

**Report To:** Policy & Resources Committee      **Date:** 21 May 2013  
**Report By:** Chief Financial Officer      **Report No:** FIN/41/13/AP/MT  
**Contact Officer:** Alan Puckrin      **Contact No:** 01475 712223  
**Subject:** 2012/16 Capital Programme

---

## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2012/16 Capital Programme.

## 2.0 SUMMARY

- 2.1 In February 2013 the Council agreed the 2013/16 Capital Programme including a number of additional Capital projects from available reserves. Appendix 1 reflects these decisions.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that there is an estimated shortfall in resources of £1.195 million over the 2012/16 period which represents 1.3% of the total programme excluding the Schools Estate. A shortfall of this level is not unusual and is considered to be within acceptable parameters however in the longer term annual capital allocations continue to exceed the General Capital Grant and opportunities to reduce this funding gap should be taken.
- 2.3 It can be seen from Appendix 2 that as at 28<sup>th</sup> February 2012 expenditure was 88% of projected spend. Phasing and project spend have been reviewed by the Senior Officer (CAMS) Group against planned spend. An update on the 2012/13 Capital Programme out-turn will be reported to Committee next cycle.
- 2.4 Appendix 2 shows that overall Committees are projecting an underspend of £300,000, this relates to the Vehicle Replacement Programme, Knocknairshill Cemetery expansion, SPT projects and Kylemore Children's Home. The majority of the slippage is being reported within Environment and Regeneration and Education & Communities. This is partly offset by acceleration of other projects however net capital slippage of £5.040m (9.28%) is now being reported. This is a significant improvement on the 31% figure in 2011/12.

## 3.0 RECOMMENDATION

- 3.1 It is recommended that Committee note the current position of the 2012/16 Capital Programme.

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 On 14<sup>th</sup> February 2013 the Council agreed a 2013/16 Capital Programme which included significant additional funding to increase the Roads Asset Management Plan with further amounts set aside from available Revenue Reserves to fund a number of further Capital Projects and to reduce the overall funding shortfall.
- 4.2 The introduction of the unified Police Service of Scotland on 1<sup>st</sup> April 2013 will result in the Capital Grant being paid directly to Police Scotland. As a result the 2013/14 (£0.222m) and 2014/15 (£0.326m) Police Grants have been removed from the Policy & Resources budget, reducing the budget by £0.548m. The Council's General Capital Grant has been reduced by the same amount resulting in a nil impact to the Council.
- 4.3 The Business Property Renovation Scheme (BPRA) was approved by Policy & Resources Committee in February 2013. The refurbishment of Wallace Place and the creation of the Port Glasgow Hub are funded from this scheme and will deliver a capital saving of around £1.0m which was factored into the 2013/16 Budget. These projects have been removed from the Capital Programme.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows that over the 4 year period there is a projected shortfall in resources of £1.195 million which represents approximately 1.3% of the projected spend excluding the School Estates Management Plan. This is within acceptable parameters.
- 5.2 The position in respect of individual Committees is as follows:

### Social Care

An underspend of £0.04m within the Kylemore Children's home is being reported. No additional slippage is being reported with spend being 72.2% of projected spend for the year.

### Environment & Regeneration

An underspend of £0.260m is being reported (SPT Projects £0.130m, Vehicle Replacement Programme £0.095m, Knocknairshill Cemetery Expansion £0.035m). In addition net slippage of £2.878m is being reported for a total slippage (including underspend) of £3.138m (19.69%) with spend being 83% of projected spend for the year. The main areas of slippage are within Roads (£0.269m), Vehicles (£0.435m inclusive of the £0.095m underspend), Play Areas (£0.22m), Leisure & Pitches Strategy (£0.613m), Asset Management Plan (£1.080m), Port Glasgow Town Hall (£0.183m) and Lunderston Bay (£0.198m).

