
Report To:	Policy & Resources Committee	Date:	19 November 2024
Report By:	Chief Financial Officer	Report No:	FIN/77/24/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.
- 1.3 The Policy & Resources Capital Programme has a capital budget over 2024/28 of £7.537m with total projected spend on budget. The Committee is projecting to spend £0.668m in 2024/25 which is the same as the approved budget.
- 1.4 The overall 2024/28 Capital Programme budget is £78.006m with projects totalling £81.200m. This represents a £3.194m (4.09%) over allocation. This is within the agreed 5% tolerance. In the current year net advancement of £2.503m, (13.16%) is being reported. The advancement has occurred in the programme within the individual Committees as follows; Environment & Regeneration (£0.825m advancement) and Education & Communities (£1.221m advancement). A further breakdown of this movement can be seen within the individual breakdown per Committee in paragraph 3.11. Expenditure at 30 September was £6.393m.
- 1.5 The Council received £514,000 capital grant relating to the phased implementation of P6/7 Free School Meals (FSM). Given the Council implemented universal FSM provision for P6/7 in August 2023 and carried any capital works out prior to this, it is recommended that this grant be used in lieu of revenue to fund the 2024/28 Capital programme. This in turn will increase the General Fund Reserve balance by the same amount.

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 agree to replace £514,000 allocated from revenue reserves to support the 2024/28 Capital Programme with the £514,000 capital grant received relating to the phased implementation of P6/7 Free School Meals.
- 2.3 It is recommended that the Committee note that there is a proposal in the private papers of this agenda to allocate funding from the capital contingency to the KGV1 capital 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 £7.537m. The current projection is £7.537m which means total projected spend is on budget.
- 3.3 The approved budget for 2024/25 is £0.668m and the Committee is projecting to spend £0.668m in 2024/25. The spend at 30 September is £0.236m (35.33%) 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 is has now begun with the majority of devices being replaced in the corporate environment. A programme 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 £2.571m has been allocated by Committee leaving an unallocated balance of £1.529m. A report in the private part of this agenda seeks Committee approval to allocate further funding to the KGV1 refurbishment project.
- 3.7 As part of the 2024/28 Capital Programme approval in February, £3.75million generated from reprofiling loans charges repayments was allocated towards the refreshed asset management strategies. These are due to be completed by March 2026 and this expenditure is phased accordingly.

2024/28 Capital Programme

- 3.7 The overall 2024/28 Capital Programme reflects the confirmed 2024/25 capital grant. The 2024/25 allocation is £9.022m, however this includes £0.052m allocation for Coastal Change Adaptions which is passported to the Property Assets budget, £0.188m for Play Parks strategy which is passported to the Environmental budget and £3m which has to be used for the Pay Award. 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 an over provision of £3.194m which represents 4.09% of the 2024/28 estimated resources.

- 3.9 In terms of the overall Capital Programme, it can be seen from Appendix 2 that at 30 September 2024 expenditure in 2024/25 is currently 29.70% 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 £2.503m, (13.16%) is currently being reported. This is largely due to advancement within the Education and Communities Committee (£1.221m) and Environment & Regeneration Committee (£0.825m).
- 3.11 The position in respect of individual Committees for 2024/25 is as follows:

Policy & Resources

Expenditure as at 30 September 2024 is £0.236m against an approved budget of £0.668m. There is no net slippage within this committee to date.

Environment & Regeneration

Expenditure at 30 September 2024 is £5.062m against an approved budget of £13.000m. Net advancement of £1.282m (6.35%) and is mainly due to advancement in Clune Park Regeneration (£0.226m), Cycling, Walking & Safer Streets (£0.193m), Sustrans (£0.350m), Statutory Duty Works (£0.260m), Carriageways works (£0.103m) and Other Assets within RAMP (£0.150m) as well as other minor advancements offset with minor slippages across the committee.

Education & Communities

Expenditure at 30 September 2024 is £1.081m against an approved budget of £1.907m. Net advancement of £1.221m (64.03%) mainly due to advancement within Parklea Branching Out (£0.200m) and the Education Lifecycle Fund (£1.019m).

Health & Social Care

Expenditure at 30 September 2024 is £0.014m against an approved budget of £3.447m. There is no net slippage reflected to date, however the Committee should note that, due to a delay in accepting the tender for the Community Hub there is expected to be material slippage reported to the next meeting. Officers are currently agreeing the work programme with the successful contractor.

- 3.12 The Council received £514,000 capital grant relating to the phased implementation of P6/7 Free School Meals (FSM). Given the Council implemented universal FSM provision for P6/7 in August 2023 and carried any capital works out prior to this, therefore this funding is free for the Council to use as it wishes.

