
Report To:	Policy & Resources Committee	Date:	17 September 2024
Report By:	Chief Financial Officer	Report No:	FIN/54/24/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	Policy & Resources Capital Budget and Council 2024/28 Capital Programme		

1.0 PURPOSE AND SUMMARY

- 1.1 For Decision For Information/Noting
- 1.2 The purpose of the report is to provide Committee with the latest position of the Policy & Resources Capital Programme and the 2024/28 Capital Programme as well as reflecting the impact of the 2024/25 Capital Grant settlement confirmed by the Scottish Government on 29 February.
- 1.3 The Policy & Resources Capital Programme has a capital budget over 2024/28 of £3.987m with total projected spend on budget. The Committee is projecting to spend £0.868m in 2024/25 which is the same as the approved budget.
- 1.4 The overall 2024/28 Capital Programme budget is £72.979m with projects totalling £76.232m. This represents a £3.253m (4.46%) over allocation. This is within the agreed 5% tolerance. In the current year net advancement of £1.180m, (6.37%) is being reported. The advancement has occurred in the programme within the individual Committees as follows; Environment & Regeneration (£0.327m advancement) and Education & Communities (£0.853m advancement). A further breakdown of this movement can be seen within the individual breakdown per Committee in paragraph 3.11. Expenditure at 31 July was £3.228m (16.38% of projected spend).
- 1.5 The Education & Communities Committee remitted a request for £22,000 funding from the Capital Programme Contingency as detailed in section 4 of the report.

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee note the current position of the 2024/28 Policy & Resources Capital Budget and the current position of the 2024/28 Capital Programme.
- 2.2 It is recommended that the Committee approve the remit from the Education & Communities Committee regarding a further allocation of £0.022m to the Parklea Branching Out project.

Alan Puckrin
Chief Financial Officer

3.0 BACKGROUND AND CONTEXT

3.1 On 29 February 2024 the Council approved the 2024/28 Capital Programme as part of the overall Budget approval factoring in additional funding to fund the shortfall in annual capital grant compared to the annual capital allocations. This report shows the current position of the approved Policy & Resources Capital Programme as well as the position of the overall 2024/28 Capital Programme.

2024/28 Policy & Resources Capital Position

3.2 The Policy & Resources capital budget is £3.987m. The current projection is £3.987m which means total projected spend is on budget.

3.3 The approved budget for 2024/25 is £0.868m and the Committee is projecting to spend £0.868m in 2024/25. The spend at 31 July is £0.198m (22.81%) of the approved budget.

3.4 PC Refresh Programme – The final phase of the project to replace existing primary classroom desktop PCs with portable trolleys containing laptops is now complete. 296 devices were delivered into classrooms and Education Services are reviewing future requirements for classroom-based computing. The 2024/25 Refresh programme has commenced with the majority of devices being replaced in the Corporate environment and involves replacing the first phase of laptops procured following the pandemic. 420 devices have been procured and the programme is well underway with planned completion by the end of the calendar year.

3.5 Server and Switch Replacement – A number of servers are being upgraded in response to security and performance requirements, in response, a range of network and server replacement programmes are being developed. Upgrade of the Telephony Voice/Quality Assurance system is scheduled for completion this Financial Year. A number of device replacements across the network estate to improve service and support the implementation of SWAN2 is now under way.

3.6 As part of the 2023/26 budget setting process £4m was added to a small existing contingency to meet potential cost increases, fund unforeseen projects and to protect core service delivery from unexpected fluctuations in costs. This budget will be allocated by this Committee following the receipt of relevant reports. To date £2.371m has been allocated by Committee leaving an unallocated balance of £1.729m.

Overall 2024/28 Capital Programme

3.7 The overall 2024/28 Capital Programme reflects the confirmed 2024/25 capital grant. The 2024/25 allocation is £6.022m, however this includes £0.052m allocation for Coastal Change Adaptions which is passported to the Property Assets budget and £0.188m for Play Parks strategy which is passported to the Environmental budget. Therefore, available core funding is £5.782m.

