
Report To:	Policy & Resources Committee	Date:	19 November 2019
Report By:	Chief Financial Officer	Report No:	FIN/106/19/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2019/23 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2019/23 Capital Programme.

2.0 SUMMARY

- 2.1 On March 21 2019 the Council approved the 2019/23 Capital Programme which built on the previously approved 2018/21 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 3.47% of the 2019/23 resources.
- 2.4 It can be seen from Appendix 2 that as at 30 September 2019 expenditure in 2019/20 was 32.5% of projected spend. Phasing and project spend has been reviewed by the budget holders and the relevant Corporate Director. 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.
- 2.5 In the current year net slippage of 9.83% is currently being reported, this is an increase of 1.55% since the last Committee. This is due to slippage within the Environment & Regeneration Committee (£0.829m) and School Estate (£1.915m) offset by minor advancement within Communities (£0.175m) and the Policy & Resources Committee (£0.094m). The Corporate Director (Environment, Regeneration & Resources) leads the Capital Programme group which is examining a number of ways in which the slippage could be reduced.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee notes the current position of the 2019/23 Capital Programme.

4.0 BACKGROUND

- 4.1 On March 21 2019 the Council approved the 2019/23 Capital Programme which built upon the previously approved 2018/21 Capital Programme.
- 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.
- 4.3 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 3.47% of the 2019/23 resources.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2019/23 period the Capital Programme is reporting a £2.437m 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 2019/20 is as follows:

Health & Social Care

No slippage is being reported with spend of £0.247m for the year to date.

Environment & Regeneration

Net slippage of £0.829m (6.55%) is being reported with spend of £3.393m for the year. Slippage is projected mainly within the Cremator replacement (£1.397m), Carriageway Glazed roof (£0.470m) and Clyde square re-roofing (£0.287m) however this is partially offset by advancement within Clune Park (£0.100m), King George VI refurbishment (£0.307m), Waterfront Lifecycle Works and Inverclyde Leisure properties (£0.355m), Inverclyde Centre for Independent Living re-roofing (£0.270m) and minor advancements on various budgets across the RAMP and Property Services annual allocations.

Education & Communities

Net slippage of £1.740m (15.81%) is being reported with spend of £3.628m for the year. The slippage being reported is in connection with the pre-construction/design stage delays experienced on the Hillend Refurbishment project and the 1140hrs projects at Larkfield and Park Farm (Rainbow) and the construction stage delays on the Gourrock Primary School extension project which have been partially offset by projected acceleration of lifecycle expenditure.

Policy & Resources

Net advancement of £0.094m (22.65%) is being reported with spend of £0.107m for the year. Advancement is being reported within the Rolling Replacement of PC's (£0.077m) and the Server & Switch Replacement Programme (£0.023m), offset by slippage within the Modernisation Fund of £0.06m.

- 5.3 Overall in 2019/20 expenditure is 32.5% of projected spend for the year and project slippage from the programme agreed in March 2019 is £2.475 million (9.83%). The Corporate Director, Environment, Regeneration and Resources will continue to work with the rest of the corporate Capital Programme officer group to identify ways which will reduce any further slippage and potentially advance projects.

6.0 CONSULTATION

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

7.0 IMPLICATIONS

7.1 Finance

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					

7.2 Legal

There are no legal implications.

7.3 Human Resources

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

7.4 Equalities

(a) Has an Equality Impact Assessment been carried out?

<input type="checkbox"/>	YES (see attached appendix)
<input checked="" type="checkbox"/>	NO – This report does not introduce a new policy, function or strategy or recommend a substantive change to an existing policy, function or strategy. Therefore, no Equality Impact Assessment is required

(b) Fairer Scotland Duty

If this report affects or proposes any major strategic decision:-

Has there been active consideration of how this report's recommendations reduce inequalities of outcome?

<input type="checkbox"/>	YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed.
<input checked="" type="checkbox"/>	NO

(c) Data Protection

Has a Data Protection Impact Assessment been carried out?

