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|-------------------------|-----------------------------------------|--------------------|--------------------------|
| Report To: | Policy & Resources Committee | Date: | 15 September 2020 |
| Report By: | Chief Financial Officer | Report No: | FIN/79/20/AP/MT |
| Contact Officer: | Matt Thomson | Contact No: | 01475 712256 |
| Subject: | 2020/23 Capital Programme | | |

1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2020/23 Capital Programme.

2.0 SUMMARY

- 2.1 On March 12 2020 the Council approved the 2020/23 Capital Programme which built on the previously approved 2019/23 Capital Programme.
- 2.2 The Capital Programme reflects the confirmed 2020/21 capital grant and a revised estimate of capital grants for the period 2021/23. The 2020/21 grant was £1.630m less than previously estimated and as such the 2021/22 & 2022/23 estimated grants were also been reduced by £1m to £7.1m per year.
- 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 £2.306m which represents 3.55% of the 2020/23 resources.
- 2.4 Due to the impact of the Covid pandemic from late March construction work effectively ceased meaning work stopped on existing projects and new projects could not be progressed. In order to allow for meaningful measurement of capital performance during 2020/21 officers reviewed projections in light of the Covid impact and the Policy & Resources Committee on 11 August 2020 approved that these revised projections become the revised budget for 2020/21.
- 2.5 In addition to the impact on the timing of delivery of projects officers also estimated the potential cost pressures resulting from the additional site working requirements, increases in the price of materials and general cost increases generated by Covid. The Policy & Resources Committee on 11 August 2020 approved an additional budget of £2.744m to meet these pressures and this is reflected in this report.
- 2.6 It can be seen from Appendix 2 that as at 30 June 2020 expenditure in 2020/21 was 5.8% 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.
- 2.7 In the current year net advancement 0.58% is currently being reported. This is due to advancement within the Environment & Regeneration Committee (£0.100m) offset by slippage within Education & Communities Committee (£0.032m).

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the current position of the 2020/23 Capital Programme.

4.0 BACKGROUND

- 4.1 On March 12 2020 the Council approved the 2020/23 Capital Programme which built upon the previously approved 2019/23 Capital Programme.
- 4.2 The Capital Programme reflects the confirmed 2020/21 capital and a revised estimate of capital grants for the period 2021/23. The 2020/21 grant is £1.630m less than previously estimated and as such the 2021/22 & 2022/23 estimated grants have also been reduced by to £7.1m per year.
- 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 £2.306m which represents 3.55% of the 2020/23 resources.
- 4.4 Due to the impact of the Covid pandemic from late March construction work effectively ceased meaning work stopped on existing projects and new projects could not be progressed. In order to allow for meaningful measurement of capital performance during 2020/21 officers reviewed projections in light of the Covid impact and the Policy & Resources Committee on 11 August 2020 approved these revised projections as the formal budget for 2020/21.
- 4.5 In addition to the impact on the timing of delivery of projects officers also estimated the potential cost pressures resulting from Covid, the Policy & Resources Committee on 11 August 2020 approved additional budget of £2.744m to meet these pressures and these are reflected in this report.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2020/23 period the Capital Programme is reporting a £2.306m deficit. This is within an acceptable level of up to 5% over provision.
- 5.2 The position in respect of individual Committees for 2020/21 is as follows:

Health & Social Care

No slippage is being reported with no spend for the year to date.

Environment & Regeneration

Net advancement of £0.100m (0.1.32%) is being reported with spend of £0.509m for the year. Advancement of £0.100m is projected on works to Victoria/Dalrymple Tower.

Education & Communities

No slippage is being reported with spend of £0.161m for the year to date. Slippage of £0.032m is projected on Wemyss Bay Community Centre Refurbishment.

Policy & Resources

Net slippage of £0.032m (0.87%) is being reported with spend of £0.161m for the year to date.

- 5.3 Overall in 2020/21 expenditure is 5.8% of projected spend for the year and that projected net advancement of the programme is £0.068m (0.58%).

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, Policy & Communications has not been consulted.

