
Report To:	Policy & Resources Committee	Date:	26 May 2009
Report By:	Chief Financial Officer	Report No:	FIN/32/09/AP/SC
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Subject:	2008/11 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to update Committee on the latest position of the three year Capital Programme.

2.0 SUMMARY

- 2.1 In February 2009 the Council agreed a three year Capital Programme including the inclusion of a number of Prudentially Funded Projects. These decisions increased resources and projected expenditure by approximately £10.5 million over the three year period.
- 2.2 Based on the latest figures it can be seen that there is a projected under utilisation in resources of £39,000 over the three year period.
- 2.3 Capital expenditure figures for 2008/9 are being finalised, it can be seen that projected spend to 31 March 2009 is £24.726 million, which represents 83% of the programme agreed in February 2008. This is an improvement on previous years delivery against planned programme (2006/07 46%, 2007/08 improved to 80%). Individual Directorate performance has been reported to each of the Strategic Committees, and any unused resources from 2008/9 have now been carried forward to 2009/10.
- 2.4 The Committee is asked to consider a request from the Regeneration Committee to substitute £76,000 of expenditure being used to support businesses from Capital to Revenue and in return to thereafter capitalise an equivalent amount of the previously agreed play area spend.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the current position of the 2008/11 Capital Programme.
- 3.2 It is recommended that the Committee agree to the Capital/Revenue transfer of £76,000 between support for businesses and play areas.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 In February 2009 the Committee agreed a three year Capital Programme covering 2008/11. This included significant expenditure to be funded from Prudential borrowing. The net impact of projects was to increase the size of the three year Capital Programme by £10.5 million.
- 4.2 At the previous Committee, it was agreed that the Council would also take up its share of the £90 million capital acceleration grant. Committee agreed that the use of the accelerated grant be split between expenditure on football pitches and expenditure on the vehicle replacement programme.

5.0 CURRENT POSITION

- 5.1 It can be seen from Appendix 1 that over the three year period there is an under utilisation in resources of £39,000. This is a reduction of £355,000 from the position last reported to Committee and is due to the removal of the Land Decontamination project and budget as agreed at the March 2009 Policy & Resources Committee.
- 5.2 The position in respect of individual Committees is as follows:

Social Care – Slippage of £0.231m (33%) with spend being 95% of projected expenditure.

Safe & Sustainable Communities – Slippage of £0.724m (19%) with spend being 86% of projected expenditure.

Regeneration – Slippage of £1.945m (47%) with spend being 76% of projected expenditure.

Education – Slippage of £1.195m (7%) with spend being 89% of projected expenditure.

Policy & Resources – Slippage of £0.918m (25%) with spend being 98% of projected expenditure.

- 5.3 Overall, 2008/9 spend projected to be £24.726 million at the year end. This represents an overall slippage percentage of 17% against the programme approved by Committee in February 2008.

6.0 SCHOOL ESTATE MANAGEMENT PLAN

- 6.1 The School Estate Capital Programme has been shown separately in Appendix 2. The School Estate Capital Programme covers a period of approximately 15 years and is funded by a combination of direct capital allocations, capital receipts and prudential borrowing.

The next review of the School Estate Management Plan will be reported to Committee in June/August 2009.

7.0 OTHER ISSUES

- 7.1 The Council received a one-off Capital Grant of £76,000 arising from an underspend by Scottish Enterprise. The Regeneration Committee has considered a paper prepared by the Corporate Director Regeneration & Resources where it is recommended that this sum be used to support local businesses. Unfortunately the rules around capital do not allow support for local businesses to be counted as capital expenditure and as such it is recommended that the Committee substitute this £76,000 worth of spend with a similar amount of expenditure identified to be spent on play areas but funded from Reserves.

8.0 CONCLUSION

8.1 The Council's Capital Programme for 2008/9 is projecting slippage of 17%.

8.2 The Council has significantly increased the size of the Capital Programme as part of the budget decisions in February 2009 and Officers are currently reviewing resources to ensure that the programme is delivered on time.

9.0 IMPLICATIONS

9.1 There are no implications other than those highlighted in the report in respect of Legal, HR and the Equalities Agenda.

10.0 CONSULTATIONS

10.1 The report has been produced in consultation with the CMT and reflects the figures to each of the Council's Service Committees.