	YES – This report involves data processing which may result in a high risk to the rights and freedoms of individuals.
X	NO

7.5 Repopulation

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 - 2019/20 - 2022/23

	<u>Available Resources</u>					
	A	B	C	D	E	F
	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Government Capital Support	9,390	8,100	8,100	8,100	-	33,690
Capital Receipts (Note 1)	282	543	148	95	-	1,068
Capital Grants (Note 2)	4,549	1,500	19	-	-	6,068
Prudential Funded Projects (Note 3)	3,923	3,644	463	332	230	8,592
Balance B/F From 17/18	17,659	-	-	-	-	17,659
Capital Funded from Current Revenue	2,179	933	233	233	-	3,578
	<u>37,982</u>	<u>14,720</u>	<u>8,963</u>	<u>8,760</u>	<u>230</u>	<u>70,655</u>

Overall Position 2019/23

Available Resources (Appendix 1, Column G)	<u>£000</u>
Projection (Appendix 2, Column B-F)	70,655
(Shortfall)/Under Utilisation of Resources	<u>73,092</u>
	<u>(2,437)</u>

Capital Programme - 2019/20 - 2022/23

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Sales	247	543	148	95	-	1,033
Contributions/Recoveries	35	-	-	-	-	35
	<u>282</u>	<u>543</u>	<u>148</u>	<u>95</u>	<u>-</u>	<u>1,068</u>

Note 2 (Capital Grants)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Early Years	2,200	1,500	-	-	-	3,700
Town Centre Fund	660	-	-	-	-	660
Cycling, Walking & Safer Streets	129	-	-	-	-	129
SPT	1,155	-	-	-	-	1,155
HES - Watt Complex	260	-	-	-	-	260
Big Lottery Fund	-	-	-	-	-	-
Electric Vehicles	33	-	19	-	-	52
Grant - Branchton Play Area	-	-	-	-	-	-
Sustrans	112	-	-	-	-	112
	<u>4,549</u>	<u>1,500</u>	<u>19</u>	<u>-</u>	<u>-</u>	<u>5,956</u>

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2019/20	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	-	-	-	-	-	-
Vehicle Replacement Programme	1,021	1,768	403	272	-	3,464
Greenock Parking Strategy	-	-	-	-	-	-
Asset Management Plan - Offices	-	-	-	-	-	-
Asset Management Plan - Depots	483	1,207	-	-	-	1,690
Capital Works on Former Tied Houses	1	40	60	60	230	391
Waterfront Leisure Complex Combined Heat and Power Plant	-	-	-	-	-	-
Leisure & Pitches Strategy	-	-	-	-	-	-
Watt Complex Refurbishment	65	39	-	-	-	104
CCTV	33	-	-	-	-	33
Clune Park Regeneration	100	369	-	-	-	469
Neil Street Childrens Home Replacement - CoS	21	-	-	-	-	21
Crosshill Childrens Home Replacement	995	221	-	-	-	1,216
Modernisation Fund	-	-	-	-	-	-
Roads Asset Management Plan	1,204	-	-	-	-	1,204
Surplus Prudential Borrowing due to project savings	-	-	-	-	-	-
Reduction in Prudential Borrowing, ICT Annual allocation	-	-	-	-	-	-
Additional Prudential Borrowing to Support annual allocations	-	-	-	-	-	-
Additional Prudential Borrowing to allow return of Reserves	-	-	-	-	-	-
	<u>3,923</u>	<u>3,644</u>	<u>463</u>	<u>332</u>	<u>230</u>	<u>8,592</u>

Capital Programme - 2019/20 - 2022/23Agreed Projects

	A	B	C	D	E	F	G	H	I	J
Committee	Prior Years	2019/20	2020/21	2021/22	2022/23	Future	Total	Approved Budget	(Under)/Over	2019/20 Spend To 31/07/2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	522	509	369	363	363	-	2,126	2,126	-	107
Environment & Regeneration	53,851	11,986	19,582	6,973	6,420	230	99,042	98,885	157	3,420
School Estate	5,367	7,783	9,317	2,003	2,108	1,001	27,579	27,579	-	2,772
Education & Communities (Exc School Estate)	248	1,485	900	280	141	-	3,054	3,054	-	856
HSCP	582	1,093	186	-	-	-	1,861	1,861	-	247
Total	60,570	22,856	30,354	9,619	9,032	1,231	133,662	133,505	157	7,402