	-	8,483
	45,408	18,610	14,744	9,413	8,760	230	97,165

Overall Position 2018/21

Available Resources (Appendix 1, Column E)	£000	97,165
Projection (Appendix 2, Column B-E)		99,602
(Shortfall)/Under Utilisation of Resources		<u>(2,437)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2018/19	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000	£000
Sales	389	247	543	148	95	-	1,422
Contributions/Recoveries	-	35	-	-	-	-	35
	389	282	543	148	95	-	1,457

Note 2 (Capital Grants)

	2018/19	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000	£000
Early Years	1,900	2,200	1,500	-	-	-	5,600
Town Centre Fund	-	660	-	-	-	-	660
Cycling, Walking & Safer Streets	108	-	-	-	-	-	108
SPT	1,275	1,110	-	-	-	-	2,385
Historic Scotland	65	260	-	-	-	-	325
Big Lottery Fund	88	-	-	-	-	-	88
Electric Vehicles	-	33	-	19	-	-	52
Grant - Branchton Play Area	90	-	-	-	-	-	90
	3,526	4,263	1,500	19	-	-	9,308

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2018/19	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	30	-	-	-	-	-	30
Vehicle Replacement Programme	1,033	1,109	1,768	403	272	-	4,585
Asset Management Plan - Offices	22	-	-	-	-	-	22
Asset Management Plan - Depots	1,115	609	1,073	-	-	-	2,797
Capital Works on Former Tied Houses	108	-	38	60	60	230	496
Waterfront Leisure Complex Combined Heat and Power Plant	4	-	-	-	-	-	4
CCTV	201	-	-	-	-	-	201
Clune Park Regeneration	431	-	569	-	-	-	1,000
Neil Street Childrens Home Replacement	111	-	-	-	-	-	111
Crosshill Childrens Home Replacement	124	1,067	275	-	-	-	1,466
Modernisation Fund	88	(45)	6	-	-	-	49
Watt Complex Refurbishment	1,133	60	39	-	-	-	1,232
Roads Asset Management Plan	1,384	1,204	-	-	-	-	2,588
	<u>5,784</u>	<u>4,004</u>	<u>3,768</u>	<u>463</u>	<u>332</u>	<u>230</u>	<u>14,581</u>

Capital Programme - 2018/19 - 2022/23Agreed Projects

Committee	A Prior Years £000	B 2018/19 £000	C 2019/20 £000	D 2020/21 £000	E 2021/22 £000	F 2022/23 £000	G Future £000	H Total £000	I Approved Budget £000	J (Under)/ Over £000	K 2018/19 Spend To 31/03/2019 £000
Policy & Resources	24	499	508	369	363	363	-	2,126	2,126	-	487
Environment & Regeneration	45,988	14,423	13,223	17,690	6,623	6,420	230	104,597	104,597	-	12,660
School Estate	19,549	9,553	10,448	6,882	2,314	2,900	-	51,646	51,646	-	8,606
Education & Communities (Exc School Estate)	2,432	2,442	997	816	280	141	-	7,108	7,108	-	2,273
HSCP	214	782	1,111	225	-	-	-	2,332	2,332	-	538
Total	68,207	27,699	26,287	25,982	9,580	9,824	230	167,809	167,809	-	24,564