
Report To: Policy & Resources Committee **Date:** 25 March 2014

Report By: Acting Corporate Director,
Environment Regeneration &
Resources **Report No:** FIN/17/14/JB/MT

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Subject: 2013/16 Capital Programme

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, in February 2014 the Council further agreed to return £0.5m of SEMP monies to the General Fund as well as approving a number of further projects funded from Revenue Reserves. 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 £1.135 million over the 2013/16 period following the return of £0.5m from SEMP which represents 1.08% of the projected spend over the 3 year period, 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 31st January 2014 expenditure was 82.48% 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 can be seen that overall Committees are projecting to outturn on budget. Budgetary slippage of 12.36% is being reported, an increase of 2.33% from that reported to the previous Committee, this compares with slippage of 8.95% reported at the same stage last year.

3.0 RECOMMENDATIONS

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

4.0 BACKGROUND

- 4.1 On 14th 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 On 4th February 2014 Policy & Resources Committee agreed to return £500,000 unused contingency within the School Estate to the General Fund, reducing the funding shortfall accordingly.
- 4.3 On 20th February 2014 the Council confirmed the existing Capital Programme to 2015/16. In addition a number of additional projects, funded from Revenue Reserves, were approved. These projects are reflected in this report.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 3 year period there is a projected shortfall in resources of £1.135 million which represents 1.08% of the projected spend and is within 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 7.7% of projected spend for the year.

Environment & Regeneration

Net slippage of £3.640m (25.72%) is being reported with spend being 57.7% of projected spend for the year. Slippage relates mainly to the Gourrock Pier & Railhead Development (£0.720m), the Replacement Depot (£1.2m), other slippage within the Asset Management Plan (£0.26m), Property Assets Core Allocation (£0.591m), Play Areas (£0.29m) and underspends within the SPT Grant funded programme (£0.28m) and is partly offset by the acceleration of other budgets, in particular the Vehicle Replacement Programme (£0.178m).

Education & Communities

Slippage of £0.817m (3.49%) is being reported with spend being 94.3% of projected spend for the year. The slippage relates mainly to the Scheme of Assistance (£0.726m).

Within SEMP negligible net slippage is being shown at this stage.

Policy & Resources

Slippage of £0.361m (29.91%) is being reported with spend being 89.5% of projected spend for the year. The main areas of slippage are within the PC Refresh (£0.089m), Storage/Back-up Devices (£0.077m) and Rolling Replacement of PC's (£0.052m).

- 5.3 Overall in 2013/14 it can be seen that expenditure is 82.48% of the projected spend for the year and that slippage from the programme agreed in February 2013 is currently £4.818 million (12.36%).

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 5th November 2013 advised of the latest position of the SEMP with the overall model remaining affordable and deliverable.
- 6.2 £0.5 million was transferred from the SEMP to the core Capital Programme as part of the approval of the 2014/16 Budget.

7.0 CONCLUSIONS

- 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.
- 7.2 As can be seen in paragraph 5.3 projected slippage is currently 12.36%, compared with 8.95% reported at the same stage last year.
- 7.3 The Council's Capital Programme for 2013/16 is showing a shortfall in resources of £1.135 million, approximately 1.08% of the projected spend.
- 7.4 Overall Service Committees have spent 82.48% of the 2013/14 projected spend as at 31st January 2014.

8.0 CONSULTATION

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

9.0 IMPLICATIONS

Finance

9.1 Financial Implications

All financial implications are discussed in detail within the report and in Appendices 1 & 2.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
General Fund Capital	Expenditure	2013/16	£72,739	n/a	Overall shortfall in funding £1.135m
	Income	2013/16	£(71,604)		

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

Legal

9.2 There are no legal implications.

Human Resources

9.3 There are no direct staffing implications in respect of this report and as such the Head of Organisational Development, HR & Communications has not been consulted.

Equalities

9.4 The report has no impact on the Council's Equalities policy.

Repopulation

9.5 The report has no impact on repopulation.

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	8,251	6,000	-	20,108
Less: Allocation to School Estate	(4,500)	(4,713)	(4,300)	-	(13,513)
Capital Receipts (Note 1)	566	620	772	-	1,958
Capital Grants (Note 2)	216	227	-	-	443
Prudential Funded Projects (Note 3)	4,853	8,412	19,344	5,334	37,943
Balance B/F From 11/12 (Exc School Estate)	1,455	-	-	-	1,455
Capital Funded from Current Revenue (Note 4)	8,401	8,568	5,441	800	23,210
	<u>16,848</u>	<u>21,365</u>	<u>27,257</u>	<u>6,134</u>	<u>71,604</u>

Overall Position 2013/16

Available Resources (Appendix 1, Column E)	<u>£000</u>
	71,604
Projection (Appendix 2, Column B-E)	<u>72,739</u>
(Shortfall)/Under Utilisation of Resources	<u>(1,135)</u>

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	554	420	772	-	1,746
Contributions/Recoveries	12	200	-	-	212
	<u>566</u>	<u>620</u>	<u>772</u>	<u>-</u>	<u>1,958</u>

Note 2 (Capital Grants)

