
Report To:	Policy & Resources Committee	Date:	2 February 2010
Report By:	Chief Financial Officer	Report No:	FIN/6/10/AP/CF
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Subject:	2009/13 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to update Committee on the latest position of the approved 2009/13 Capital Programme.

2.0 SUMMARY

- 2.1 In February 2009 the Council agreed a four year Capital Programme covering the years 2009/13. This included a number of large Prudentially Funded projects including the Leisure and Pitches strategy, an allocation for a new depot and allowance for a significant investment in replacement vehicles and plant.
- 2.2 Based on the latest figures, it can be seen from Appendix 1 that over the period 2009/13 there is a £3.4 million projected shortfall in resources. This represents a shortfall of approximately 5.3% against the anticipated resources available. The reason for the increase in shortfall is the inclusion of a projected reduction in capital grant from the Scottish Government in the next year spending review. Officers are presenting proposals to the Special Committee meeting on 9th February to bring the Capital Programme back into line.
- 2.3 The position in respect of each individual Committee is reported in Section 5. It can be seen that all Committees are currently projected to be within budget over the four year period. Expenditure to 30 November 2009 is £6.99 million which represents 34.6% of the 2009/10 projected spend.
- 2.4 Officers in the CAMS Group have reviewed in detail all projected phasings, and this has resulted in a reduction of £1.5 million in projected spend in 2009/10 since the last report.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee notes the current position of the 2009/13 Capital Programme.
- 3.2 It is recommended that the Committee note that as part of the forthcoming budget round the 2009/14 Capital Programme will be reviewed in light of the projected reduction in Government supported capital resources over the next spending review.

4.0 BACKGROUND

- 4.1 The Committee approved the four year Capital Programme covering the years 2009/13 as part of the overall budget on 12 February 2009.
- 4.2 The approved Capital Programme included significant investment on Prudentially funded projects, and it can be seen from Appendix 1 that there is an excess of £31 million projected to be spent on Prudentially funded projects over the 2009/13 period.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the three year period there is a projected shortfall in resources of £3.35 million which represents approximately 5.3% of the projected resources over this period.
- 5.2 The position in respect of individual Committees is as follows:

Social Care	- No slippage, and spend being 41% of projected expenditure for 2009/10.
Safe & Sustainable Communities	- Slippage of £1 million (17%) with spend being 17% of projected expenditure for 2009/10.
Regeneration	- Project rephasing and slippage of £4.2 million (49%) with spends being 32% of projected expenditure for 2009/10.
Education & Lifelong Learning	- Slippage of £0.5 million (7%) with spend being 47% of projected expenditure for 2009/10.
Policy & Resources	- Slippage of £0.7 million (21%) with spend being 60% of projected expenditure for 2009/10.

- 5.3 Overall in 2009/10 it can be seen from Appendix 2 there is projected expenditure of £21.67 million of which £7.0 million has been spent as at 30 November 2009. This represents 34.6% of the projected expenditure for the financial year.

Rephasing and slippage into future years totals £5.3 million (21%).

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 the financial model reviewed six monthly. The last review was approved on 8 September 2009. This report confirmed that the programme continues to be contained within the overall approved budget limits.

7.0 CONCLUSION

- 7.1 The Council's Capital Programme for 2009/12 is showing a shortfall in resources of £3.35 million. The increase in the shortfall of resources is due to the fact that the Council is expecting a reduction in capital grant funding from the Scottish Government over the next spending review.
- 7.2 The previously approved 2010/13 capital programme will require to be reviewed as part of the current budget process.

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 CMT and reflects the figures reported to each of the Council Service Committees.

Capital Programme - 2009/10 - 2012/13

Available Resources

	A	B	C	D	E
	2009/10	2010/11	2011/12	2012/13	Total
	£000	£000	£000	£000	£000
Council Supported Borrowing	5,500	5,360	4,500	4,500	19,860
Less: Allocation to School Estate	(4,808)	(4,922)	(5,039)	(5,161)	(19,930)
Capital Receipts (Note 1)	322	680	148	6,064	7,214
Capital Grants (Note 2)	7,151	4,579	4,000	3,500	19,230
Prudential Funded Projects (Note 3)	3,549	13,694	11,813	2,807	31,863
Balance B/F From 08/09 (Exc School Estate)	3,417	-	-	-	3,417
Capital Funded from Current Revenue (Note 4)	1,398	660	88	-	2,146
	16,529	20,051	15,510	11,710	63,800

