

Report To: Policy & Resources Committee **Date:** 22 September 2009
Report By: Chief Financial Officer **Report No:** FIN/52/09/AP/LS
Contact Officer: Alan Puckrin **Contact No:** 01475 712223
Subject: 2009/2012 Capital Programme

1.0 PURPOSE

- 1.1 The purpose of the report is to update Committee on the latest position of the approved 2009/2012 Capital Programme.

2.0 SUMMARY

- 2.1 In February 2009, the Council agreed a four-year Capital Programme covering the years 2009/2013. This included a number of large prudentially funded projects including the leisure and pitches strategy, an allocation for a new depot and allowance for significant investment in replacement vehicles and plant.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that over the three year period, 2009/2012, there is a £501,000 projected shortfall in resources. This represents a shortfall of less than 1% against the anticipated resources available.
- 2.3 The position in respect of each individual Committee is reported in section 5.0 and it can be seen that all Committees are currently projected to be within budget. Expenditure to 31 July represents 8% of projected expenditure.
- 2.4 The annual review of the School Estate Funding Model was reported to the Education & Lifelong Learning Committee on 8 September 2009 and confirms that based on current projected costs and savings the model can still be delivered within the budget approved.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the current position of the 2009/2012 Capital Programme.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 The Council approved a four-year Capital Programme covering the years 2009/2013 as part of the overall budget on 12 February 2009. This report covers the three-year period 2009/2012.
- 4.2 The approved Capital Programme included significant investment on prudentially funded projects and it can be seen from appendix 1 that there is in excess of £29 million projected to be spent on prudentially funded projects over the 2009/0012 period.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the three-year period there is a projected shortfall in resources of £501,000 which represents less than 1% of the projected spend over this period.

- 5.2 The position in respect of individual committees is as follows:

Social Care

No slippage and spend being 9.1% of projected expenditure for 2009/2010.

Safe & Sustainable Communities

Slippage of £0.2 million with spend being 3.5% of projected expenditure for 2009/2010.

Regeneration

Project rephasing of £3.2 million with spend being 7.1% of projected expenditure for 2009/2010.

Education

Slippage of £0.2 million with spend being 6.3% of projected expenditure for 2009/2010.

Policy & Resources

Slippage of £0.25 million with spend being 18.8% of projected expenditure for 2009/2010.

- 5.3 Overall, in 2009/2010 it can be seen from appendix 2 that there is projected spend of £23.117 million with spend to 31 July 2009 being £1.764 million which represents 8% of projected 2009/2010 expenditure.

Rephasing and slippage into future years totals £3.9 million.

6.0 SCHOOL ESTATE MANAGEMENT PLAN

- 6.1 The School Estate Capital Programme summary has been shown separately in appendix 2. The School Estate Capital Programme is reviewed on an annual basis and was reported to the Education & Lifelong Learning Committee on 8 September 2009. This report confirmed that the programme continues to be contained within the overall approved budget limits.
- 6.2 The Committee should also note that the School Estate Management Plan is not anticipating any capital receipts until 2012/2013 after taking account of the current economic climate.

7.0 CONCLUSION

- 7.1 The Council's Capital Programme for 2009/2012 is showing a shortfall of resources of £501,000 which does not cause any concern at this point in time.

7.2 The Council has significantly increased the size of its Capital Programme as part of the approved budget and officers are currently progressing projects and will ensure resources are in place to deliver projects on time.

8.0 IMPLICATIONS

8.1 There are no implications other than those highlighted in the report in respect of legal, HR and the equalities agenda.

9.0 CONSULTATIONS

9.1 The report has been produced in consultation with the Corporate Management Team and reflects the figures reported to each of the Council's Services Committee.

Capital Programme - 2009/10 - 2011/12Available Resources

| | A | B | C | D |
|--|---------------|---------------|---------------|---------------|
| | 2009/10 | 2010/11 | 2011/12 | Total |
| | £000 | £000 | £000 | £000 |
| Council Supported Borrowing | 5,500 | 5,360 | 5,000 | 15,860 |
| Less: Allocation to School Estate | (4,808) | (4,922) | (5,039) | (14,769) |
| Capital Receipts (Note 1) | 382 | 920 | 148 | 1,450 |
| Capital Grants (Note 2) | 8,900 | 5,711 | 4,000 | 18,611 |
| Prudential Funded Projects (Note 3) | 6,439 | 12,174 | 10,871 | 29,484 |
| Balance B/F From 08/09 (Exc School Estate) | 3,417 | - | - | 3,417 |
| Capital Funded from Current Revenue (Note 4) | 1,223 | 500 | - | 1,723 |
| | <u>21,053</u> | <u>19,743</u> | <u>14,980</u> | <u>55,776</u> |