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	82	125	-	-	207
SPT	6	-	-	-	6
Sustrans	10	-	-	-	10
Sports Scotland/SFA	18	-	-	-	18
Zero Waste Scotland	100	102	-	-	202
	<u>216</u>	<u>227</u>	<u>-</u>	<u>-</u>	<u>443</u>

Notes to Appendix 1

<u>Note 3 (Prudentially Funded Projects)</u>	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	866	2,198	-	3,418
Greenock Parking Strategy	(27)	68	75	-	116
Asset Management Plan - Offices	2,106	2,525	3,211	1,269	9,111
Asset Management Plan - Borrowing in Lieu of Receipts	-	920	-	-	920
Asset Management Plan - Depots	524	2,450	7,214	1,144	11,332
Leisure & Pitches Strategy	1,493	(21)	438	-	1,910
Broomhill Community Facility	-	-	500	-	500
Kylemore Childrens Home	179	(200)	-	-	(21)
Modernisation Fund	60	32	350	-	442
Watt Complex Refurbishment	80	40	380	2,421	2,921
Gourock One Way System	-	-	2,000	500	2,500
Roads Asset Management Plan	-	1,350	2,850	-	4,200
Kerbside Glass Collection	-	218	-	-	218
Surplus Prudential Borrowing due to project savings	60	60	60	-	180
Element of Prudentially Funded projects already funded through existing Supported Borrowing	(14)	-	-	-	(14)
	4,853	8,412	19,344	5,334	37,943
<u>Note 4 (Capital Funded from Current Revenue)</u>	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	149	45	150	-	344
Play Areas	57	744	200	-	1,001
Coronation Park, Port Glasgow	18	232	-	-	250
Contribution to Birkmyre Park Pitch Improvements	-	50	-	-	50
Gourock Walled Garden, Toilet Provision	-	40	-	-	40
Port Glasgow Health Centre Car Park	-	40	-	-	40
SWIFT Finance Module	60	-	-	-	60
Hillend Respite Unit	-	80	-	-	80
Lunderston Bay	120	41	-	-	161
Scheme of Assistance	433	433	433	-	1,299
Aids & Adaptations (Earmarked Reserve)	360	100	-	-	460
Flooding Strategy	27	467	810	-	1,304
Greenock Parking Strategy	70	134	-	-	204
Roads Asset Management Plan	2,597	2,701	2,189	-	7,487
Broomhill Community Facility (Community Facility Fund)	50	100	400	-	550
Inverkip Community Facility	264	600	500	-	1,364
Modernisation Fund	25	-	-	-	25
Port Glasgow Town Centre, Town Hall Refresh	93	100	34	-	227
Watt Complex Refurbishment	-	80	120	800	1,000
Community Facilities Investment	-	-	400	-	400
Blaes Football Parks	3	827	-	-	830
Ravensraig Sports Barn	-	600	-	-	600
Broomhill Regeneration	16	34	200	-	250
Lower Port Glasgow Regeneration	-	350	-	-	350
East Central Greenock Regeneration	-	500	-	-	500
Central Gourock	-	150	-	-	150
Completion of SV Comet Canopy	9	120	5	-	134
Use of General Fund Reserves	4,050	-	-	-	4,050
	8,401	8,568	5,441	800	23,210

Capital Programme - 2013/14 - 2015/16

Agreed Projects

Committee	A Prior Years £000	B 2013/14 £000	C 2014/15 £000	D 2015/16 £000	E 2016/17 £000	F Future £000	G Total £000	H Approved Budget £000	I (Under)/ Over £000	J 2013/14 Spend To 31/1/14 £000
Policy & Resources	3,784	846	790	901	50	-	6,371	6,371	-	757
Environment & Regeneration	34,513	10,510	18,647	25,604	2,913	-	92,187	92,187	-	6,067
Education & Communities (Exc School Estate)	455	1,504	3,448	3,642	1,400	2,221	12,670	12,670	-	653
CHCP	1,131	183	80	-	-	-	1,394	1,394	-	14
Sub -Total	39,883	13,043	22,965	30,147	4,363	2,221	112,622	112,622	-	7,491
School Estate (Note 1)	37,984	21,114	8,513	9,483	5,837	6,186	89,117	89,117	-	20,682
Total	77,867	34,157	31,478	39,630	10,200	8,407	201,739	201,739	-	28,173

Note 1Summarised SEMP Capital Position - 2013/17

	2013/14	2014/15	2015/16	2016/17
Capital Allocation	4,500	4,713	4,300	4,300
Scottish Government School Grant (estimate)	1,366		801	803
Surplus b/fwd	2,182	4,779	3,663	381
Prudential Borrowing	9,520	2,184	500	-
Prudential Borrowing - In Lieu of Receipts	3,325			
Prudential Borrowing - Accelerated Investment	5,000			
CFCR	-	500	600	-
Available Funding	<u>25,893</u>	<u>12,176</u>	<u>9,864</u>	<u>5,484</u>
<u>Projects</u>				
Ex-Prudential Borrowing	11,594	5,829	8,383	5,837
Prudential Borrowing	9,520	2,184	500	-
CFCR	-	500	600	-
Total	<u>21,114</u>	<u>8,513</u>	<u>9,483</u>	<u>5,837</u>
Surplus c/fwd	4,779	3,663	381	(353)