
Report To:	Policy & Resources Committee	Date:	17 November 2020
Report By:	Chief Financial Officer	Report No:	FIN/102/20/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 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 31 August 2020 expenditure in 2020/21 was 12.8% 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 15.02% is currently being reported. This is due to advancement within the Environment & Regeneration Committee (£1.704m) and Education & Communities Committee (£0.297m) offset by slippage within the Policy & Resources Committee (£0.04m).

3.0 RECOMMENDATIONS

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

Alan Puckrin
Chief Financial Officer

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

Slippage of £0.040m is being reported within the Rolling Replacement of PC's, with spend to date of £0.010m.

Environment & Regeneration

Expenditure as at 31 August 2020 is £0.945m against a revised budget of £8.621m. Net advancement of £1.704m (19.77%) is being reported mainly due to advancement of the Vehicle Replacement Programme (£1.528m), Core Property Assets (£0.119m) and Scheme of Assistance (£0.090m) offset by slippage of Drumshantie Road Carpark (£0.055m).

Education & Communities

Expenditure as at 31 August 2020 is £0.810m from a restated approved budget of £3.698m. Net advancement of £0.297m (8.03%) is being reported in connection with the lifecycle funding being advanced to address the Kelly Street Site Landscaping project (£0.160m) and the progress on the interactive whiteboard refresh (£0.155m).

Policy & Resources

£40,000 slippage is being reported with spend of £0.163m for the year to date.

- 5.3 Overall in 2020/21 expenditure is 12.8% of projected spend for the year and projected net advancement of the programme is £1.961m (15.02%).

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.

Equalities

7.4

(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)	576	423	95	-	1,094
Capital Grants (Note 2)	3,840	239	-	-	4,079
Prudential Funded Projects (Note 3)	2,175	5,414	4,423	230	12,242
Balance B/F From 19/20	16,051	-	-	-	16,051
Capital Funded from Current Revenue	1,166	10,743	893	-	12,802
	<u>30,278</u>	<u>23,919</u>	<u>12,511</u>	<u>230</u>	<u>66,938</u>

Overall Position 2019/23

Available Resources (Appendix 1, Column G)	<u>£000</u>
Projection (Appendix 2, Column B-F)	66,938
(Shortfall)/Under Utilisation of Resources	<u>69,244</u>
	<u>(2,306)</u>

Notes to Appendix 1Note 1 (Capital Receipts)

	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000
Sales	517	148	95	-	760
Contributions/Recoveries	59	275	-	-	334
	<u>576</u>	<u>423</u>	<u>95</u>	<u>-</u>	<u>1,094</u>

Note 2 (Capital Grants)

	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000
Government Grant - Town Centres 2 Early Years	235	-	-	-	235
Cycling, Walking & Safer Streets	1,500	-	-	-	1,500
SPT	194	150	-	-	344
Spaces for People	1,300	-	-	-	1,300
HES - Watt Complex	585	-	-	-	585
Electric Vehicles	26	-	-	-	26
Sustrans	-	19	-	-	19
	<u>-</u>	<u>70</u>	<u>-</u>	<u>-</u>	<u>70</u>
	<u>3,840</u>	<u>239</u>	<u>-</u>	<u>-</u>	<u>4,079</u>

Notes to Appendix 1Note 3 (Prudentially Funded Projects)

	2020/21	2021/22	2022/23	future	Total
	£000	£000	£000	£000	£000
Vehicle Replacement Programme	1,576	104	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	7	371	-	-	378
Neil Street Childrens Home Replacement - CoS	10	13	-	-	23
Crosshill Childrens Home Replacement	90	331	-	-	421
New Learning Disability Facility	75	3,825	3,500	-	7,400
	<u>2,175</u>	<u>5,414</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 31/8/2020 £000
Policy & Resources	112	525	553	423	-	1,613	1,313	300	163
Environment & Regeneration	8,566	10,325	17,431	11,520	230	48,072	48,347	(275)	1,215
School Estate	9,179	3,545	8,740	3,125	1,001	25,590	25,590	-	734
Education & Communities (Exc School Estate)	255	450	2,202	780	-	3,687	2,902	785	76
HSCP	1,359	175	4,719	3,500	-	9,753	9,753	-	10
Total	19,471	15,020	33,645	19,348	1,231	88,715	87,905	810	2,198