Appendix 1

Capital Programme - 2008/09 - 2010/11

Available Resources

	A 2008/09 £000	B 2009/10 £000	C 2010/11 £000	D Total £000
Council Supported Borrowing	7,310	5,500	5,360	18,170
Less: Allocation to School Estate	(5,697)	(4,808)	(4,922)	(15,427)
Capital Receipts (Note 1)	395	-	180	575
Capital Grants (Note 2)	4,786	7,075	5,246	17,107
Prudential Funded Projects (Note 3)	3,628	3,510	10,770	17,908
Balance B/F From 07/08 (Exc School Estate)	3,518			3,518
Capital Funded from Current Revenue	350	-	-	350
Virement from School Estate	146	-	-	146
	14,436	11,277	16,634	42,347

Overall Position 2008/11

	£000
Available Resources (Appendix 1, Column D)	42,347
Projection (Appendix 2, Column B-D)	42,308
(Shortfall)/Under Utilisation of Resources	39

Note 1 (Excludes School Estate Receipts)	2008/09 £000	2009/10 £000	2010/11 £000	Total £000
Sales	-	-	-	-
Contributions/Recoveries	395	-	180	575
	395	-	180	575

Note 2 (Excludes School Estate)	2008/09 £000	2009/10 £000	2010/11 £000	Total £000
General Capital Grant	4,396	4,753	5,063	14,212
Accelerated Funds	134	1,209	(1,343)	-
Deferred Grant	(269)	(269)	538	-
Local Regeneration	76	-	-	76
Zero Waste Fund	-	64	-	64
SNH Rangers	-	30	34	64
Transport Interchange	-	1,142	808	1,950
Cycling, Walking & Safer Streets	146	146	146	438
Sustrans	31	-	-	31
SPT	147	-	-	147
Telecare	125	-	-	125
Specific Police Grant	-	-	-	-
	4,786	7,075	5,246	17,107

Note 3 (Excludes School Estate)	2008/09 £000	2009/10 £000	2010/11 £000	Total £000
ICT Capital Programme	353	-	-	353
Consilium One Off Costs	494	-	-	494
Roads Lighting b/fwd	157	-	-	157
Carraigeway Reconstruction	500	-	-	500
Vehicle Replacement Programme	305	2,000	2,000	4,305
Crescent Street Rewiring & Heating	-	149	-	149
Public Conveniences	120	-	-	120
Leisure & Pitches Strategy	-	1,325	7,370	8,695
New Rainbow Nursery	1,138	36	-	1,174
Inverkip PS Nursery	90	-	-	90
Inverclyde Centre Ph.3	471	-	-	471
Redholm Childrens Home	-	-	1,400	1,400
	3,628	3,510	10,770	17,908

Capital Programme - 2008/09 - 2010/11

Agreed Projects

Committee	A	B	C	D	E	F	G	H	I
	Prior Years £000	2008/09 £000	2009/10 £000	2010/11 £000	Future £000	Total £000	Approved Budget £000	(Under)/ Over £000	2008/09 Spend To 31/01/09 £000
Chief Executive	-	-	-	-	-	-	-	-	-
Improvement & Performance	715	2,756	2,135	1,073	-	6,679	6,679	-	2,693
Safe, Sustainable Communities	3,906	3,135	4,304	3,180	10,000	24,525	24,525	-	2,687
Regeneration & Resources	1,427	2,194	9,126	10,748	14,005	37,500	37,500	-	1,661
Education & Lifelong Learning (Exc School Estate)	940	1,509	51	-	-	2,500	2,500	-	1,476
Health & Social Care	657	466	205	1,426	-	2,754	2,754	-	449
Sub -Total	7,645	10,060	15,821	16,427	24,005	73,958	73,958	-	8,966
School Estate (Note 1)	34,707	14,666	5,591	10,171	66,361	131,496	131,496	-	13,912
Total	42,352	24,726	21,412	26,598	90,366	205,454	205,454	-	22,878

Summarised SEMP Capital Position - 2008/11

	2008/09	2009/10	2010/11
Capital Allocation	5,697	4,808	4,922
Capital Receipts	-	1,236	-
Surplus b/fwd	5,072	6,189	7,715
Prudential Borrowing	10,232	1,073	1,682
Virement to non-SEMP	(146)		
Available Funding	20,855	13,306	14,319
Projects			
Ex-Prudential Borrowing	4,434	4,518	8,489
Prudential Borrowing	10,232	1,073	1,682
Total	14,666	5,591	10,171
Surplus c/fwd	6,189	7,715	4,148