### Education & Communities

Net slippage of £1.876m (5.2%) is being reported with spend being 91% of projected spend for the year. The main areas of slippage are within Scheme of Assistance (£0.26m), St Columba's High School (£0.5m), the Port Glasgow Community Campus (£0.5m) and the Lomond View Academy (£0.62m).

### Policy & Resources

Replacement of PC's to the value of £0.175m (13.7%) has been accelerated from future years with £0.201m of slippage also being reported for net slippage of £0.026m (2.03%) with spend being 82.5% of projected spend for the year.

- 5.3 It should also be noted that a preferred option for the development of a canopy for the SV Comet has now been identified however this will required additional funding. This is subject to a separate report to the Environment & Regeneration Committee which has in turn been remitted to this Committee to approve the funding. This report does not reflect the changes relating to this project at this stage.
- 5.4 Overall in 2012/13 it can be seen that expenditure is 88.35% of the projected spend for the year and that slippage from the programme agreed in February 2012 is currently £5.040 million (9.26%) which is a significant improvement on the figure of 31% experienced in 2011/12.

## **6.0 SCHOOL ESTATE MANAGEMENT PLAN**

- 6.1 The position of the School Estate finances is shown separately in Appendix 2. A report to the Education & Lifelong Learning Committee on 30th October 2012 advised of the latest position of the SEMP with the overall model remaining affordable and deliverable. Proposals to accelerate aspects of the Primary School Programme were approved by the Council in February 2013.

## **7.0 CONCLUSION**

- 7.1 The Council's Capital Programme for 2012/16 is showing a shortfall in resources of £1.195 million.
- 7.2 Overall Service Committees have spent 88.35% of the 2012/13 projected spend as at 28<sup>th</sup> February 2013.

## **8.0 CONSULTATION**

- 8.1 This report reflects the position reported to Service Committees and has been approved by the Corporate Management Team.

Appendix 1

Capital Programme - 2012/13 - 2014/15

Available Resources

	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000
Government Capital Support	6,200	5,857	7,838	6,000	25,895
Less: Allocation to School Estate	(4,800)	(4,500)	(4,800)	(4,300)	(18,400)
Capital Receipts (Note 1)	742	865	560	937	3,104
Capital Grants (Note 2)	2,022	468	125	-	2,615
Prudential Funded Projects (Note 3)	5,645	7,158	24,431	6,101	43,335
Balance B/F From 11/12 (Exc School Estate)	3,995	-	-	-	3,995
Capital Funded from Current Revenue (Note 4)	4,072	9,137	8,974	2,833	25,016
Transfer to Capital Fund	(50)	-	(340)	(165)	(555)
	17,826	18,985	36,788	11,406	85,005

Overall Position 2012/16

Available Resources (Appendix 1, Column E)	£000	85,005
Projection (Appendix 2, Column B-E)		86,200
(Shortfall)/Under Utilisation of Resources		(1,195)

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000
Sales	467	496	560	937	2,460
Contributions/Recoveries (2012/13 to be confirmed)	275	369	-	-	644
	742	865	560	937	3,104

Note 2 (Capital Grants)

	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	93	85	125	-	303
SPT	1,345	-	-	-	1,345
Sports Scotland/SFA	317	383	-	-	700
Food Waste	267	-	-	-	267
	2,022	468	125	-	2,615

## Notes to Appendix 1

<u>Note 3 (Prudentially Funded Projects)</u>	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	185	68	68	68	389
Vehicle Replacement Programme	(108)	234	978	2,198	3,302
Greenock Parking Strategy	-	-	150	-	150
Asset Management Plan - Offices	34	2,207	6,330	492	9,063
Asset Management Plan - Borrowing in Lieu of Receipts	-	-	920	-	920
Asset Management Plan - Depots	1,909	1,872	8,279	1,183	13,243
Leisure & Pitches Strategy	2,314	1,442	946	-	4,702
Kylemore Childrens Home	546	60	-	-	606
Binnie Street Nursery	575	-	-	-	575
Modernisation Fund	44	125	350	-	519
Watt Complex Refurbishment	100	1,150	1,750	-	3,000
Gourock One Way System	46	(46)	2,500	-	2,500
Roads Asset Management Plan	-	-	2,100	2,100	4,200
Surplus Prudential Borrowing due to project savings	-	60	60	60	180
Element of Prudentially Funded projects already funded through existing Supported Borrowing	-	(14)	-	-	(14)
	5,645	7,158	24,431	6,101	43,335