Overall Position 2009/12

| | |
|--|--------------|
| | <u>£000</u> |
| Available Resources (Appendix 1, Column D) | 55,776 |
| Projection (Appendix 2, Column B-D) | 56,277 |
| (Shortfall)/Under Utilisation of Resources | <u>(501)</u> |

| <u>Note 1 (Excludes School Estate Receipts)</u> | <u>2009/10</u> | <u>2010/11</u> | <u>2011/12</u> | <u>Total</u> |
|---|----------------|----------------|----------------|---------------|
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Sales | 382 | 740 | 148 | 1,270 |
| Contributions/Recoveries | - | 180 | - | 180 |
| | <u>382</u> | <u>920</u> | <u>148</u> | <u>1,450</u> |
| | | | | |
| <u>Note 2 (Excludes School Estate)</u> | <u>2009/10</u> | <u>2010/11</u> | <u>2011/12</u> | <u>Total</u> |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| General Capital Grant | 4,753 | 5,063 | 4,000 | 13,816 |
| Accelerated Funds | 1,209 | (1,343) | - | (134) |
| Deferred Grant | (269) | 538 | - | 269 |
| Zero Waste Fund | 64 | - | - | 64 |
| SNH | 30 | 34 | - | 64 |
| Transport Interchange | 1,142 | 808 | - | 1,950 |
| Cycling, Walking & Safer Streets | 146 | 146 | - | 292 |
| Sustrans | - | - | - | - |
| SPT | 190 | - | - | 190 |
| Wellpark Centre | 1,635 | 465 | - | 2,100 |
| Telecare | - | - | - | - |
| | <u>8,900</u> | <u>5,711</u> | <u>4,000</u> | <u>18,611</u> |
| | | | | |
| <u>Note 3 (Excludes School Estate)</u> | <u>2009/10</u> | <u>2010/11</u> | <u>2011/12</u> | <u>Total</u> |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| ICT Capital Programme | 108 | - | - | 108 |
| Consilium One Off Costs | 350 | - | - | 350 |
| Vehicle Replacement Programme | 3,236 | 1,398 | 303 | 4,937 |
| Replacement Depot | - | - | 2,500 | 2,500 |
| Crescent Street Rewiring & Heating | 149 | - | - | 149 |
| Public Conveniences | 54 | 15 | - | 69 |
| Leisure & Pitches Strategy | 1,325 | 7,370 | 7,480 | 16,175 |
| New Rainbow Nursery | 42 | - | - | 42 |
| Inverkip PS Nursery | 10 | - | - | 10 |
| Inverclyde Centre Ph.3 | 199 | 26 | - | 225 |
| Redholm Childrens Home | - | 1,100 | - | 1,100 |
| Wellpark Centre | - | 335 | 88 | 423 |
| Future Operating Model | 966 | 1,930 | 500 | 3,396 |
| | <u>6,439</u> | <u>12,174</u> | <u>10,871</u> | <u>29,484</u> |
| | | | | |
| <u>Note 4 (Excludes School Estate)</u> | <u>2009/10</u> | <u>2010/11</u> | <u>2011/12</u> | <u>Total</u> |
| | <u>£000</u> | <u>£000</u> | <u>£000</u> | <u>£000</u> |
| Roads Projects (former Transport Scotland) | 59 | - | - | 59 |
| Greenock Arts Guild | - | 500 | - | 500 |
| Play Areas | 174 | - | - | 174 |
| Wellpark Centre | 140 | - | - | 140 |
| Vehicle Replacement | 850 | - | - | 850 |
| | <u>1,223</u> | <u>500</u> | <u>-</u> | <u>1,723</u> |

Capital Programme - 2009/10 - 2011/12

Agreed Projects

| Committee | A | B | C | D | E | F | G | H | I |
|---|---------------------|-----------------|-----------------|-----------------|----------------|---------------|-------------------------|--------------------------|--------------------------------------|
| | Prior Years £000 | 2009/10 £000 | 2010/11 £000 | 2011/12 £000 | Future £000 | Total £000 | Approved Budget £000 | (Under)/ Over £000 | 2009/10 Spend To 31/07/09 £000 |
| Improvement & Performance | 1,054 | 3,145 | 3,003 | 1,693 | 50 | 8,945 | 8,945 | - | 593 |
| Safe, Sustainable Communities | 1,169 | 6,835 | 3,200 | 4,651 | 7,751 | 23,606 | 23,606 | - | 241 |
| Regeneration & Resources | 1,951 | 5,488 | 12,880 | 11,062 | 6,525 | 37,906 | 37,906 | - | 390 |
| Education & Lifelong Learning (Exc School Estate) | 1,418 | 52 | - | - | - | 1,470 | 1,470 | - | (34) |
| Health & Social Care | 436 | 1,954 | 2,226 | 88 | - | 4,704 | 4,704 | - | 179 |
| Sub - Total | 6,028 | 17,474 | 21,309 | 17,494 | 14,326 | 76,631 | 76,631 | - | 1,369 |
| School Estate (Note 1) | 49,083 | 5,643 | 10,804 | 18,767 | 49,023 | 133,320 | 133,320 | - | 395 |
| Total | 55,111 | 23,117 | 32,113 | 36,261 | 63,349 | 209,951 | 209,951 | - | 1,764 |

Summarised SEMP Capital Position - 2009/12

| | 2009/10 | 2010/11 | 2011/12 |
|-------------------------|---------------|---------------|---------------|
| Capital Allocation | 4,808 | 4,922 | 5,039 |
| Capital Receipts | - | - | - |
| Surplus b/fwd | 6,169 | 6,758 | 2,371 |
| Prudential Borrowing | 1,424 | 1,495 | 9,880 |
| Virement to non-SEMP | - | - | - |
| Available Funding | <u>12,401</u> | <u>13,175</u> | <u>17,290</u> |
| Projects | | | |
| Ex-Prudential Borrowing | 4,219 | 9,309 | 8,887 |
| Prudential Borrowing | 1,424 | 1,495 | 9,880 |
| Total | <u>5,643</u> | <u>10,804</u> | <u>18,767</u> |
| Surplus c/fwd | 6,758 | 2,371 | (1,477) |