

**Report To:** Policy & Resources Committee      **Date:** 19 November 2013  
**Report By:** Acting Corporate Director,  
Environment, Regeneration &  
Resources      **Report No:** FIN/90/13/JB/MT  
**Contact Officer:** Jan Buchanan      **Contact No:** 01475 712223  
**Subject:** 2013/16 Capital Programme

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2013/16 Capital Programme.

## 2.0 SUMMARY

- 2.1 In February 2013 the Council agreed a 3 year Capital Programme covering the period 2013/16. It should be noted that the 2015/16 Capital Grant Allocation is an estimate at this stage until figures are confirmed by the Scottish Government. The estimated shortfall in resources at the time of agreeing the budget was £1.695m being 1.5% of projected spend over 2013/16.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that the estimated shortfall in resources has reduced to £1.639 million over the 2013/16 period which represents 1.5% of the total programme, in line with the recommended level. 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 30<sup>th</sup> September 2013 expenditure was 49% of projected spend. Phasing and project spend has been reviewed by the Senior Officer (CAMS) Group against planned spend.
- 2.4 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. It could be seen that overall Committees are projecting to outturn on budget, the previously reported underspend on Kylemore Children's Home having been returned to the overall programme resulting in the reduced deficit highlighted in 2.2. Budgetary slippage of 2.1% is being reported, an increase of 0.2% from that reported to the previous Committee, this compares with slippage of 0.3% reported at the same stage last year.

## 3.0 RECOMMENDATION

- 3.1 It is recommended that Committee note the current position of the 2013/16 Capital Programme.

Jan Buchanan  
Head of Finance

## 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 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 3 year period there is a projected shortfall in resources of £1.639 million which represents 1.5% of the projected spend and is in line with the recommended level of 1.5%.
- 5.2 The position in respect of individual Committees is as follows:

### Social Care

The previously reported underspend within the Kylemore Children's home has been returned to the overall programme, as a result Social Care is now projected to outturn on budget. No additional slippage is being reported, with spend being 6.6% of projected spend for the year.

### Environment & Regeneration

Net slippage of £0.470m (3.33%) is being reported with spend being 22.9% of projected spend for the year. Slippage relates mainly to the Gourock Pier & Railhead Development (£0.622m) and is partly offset by the acceleration of other budgets, in particular the Vehicle Replacement Programme (£0.178m).

It should be noted that the slippage for the Gourock Development as reported to the Environmental & Regeneration Committee on 31<sup>st</sup> October is £0.222m, this report has been updated to reflect the latest slippage projection of £0.622m.

### Education & Communities

Slippage of £0.071m (0.30%) is being reported with spend being 64.7% of projected spend for the year. The slippage relates to the Watt Complex (£0.071m).

Within SEMP no net slippage is being shown at this stage, slippage/underspends on Ardgowan Primary (£0.808m) and Port Glasgow Community Campus (£0.800m) is offset by increases in other projects, mainly St Columba's (£0.808m) and Lomond View (£0.160), all movements are fully funded from within the SEMP.

Finally, no slippage is being shown within Scheme of Assistance at present, officers are reviewing the allocation of this budget and any slippage will be reported to the next cycle.

### Policy & Resources

Slippage of £0.276m (22.87%) is being reported with spend being 49.8% of projected spend for the year. The main areas of slippage are within the PC Refresh (£0.089m)

and Storage/Back-up Devices (£0.077m).

- 5.3 Overall in 2013/14 it can be seen that expenditure is 49.08% of the projected spend for the year and that slippage from the programme agreed in February 2013 is currently £0.817 million (2.11%).

## **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 5<sup>th</sup> November 2013 advised of the latest position of the SEMP with the overall model remaining affordable and deliverable.