<u>Note 4 (Capital Funded from Current Revenue)</u>	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	350	290	450	-	1,090
Play Areas	387	295	300	-	982
SWIFT Finance Module	35	35	-	-	70
Asset Management Plan - Offices (Capital Fund)	1,000	-	-	-	1,000
Lunderston Bay	12	63	98	-	173
Scheme of Assistance	189	677	433	433	1,732
Aids & Adaptations (Earmarked Reserve)	277	110	-	-	387
Flooding Strategy	142	42	1,250	-	1,434
Additional Funding for Road Improvements	7	-	-	-	7
Roads Winter Maintenance Equipment	32	-	-	-	32
Greenock Parking Strategy	-	104	100	-	204
Roads Asset Management Plan	1,373	2,727	2,400	2,400	8,900
Broomhill Community Facility (Community Facility Fund)	-	50	150	-	200
Inverkip Community Facility	-	-	900	-	900
Modernisation Fund	-	25	-	-	25
Greenock Town Centre	251	(1)	-	-	250
Port Glasgow Town Centre, Town Hall Refresh	17	170	63	-	250
Watt Complex Refurbishment	-	-	1,000	-	1,000
Community Facilities Investment	-	-	750	-	750
Blaes Football Parks	-	-	830	-	830
Broomhill Regeneration	-	-	250	-	250
Use of General Fund Reserves	-	4,550	-	-	4,550
	4,072	9,137	8,974	2,833	25,016

## Capital Programme - 2012/13 - 2014/15

Agreed Projects

Committee	A Prior Years £000	B 2012/13 £000	C 2013/14 £000	D 2014/15 £000	E 2015/16 £000	F Future £000	G Total £000	H Approved Budget £000	I (Under)/ Over £000	J 2012/13 Spend To 28/2/13 £000
Policy & Resources	3,652	1,253	1,273	865	515	-	7,558	7,558	-	1,034
Environment & Regeneration	26,284	12,803	13,858	30,174	11,625	90	94,834	95,094	(260)	10,625
Education & Communities (Exc School Estate)	1,038	2,149	2,762	7,014	933	-	13,896	13,896	-	1,892
CHCP	454	881	95	-	-	-	1,430	1,470	(40)	636
Sub -Total	31,428	17,086	17,988	38,053	13,073	90	117,718	118,018	(300)	14,187
School Estate (Note 1)	10,839	32,176	22,838	12,016	6,365	11,622	95,856	95,856	-	29,334
Total	42,267	49,262	40,826	50,069	19,438	11,712	213,574	213,874	(300)	43,521

Note 1Summarised SEMP Capital Position - 2012/17

	2012/13	2013/14	2014/15	2015/16	2016/17
Capital Allocation	4,800	4,500	4,800	4,300	4,300
Scottish Government School Grant (estimate)	3,007	1,366		801	803
Surplus b/fwd	5,352	2,510	4,409	1,244	(20)
Prudential Borrowing	15,827	10,546	4,051	-	-
Prudential Borrowing - In Lieu of Receipts	5,700	3,325			
Prudential Borrowing - Alternative Model		5,000			
Available Funding	34,686	27,247	13,260	6,345	5,083
<u>Projects</u>					
Ex-Prudential Borrowing	16,349	12,292	7,965	6,365	5,436
Prudential Borrowing	15,827	10,546	4,051	-	-
Total	32,176	22,838	12,016	6,365	5,436
Surplus c/fwd	2,510	4,409	1,244	(20)	(353)