3.8 An over provision of projects against estimated resources of up to 5% is considered acceptable to allow for increased resources and/or cost reductions. Currently the Capital Programme is reporting a deficit of £3.253m which represents 4.46% of the 2024/28 estimated resources.

3.9 In terms of the overall Capital Programme, it can be seen from Appendix 2 that at 31 July 2024 expenditure in 2024/25 is currently 16.38% of projected spend. Phasing and projected spend has been reviewed by the budget holders and the relevant Director. The position in respect of each individual Committee is reported in Appendix 2 and in paragraph 3.11 of this report. Overall Committees are projecting to outturn on budget.

3.10 In the current year net advancement of £1.180m, (6.37%) is currently being reported. This is due to advancement within the Education and Communities Committee (£0.853m) and Environment & Regeneration Committee (£0.327m).

3.11 The position in respect of individual Committees for 2024/25 is as follows:

Policy & Resources

Expenditure as at 31 July 2024 is £0.198m against an approved budget of £0.890m. There is no net slippage within this committee to date.

Environment & Regeneration

Expenditure at 31 July 2024 is £2.182m against an approved budget of £12.800m. Net advancement of £0.327m (2.55%) and is mainly due to advancement in Clune Park Regeneration (£0.250m), Watt Institute LED Lighting (£0.034m), West Blackhall Street (£0.009m) and the Property General Provision (£0.025m) as well as other minor advancements across the committee.

Education & Communities

Expenditure at 31 July 2024 is £0.836m against an approved budget of £1.385m. Net advancement of £0.853m (61.59%) mainly due to advancement within Parklea Branching Out (£0.200m) and the Education Lifecycle Fund (£0.653m).

Health & Social Care

Expenditure at 31 July 2024 is £0.012m against an approved budget of £3.447m. There is no net slippage within this committee to date.

3.12 2024/25 continues to be another challenging year for delivery of the capital program, officers will endeavour to advance projects when possible, to keep slippage within the 10% threshold.

4.0 PROPOSALS

4.1 The continued annual shortfall between the Councils core asset investment requirement and the level of Capital Grant continues to put pressure on the wider finances of the Council, however, the 2024/28 Capital Programme remains affordable based on current estimates.

4.2 Education and Communities Committee on the 3 September 2024 requested £0.022m funding from the Capital Programme Contingency to address the remaining shortfall in the Parklea Branching Out project. This report is prepared on the basis that this request is approved.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendations are agreed:

SUBJECT	YES	NO
Financial	X	
Legal/Risk	X	
Human Resources		X
Strategic (Partnership Plan/Council Plan)	X	
Equalities, Fairer Scotland Duty & Children/Young People's Rights & Wellbeing		X
Environmental & Sustainability		X
Data Protection		X

5.2 Finance

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report	Virement From	Other Comments
Communities Capital projects	Parklea Branching Out	2024/25	£22k	Capital Contingency	

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact	Virement From (If Applicable)	Other Comments
N/A					

5.3 Legal/Risk

The approved Governance documents set out the roles and responsibilities of Committees and officers in ensuring budgets are not overspent and the process to be followed in the event an overspend is unavoidable.

5.4 Human Resources

There are no HR matters arising from this report.

5.5 Strategic

The overall Capital programme contains many projects which contribute to the strategic priorities of the Council. As a result, timeous delivery of projects remains a focus for officers.

6.0 CONSULTATION

6.1 This report has been prepared based on updates to the relevant Strategic Committees.

7.0 BACKGROUND PAPERS

7.1 Education & Communities Committee (3 September 2024) – Agenda Item 5 (Parklea Branching Out Community Garden Hub – Funding Gap).