7.4 Equalities

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

| | |
|---|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | YES (see attached appendix) |
| X | 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?

| | |
|---|--------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | YES – A written statement showing how this report's recommendations reduce inequalities of outcome caused by socio-economic disadvantage has been completed. |
| X | 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 |

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

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 - 2020/21 - 2022/23Available Resources

| | A | B | C | D | F |
|-------------------------------------|---------------|---------------|---------------|------------|---------------|
| | 2020/21 | 2021/22 | 2022/23 | future | Total |
| | £000 | £000 | £000 | £000 | £000 |
| Government Capital Support | 6,470 | 7,100 | 7,100 | - | 20,670 |
| Capital Receipts (Note 1) | 552 | 148 | 95 | - | 795 |
| Capital Grants (Note 2) | 3,020 | 239 | - | - | 3,259 |
| Prudential Funded Projects (Note 3) | 640 | 6,949 | 4,423 | 230 | 12,242 |
| Balance B/F From 19/20 | 15,996 | - | - | - | 15,996 |
| Capital Funded from Current Revenue | 8,777 | 2,632 | 893 | - | 12,302 |
| | <u>35,455</u> | <u>17,068</u> | <u>12,511</u> | <u>230</u> | <u>65,264</u> |

Overall Position 2019/23

| | |
|--------------------------------------------|----------------|
| | <u>£000</u> |
| Available Resources (Appendix 1, Column G) | 65,264 |
| Projection (Appendix 2, Column B-F) | 67,570 |
| (Shortfall)/Under Utilisation of Resources | <u>(2,306)</u> |

Notes to Appendix 1

Note 1 (Capital Receipts)

| | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>future</u> | <u>Total</u> |
|--------------------------|----------------|----------------|----------------|---------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| Sales | 517 | 148 | 95 | - | 760 |
| Contributions/Recoveries | 35 | - | - | - | 35 |
| | <u>552</u> | <u>148</u> | <u>95</u> | <u>-</u> | <u>795</u> |

Note 2 (Capital Grants)

| | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>future</u> | <u>Total</u> |
|----------------------------------|----------------|----------------|----------------|---------------|--------------|
| | £000 | £000 | £000 | £000 | £000 |
| Early Years | 1,500 | - | - | - | 1,500 |
| Cycling, Walking & Safer Streets | 194 | 150 | - | - | 344 |
| SPT | 1,300 | - | - | - | 1,300 |
| HES - Watt Complex | 26 | - | - | - | 26 |
| Electric Vehicles | - | 19 | - | - | 19 |
| Sustrans | - | 70 | - | - | 70 |
| | <u>3,020</u> | <u>239</u> | <u>-</u> | <u>-</u> | <u>3,259</u> |

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

| | <u>2020/21</u> | <u>2021/22</u> | <u>2022/23</u> | <u>future</u> | <u>Total</u> |
|----------------------------------------------|----------------|----------------|----------------|---------------|---------------|
| | £000 | £000 | £000 | £000 | £000 |
| Vehicle Replacement Programme | 48 | 1,632 | 863 | - | 2,543 |
| Asset Management Plan - Offices | - | 89 | - | - | 89 |
| Asset Management Plan - Depots | 389 | 584 | - | - | 973 |
| Capital Works on Former Tied Houses | - | 97 | 60 | 230 | 387 |
| Watt Complex Refurbishment | 13 | - | - | - | 13 |
| CCTV | 15 | - | - | - | 15 |
| Clune Park Regeneration | - | 378 | - | - | 378 |
| Neil Street Childrens Home Replacement - CoS | - | 23 | - | - | 23 |
| Crosshill Childrens Home Replacement | 100 | 321 | - | - | 421 |
| New Learning Disability Facility | 75 | 3,825 | 3,500 | - | 7,400 |
| | <u>640</u> | <u>6,949</u> | <u>4,423</u> | <u>230</u> | <u>12,242</u> |

Capital Programme - 2020/21 - 2022/23Agreed Projects

| Committee | A Prior Years £000 | B 2020/21 £000 | C 2021/22 £000 | D 2022/23 £000 | E Future £000 | G Total £000 | H Approved Budget £000 | I (Under)/ Over £000 | J 2020/21 Spend To 31/7/2020 £000 |
|---------------------------------------------|-----------------------------|----------------------|----------------------|----------------------|---------------------|--------------------|---------------------------------|-------------------------------|--------------------------------------------|
| Policy & Resources | 112 | 265 | 513 | 423 | - | 1,313 | 1,313 | - | 9 |
| Environment & Regeneration | 8,621 | 7,677 | 19,475 | 11,535 | 230 | 47,538 | 47,538 | - | 585 |
| School Estate | 9,179 | 3,231 | 9,054 | 3,125 | 1,001 | 25,590 | 25,590 | - | 124 |
| Education & Communities (Exc School Estate) | 255 | 435 | 1,432 | 780 | - | 2,902 | 2,902 | - | 43 |
| HSCP | 1,359 | 175 | 4,719 | 3,500 | - | 9,753 | 9,753 | - | - |
| Total | 19,526 | 11,783 | 35,193 | 19,363 | 1,231 | 87,096 | 87,096 | - | 761 |