Overall Position 2009/13

Available Resources (Appendix 1, Column E)	£000
Projection (Appendix 2, Column B-E)	63,800
(Shortfall)/Under Utilisation of Resources	67,150
	<u>(3,350)</u>

All notes exclude School Estates

Note 1 (Capital Receipts)

	2009/10	2010/11	2011/12	2012/13	Total
	£000	£000	£000	£000	£000
Sales	232	590	148	6,064	7,034
Contributions/Recoveries	90	90	-	-	180
	322	680	148	6,064	7,214

Note 2 (Capital Grants)

	2009/10	2010/11	2011/12	2012/13	Total
	£000	£000	£000	£000	£000
General Capital Grant	5,787	3,793	4,000	3,500	17,080
Cycling, Walking & Safer Streets	146	146	-	-	292
SPT	90	-	-	-	90
Wellpark Centre	1,128	640	-	-	1,768
	7,151	4,579	4,000	3,500	19,230

Note 3 (Prudentially Funded Projects)

	2009/10	2010/11	2011/12	2012/13	Total
	£000	£000	£000	£000	£000
ICT Capital Programme	88	20	-	-	108
Consilium One Off Costs	350	-	-	-	350
Vehicle Replacement Programme	618	4,016	303	187	5,124
Replacement Depot	-	-	2,500	2,500	5,000
Knocknairshill Cemetery Ph5c	-	85	-	-	85
Crescent Street Rewiring & Heating	-	49	-	-	49
Devon Glen Stabilisation Works	-	100	-	-	100
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	180	25	-	-	205
Redholm Childrens Home	-	-	1,030	70	1,100
Future Operating Model	882	2,014	500	50	3,446
	3,549	13,694	11,813	2,807	31,863

Note 4 (Capital Funded from Current Revenue)

	2009/10	2010/11	2011/12	2012/13	Total
	£000	£000	£000	£000	£000
Roads Projects (former Transport Scotland)	59	-	-	-	59
Greenock Arts Guild	-	500	-	-	500
Play Areas	174	-	-	-	174
Wellpark Centre	315	160	88	-	563
Vehicle Replacement	850	-	-	-	850
	1,398	660	88	-	2,146

Capital Programme - 2009/10 - 2012/13

Agreed Projects Committee	A	B	C	D	E	F	G	H	I	J
	Prior Years £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	Future £000	Total £000	Approved Budget £000	(Under)/ Over £000	2009/10 Spend To 31/12/09 £000
Improvement & Performance	1,054	2,600	3,120	1,840	1,425	-	10,039	10,039	-	1,626
Safe, Sustainable Communities	1,169	3,619	6,521	4,651	4,451	5,000	25,411	25,411	-	892
Regeneration & Resources	1,951	4,356	9,724	13,283	7,572	950	37,836	37,836	-	1,710
Education & Lifelong Learning (Exc School Estate)	1,418	52	-	-	-	-	1,470	1,470	-	-
Health & Social Care	436	1,623	1,125	1,118	70	-	4,372	4,372	-	1,336
Sub - Total	6,028	12,250	20,490	20,892	13,518	5,950	79,128	79,128	-	5,564
School Estate (Note 1)	49,083	5,456	6,940	21,662	36,919	12,894	132,954	132,954	-	3,120
Total	55,111	17,706	27,430	42,554	50,437	18,844	212,082	212,082	-	8,684

Summarised SEMP Capital Position - 2009/13

	2009/10	2010/11	2011/12	2012/13
Capital Allocation	4,808	4,922	5,039	5,161
Capital Receipts	-	-	-	8,473
Surplus b/fwd	6,169	6,511	6,052	(742)
Prudential Borrowing	990	1,559	9,829	18,264
Virement to non-SEMP	-	-	-	-
Available Funding	11,967	12,992	20,920	31,156
Projects	4,466	5,381	11,833	18,655
Ex-Prudential Borrowing	990	1,559	9,829	18,264
Total	5,456	6,940	21,662	36,919
Surplus c/fwd	6,511	6,052	(742)	(5,763)