## **7.0 CONCLUSION**

- 7.1 Officers robustly reviewed phasings on all projects prior to the setting of the 2013/16 Capital Programme in order to set a 3 year Capital Programme that was both prudent and realistic in reflecting the anticipated capital expenditure and this resulted in improved slippage levels.
- 7.2 As can be seen in paragraph 5.3 projected slippage is currently 2.11%, compared with 0.33% reported at the same stage last year. While it is early in the financial year the signs are that this review continues to produce a more realistically phased Capital Programme.
- 7.3 The Council's Capital Programme for 2013/16 is showing a shortfall in resources of £1.639 million, approximately 1.5% of the projected spend.
- 7.4 Overall Service Committees have spent 49.08% of the 2013/14 projected spend as at 30<sup>th</sup> September 2013.

## **8.0 CONSULTATION**

- 8.1 This report has been approved by the Corporate Management Team.

Appendix 1

Capital Programme - 2013/14 - 2015/16

Available Resources

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	5,857	7,838	6,000	-	19,695
Less: Allocation to School Estate	(4,500)	(4,800)	(4,300)	-	(13,600)
Capital Receipts (Note 1)	816	560	937	50	2,363
Capital Grants (Note 2)	408	125	-	-	533
Prudential Funded Projects (Note 3)	5,508	25,606	6,451	90	37,655
Balance B/F From 11/12 (Exc School Estate)	1,455	-	-	-	1,455
Capital Funded from Current Revenue (Note 4)	9,061	8,896	2,833	-	20,790
Transfer to Capital Fund	(50)	(340)	(165)	(50)	(605)
	18,555	37,885	11,756	90	68,286

Overall Position 2013/16

	£000
Available Resources (Appendix 1, Column E)	68,286
Projection (Appendix 2, Column B-E)	69,925
(Shortfall)/Under Utilisation of Resources	(1,639)

Available Resources (Appendix 1, Column E)  
Projection (Appendix 2, Column B-E)  
(Shortfall)/Under Utilisation of Resources

Notes to Appendix 1

All notes exclude School Estates  
Note 1 (Capital Receipts)

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Sales	804	560	937	50	2,351
Contributions/Recoveries	12	-	-	-	12
	816	560	937	50	2,363

Note 2 (Capital Grants)

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	85	125	-	-	210
SPT	285	-	-	-	285
Sustrans	20	-	-	-	20
Sports Scotland/SFA	18	-	-	-	18
	408	125	-	-	533

Note 2 (Capital Grants)  
Cycling, Walking & Safer Streets  
SPT  
Sustrans  
Sports Scotland/SFA

Notes to Appendix 1

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	38	104	68	-	210
Vehicle Replacement Programme	354	800	2,198	-	3,352
Greenock Parking Strategy	(34)	150	-	-	116
Asset Management Plan - Offices	2,133	6,396	492	90	9,111
Asset Management Plan - Borrowing in Lieu of Receipts	-	920	-	-	920
Asset Management Plan - Depots	1,870	8,279	1,183	-	11,332
Leisure & Pitches Strategy	1,588	822	-	-	2,410
Kylemore Childrens Home	(21)	-	-	-	(21)
Modernisation Fund	60	32	350	-	442
Watt Complex Refurbishment	100	2,821	-	-	2,921
Gourcock One Way System	(626)	3,122	-	-	2,496
Roads Asset Management Plan	-	2,100	2,100	-	4,200
Surplus Prudential Borrowing due to project savings	60	60	-	-	180
Element of Prudentially Funded projects already funded through existing Supported Borrowing	(14)	-	-	-	(14)
	5,508	25,606	6,451	90	37,655