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 It is recommended that the FSM capital grant be used in lieu of revenue to fund the 2024/28 Capital Programme. This in turn will increase the General Fund Reserve balance by the same amount.

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
Capital Programme	SG Grant	2024/25	(£514k)		FSM Capital Grant
	CFCR		£514k		CFCR returned to General Fund Reserves

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

There are no legal issues to raise as part of this report.

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 None.

Project Name	1	2	3	4	5	6	7	8	9
	<u>Est Total Cost</u>	<u>Actual to 31/3/24</u>	<u>Approved Budget 2024/25</u>	<u>Revised Est 2024/25</u>	<u>Actual to 30/09/2024</u>	<u>Est 2025/26</u>	<u>Est 2026/27</u>	<u>Est 2027/28</u>	<u>Future Years</u>
	£000	£000	£000	£000	£000	£000	£000	£000	£000
<u>Policy & Resources</u>									
<u>ICT</u>									
Storage/Backup Devices/Minor Works and Projects	8	-	0	8	3	0	0	0	0
Rolling Replacement of PC's	195	-	0	195	191	0	0	0	0
Meeting Room, Videoconferencing & Hybrid Working Equipment	2	-	48	2	0	0	0	0	0
Server & Switch Replacement Programme	46	-	0	46	42	0	0	0	0
Home Working Allocation	15	15	10	0	0	0	0	0	0
Annual Allocation	1,992	-	532	339	0	585	534	534	0
<u>ICT Total</u>	2,258	15	590	590	236	585	534	534	0
<u>Miscellaneous</u>									
Capital Programme Contingency	1,529	-	78	78	0	1,090	361	0	0
Asset Management Strategy	3,750	-	0	0	0	0	1,750	2,000	0
<u>Miscellaneous Total</u>	5,279	0	78	78	0	1,090	2,111	2,000	0
TOTAL	7,537	15	668	668	236	1,675	2,645	2,534	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	9,022	5,750	5,750	5,750	-	26,272
Capital Receipts (Note 1)	434	315	315	315	-	1,379
Capital Grants (Note 2)	5,557	-	-	-	-	5,557
Prudential Funded Projects (Note 3)	6,148	7,053	2,464	2,464	125	18,254
Balance B/F From 23/24	12,513	-	-	-	-	12,513
Capital Funded from Current Revenue	603	4,681	4,314	4,433	-	14,031
	<u>34,277</u>	<u>17,799</u>	<u>12,843</u>	<u>12,962</u>	<u>125</u>	<u>78,006</u>

Overall Position 2024/28

Available Resources (Appendix 2a, Column A-E)	<u>£000</u>
Projection (Appendix 2b, Column B-F)	78,006
(Shortfall)/Under Utilisation of Resources	<u>81,200</u>
	<u>(3,194)</u>
(Shortfall)/Under Utilisation of Resources %	<u>(4.09)%</u>

Note 1 (Capital Receipts)

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

Note 2 (Capital Grants)

	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>Future</u>	<u>Total</u>
	£000	£000	£000			£000
Government Grant - Place Based Funding	170	-				170
Free School Meals	621	-	-			621
Watt Institute LED Lighting	41	-	-			41
Cycling, Walking & Safer Streets	538	-	-			538
SPT	29	-	-			29
Nature Restoration Fund	148	-	-			148
Boglestone Community Centre	500					500
Peatland Action Trust	769	-	-			769
Sustrans	2,741	-	-			2,741
	<u>5,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,557</u>

Note 3 (Prudentially Funded Projects)

	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>Future</u>	<u>Total</u>
	£000	£000	£000	£000	£000	£000
Vehicle Replacement Programme	511	1,765	964	964	-	4,204
Asset Management Plan - Depots	48	290	-			338
Capital Works on Former Tied Houses	6	200	-	-	125	331
New Community Hub	3,447	3,298	-			6,745
Additional Prudential Borrowing to Fund Capital Programme	2,136	1,500	1,500	1,500		6,636
	<u>6,148</u>	<u>7,053</u>	<u>2,464</u>	<u>2,464</u>	<u>125</u>	<u>18,254</u>

Capital 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 30/09/2024
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	15	668	1,675	2,645	2,534	-	7,537	7,537	-	236
Environment & Regeneration	8,738	14,282	19,217	7,656	7,590	125	57,608	57,608	-	5,062
School Estate	279	2,000	3,902	4,000	4,000	-	14,181	14,181	-	495
Education & Communities (Exc School Estate)	1,333	1,128	355	251	120	-	3,187	3,187	-	586
HSCP	655	3,447	5,605	-	-	-	9,707	9,707	-	14
Total	11,020	21,525	30,754	14,552	14,244	125	92,220	92,220	-	6,393