<https://www.inverclyde.gov.uk/meetings/meeting/3676>

Project Name	1	2	3	4	5	6	7	8	9
	Est Total Cost	Actual to 31/3/24	Approved Budget 2024/25	Revised Est 2024/25	Actual to 31/07/2024	Est 2025/26	Est 2026/27	Est 2027/29	Future Years
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Environment, Regeneration & Resources									
ICT									
Storage/Backup Devices/Minor Works and Projects	8	0	0	8	1	0	0	0	0
Rolling Replacement of PC's	175	0	0	175	175	0	0	0	0
Meeting Room, Videoconferencing & Hybrid Working Equipment	2	0	48	2	0	0	0	0	0
Server & Switch Replacement Programme	26	0	0	26	22	0	0	0	0
Home Working Allocation	15	15	10	0	0	0	0	0	0
Annual Allocation	2,032	0	532	379	0	585	534	534	0
ICT Total	2,258	15	590	590	198	585	534	534	0
Finance									
Capital Programme Contingency	1,729	0	278	278	0	1,090	361	0	0
Finance Total	1,729	0	278	278	0	1,090	361	0	0
TOTAL	3,987	15	868	868	198	1,675	895	534	0

Capital Programme - 2024/25 - 2027/28

Available Resources

	A	B	C	D	E	G
	2024/25	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000	£000
Government Capital Support	6,022	5,750	5,750	5,750	-	23,272
Capital Receipts (Note 1)	434	315	315	315	-	1,379
Capital Grants (Note 2)	3,801	-	-	-	-	3,801
Prudential Funded Projects (Note 3)	5,829	7,372	2,464	2,464	125	18,254
Balance B/F From 23/24	12,478	-	-	-	-	12,478
Capital Funded from Current Revenue	4,117	4,681	2,564	2,433	-	13,795
	<u>32,681</u>	<u>18,118</u>	<u>11,093</u>	<u>10,962</u>	<u>125</u>	<u>72,979</u>

Overall Position 2024/28

Available Resources (Appendix 2a, Column A-E)	<u>£000</u>
	72,979
Projection (Appendix 2b, Column B-F)	76,232
(Shortfall)/Under Utilisation of Resources	<u>(3,253)</u>
(Shortfall)/Under Utilisation of Resources %	<u>(4.46)%</u>

Note 1 (Capital Receipts)

	2024/25	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000	£000
Sales	369	315	315	315	-	1,314
Contributions/Recoveries	65	-	-	-	-	65
	434	315	315	315	-	1,379

Note 2 (Capital Grants)

	2024/25	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000			£000
Free School Meals	107	-	-			107
Watt Institute LED Lighting	41	-	-			41
Cycling, Walking & Safer Streets	345	-	-			345
Nature Restoration Fund	148	-	-			148
Peatland Action Trust	769	-	-			769
Sustrans	2,391	-	-			2,391
	3,801	-	-	-	-	3,801

Note 3 (Prudentially Funded Projects)

	2024/25	2025/26	2026/27	2027/28	Future	Total
	£000	£000	£000	£000	£000	£000
Vehicle Replacement Programme	812	1,464	964	964	-	4,204
Borrowing in lieu of VRP Reduction	-	636	-			636
Asset Management Plan - Depots	64	274	-			338
Capital Works on Former Tied Houses	6	200	-	-	125	331
New Learning Disability Facility	3,447	3,298	-			6,745
Additional Prudential Borrowing to Fund Capital Programme	1,500	1,500	1,500	1,500		6,000
	5,829	7,372	2,464	2,464	125	18,254

Appendix 2bCapital Programme - 2024/25 - 2027/28Agreed Projects

Committee	A Prior Years	B 2024/25	C 2025/26	D 2026/27	E 2027/28	F Future	G Total	H Approved Budget	I (Under)/ Over	J 2024/25 Spend To 31/07/2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	15	868	1,675	895	534	-	3,987	3,987	-	198
Environment & Regeneration	8,714	13,127	19,454	7,656	7,590	125	56,666	56,666	-	2,182
School Estate	279	1,634	4,268	4,000	4,000	-	14,181	14,181	-	495
Education & Communities (Exc School Estate)	1,333	626	357	251	120	-	2,687	2,687	-	341
HSCP	655	3,447	5,605	-	-	-	9,707	9,707	-	12
Total	10,996	19,702	31,359	12,802	12,244	125	87,228	87,228	-	3,228