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	167	467	-	-	634
Play Areas	351	300	-	-	651
SWIFT Finance Module	60	-	-	-	60
Lunderston Bay	120	41	-	-	161
Scheme of Assistance	433	433	433	-	1,299
Aids & Adaptations (Earmarked Reserve)	360	-	-	-	360
Flooding Strategy	82	1,222	-	-	1,304
Greenock Parking Strategy	104	100	-	-	204
Roads Asset Management Plan	2,722	2,365	2,400	-	7,487
Broomhill Community Facility (Community Facility Fund)	50	150	-	-	200
Inverkip Community Facility	264	900	-	-	1,164
Modernisation Fund	25	-	-	-	25
Port Glasgow Town Centre, Town Hall Refresh	164	63	-	-	227
Watt Complex Refurbishment	-	1,000	-	-	1,000
Community Facilities Investment	-	750	-	-	750
Blaes Football Parks	-	830	-	-	830
Broomhill Regeneration	-	250	-	-	250
Completion of SV Comet Canopy	109	25	-	-	134
Use of General Fund Reserves	4,050	-	-	-	4,050
	9,061	8,896	2,833	-	20,790

Note 3 (Prudentially Funded Projects)

Additional ICT - Education Whiteboard & PC Refresh  
 Vehicle Replacement Programme  
 Greenock Parking Strategy  
 Asset Management Plan - Offices  
 Asset Management Plan - Borrowing in Lieu of Receipts  
 Asset Management Plan - Depots  
 Leisure & Pitches Strategy  
 Kylemore Childrens Home  
 Modernisation Fund  
 Watt Complex Refurbishment  
 Gourcock One Way System  
 Roads Asset Management Plan  
 Surplus Prudential Borrowing due to project savings  
 Element of Prudentially Funded projects already funded through existing Supported Borrowing

Note 4 (Capital Funded from Current Revenue)

Regeneration of Port Glasgow Town Centre  
 Play Areas  
 SWIFT Finance Module  
 Lunderston Bay  
 Scheme of Assistance  
 Aids & Adaptations (Earmarked Reserve)  
 Flooding Strategy  
 Greenock Parking Strategy  
 Roads Asset Management Plan  
 Broomhill Community Facility (Community Facility Fund)  
 Inverkip Community Facility  
 Modernisation Fund  
 Port Glasgow Town Centre, Town Hall Refresh  
 Watt Complex Refurbishment  
 Community Facilities Investment  
 Blaes Football Parks  
 Broomhill Regeneration  
 Completion of SV Comet Canopy  
 Use of General Fund Reserves

## Capital Programme - 2013/14 - 2015/16

Agreed Projects Committee	A	B	C	D	E	G	H	I	J
	Prior Years £000	2013/14 £000	2014/15 £000	2015/16 £000	Future £000	Total £000	Approved Budget £000	(Under)/ Over £000	2013/14 Spend To 30/9/13 £000
Policy & Resources	3,784	931	791	865	-	6,371	6,371	-	464
Environment & Regeneration	34,513	13,630	30,595	11,625	90	90,453	90,453	-	3,117
Education & Communities (Exc School Estate)	455	2,197	8,085	933	-	11,670	11,670	-	236
CHCP	1,131	183	-	-	-	1,314	1,314	-	12
Sub -Total	39,883	16,941	39,471	13,423	90	109,808	109,808	-	3,829
School Estate (Note 1)	37,984	21,117	10,949	6,432	11,622	88,104	88,104	-	14,851
Total	77,867	38,058	50,420	19,855	11,712	197,912	197,912	-	18,680

## Note 1

## Summarised SEMP Capital Position - 2013/17

	2013/14	2014/15	2015/16	2016/17
Capital Allocation	4,500	4,800	4,300	4,300
Scottish Government School Grant (estimate)	1,366	801	803	803
Surplus b/fwd	2,182	4,409	1,811	480
Prudential Borrowing	9,153	3,551	-	-
Prudential Borrowing - In Lieu of Receipts	3,325	-	-	-
Prudential Borrowing - Accelerated Investment	5,000	-	-	-
Available Funding	<u>25,526</u>	<u>12,760</u>	<u>6,912</u>	<u>5,583</u>
Projects	11,964	7,398	6,432	5,436
Ex-Prudential Borrowing	9,153	3,551	-	-
Prudential Borrowing	<u>21,117</u>	<u>10,949</u>	<u>6,432</u>	<u>5,436</u>
Surplus c/fwd	4,409	1,811	480	147