
Report To:	Policy & Resources Committee	Date:	17 November 2015
Report By:	Chief Financial Officer	Report No:	FIN/112/15/JB/MT
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Subject:	2015/18 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2015/18 Capital Programme.

2.0 SUMMARY

- 2.1 On February 19th 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18.
- 2.2 As part of the approved Capital Programme it was agreed to return the existing surplus in Capital Resources to Revenue Reserves, returning the Capital Programme to a break-even position. Following adjustments made during the year end accounts process however a deficit of £0.115m is now being reported as can be seen from Appendix 1. This is not a material deficit, representing 0.1% of projected spend over the 3 year period, well within the recommended level.
- 2.3 It can be seen from Appendix 2 that as at 30th September 2015 expenditure in 2015/16 was 29.69% of projected spend. Phasing and project spend has been reviewed by the budget holders and the relevant Corporate Director and will be continue to be monitored throughout the year.
- 2.4 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. In view of high slippage levels in previous years officers are actively seeking to advance projects where at all possible, as no significant slippage in budgeted projects is yet being reported this is resulting in a projected net advancement of projects of 4.29%. This is a reduction in advancement of 6.97% from that reported to the previous Committee. As the year progresses some budgeted projects may fall behind schedule and is likely to see this figure move to being either on target or reporting modest slippage levels. This compares with a slippage outturn of 15.3% in 2014/15, the details of this were reported to Committee in August 2015.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2015/18 Capital Programme.

4.0 BACKGROUND

- 4.1 On February 19th 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18. As part of this process the previously reported surplus, along with minor underspends in 2 projects, returned £1.261m to Revenue Reserves. Subsequent adjustments arising as part of the year end accounts process have resulted in a small deficit.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2015/18 period the Capital Programme is in a break-even position.
- 5.2 The position in respect of individual Committees is as follows:

Social Care

Project slippage of £0.315m (46.94%) with spend being 2.2% of projected spend for the year. This relates to the replacement for Neil St Children's Home and is a reduction in projected spend of £1.315m since last Committee, of this movement however £1m is due to an error in the previous Committee which overstated the projected spend.

Environment & Regeneration

Net advancement of £0.765m (3.92%) is being reported with spend being 25.8% of projected spend for the year. This is a net reduction in acceleration of spend of £0.909m (4.66%) since last Committee mainly due to slippage in the Flooding Strategy – Greenock Central (£0.746m) and AMP Depots – Vehicle Maintenance Shed (£0.500m) which is offset by advanced RAMP – Lighting (£0.513m).

Education & Communities

Net advancement of £0.498m (5.59%) is being reported with spend being 41.1% of projected spend for the year. Slippage within St John's Primary School Refurbishment is being more than offset by advancements including Rankin Park Cycle Track (£0.250m) and Ravenscraig Sports Barn (£0.200m).

Policy & Resources

Advancement of £0.323m (57.37%) relating to the Scottish Wide Area Network is being reported with spend being 7.8% of projected spend for the year.

- 5.3 Overall in 2015/16 it can be seen that expenditure is 29.69% of the projected spend for the year and that project advancement from the programme agreed in February 2015 is currently £1.271 million (4.29%).

6.0 CONCLUSIONS

- 6.1 As can be seen in paragraph 5.3 projected project advancement is currently 4.29%, this compares with slippage of 15.3% in 2014/15. It should be noted that officers have sought actively to advance projects in anticipation of potential slippage. However no such slippage is yet being reported. It is anticipated that as the year progresses it is possible that some budgeted projects will fall behind schedule and this is likely to see this figure move to being either on target or reporting modest slippage levels.
- 6.2 Following adjustments made during the year end accounts process the Council's Capital Programme for 2015/18 is showing a shortfall in resources of £0.115m. This is not a material deficit representing approximately 0.1% of the projected £94.7m spend over the 3 year period.
- 6.3 Overall Service Committees have spent 29.69% of the 2015/16 projected spend as at 30th September 2015.

7.0 CONSULTATION

7.1 This report has been approved by the Corporate Management Team and reflects the detail reported to Service Committee.

8.0 IMPLICATIONS

Finance

8.1 Financial Implications

All financial implications are shown 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
N/A					

Annually Recurring Costs/ (Savings)

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

Legal

8.2 There are no legal implications.

Human Resources

8.3 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

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

Repopulation

8.5 The Council's continuing significant capital investment levels will have a positive impact on regeneration, job creation and hence repopulation.

9.0 BACKGROUND PAPERS

9.1 None.

Appendix 1

Capital Programme - 2015/16 - 2017/18

Available Resources

	A	B	C	D	E
	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	11,180	7,300	7,300	-	25,780
Less: Allocation to School Estate	(5,317)	(4,300)	(4,300)	-	(13,917)
Capital Receipts (Note 1)	1,006	133	385	-	1,524
Capital Grants (Note 2)	526	110	-	-	636
Prudential Funded Projects (Note 3)	9,668	21,971	11,866	450	43,955
Balance B/F From 14/15 (Exc School Estate)	2,890	-	-	-	2,890
Capital Funded from Current Revenue (Note 4)	4,810	6,939	333	-	12,082
	<u>24,763</u>	<u>32,153</u>	<u>15,584</u>	<u>450</u>	<u>72,950</u>

Overall Position 2014/18

	<u>£000</u>
Available Resources (Appendix 1, Column E)	72,950
Projection (Appendix 2, Column B-E)	<u>73,065</u>
(Shortfall)/Under Utilisation of Resources	<u>(115)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000
Sales	974	83	385	-	1,442
Contributions/Recoveries	32	50	-	-	82
	<u>1,006</u>	<u>133</u>	<u>385</u>	<u>-</u>	<u>1,524</u>

Note 2 (Capital Grants)

	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	121	-	-	-	121
SPT	114	-	-	-	114
Sustrans	56	-	-	-	56
Sports Scotland/SFA	18	100	-	-	118
Electric Vehicle Charging Points	39	-	-	-	39
Big Lottery Fund	178	10	-	-	188
	<u>526</u>	<u>110</u>	<u>-</u>	<u>-</u>	<u>636</u>

Notes to Appendix 1

<u>Note 3 (Prudentially Funded Projects)</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>Future</u>	<u>Total</u>
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	78	92	66	-	236
Vehicle Replacement Programme	1,250	900	1,481	-	3,631
Greenock Parking Strategy	273	-	-	-	273
Asset Management Plan - Offices	1,254	3,856	133	-	5,243
Asset Management Plan - Depots	2,360	4,961	531	-	7,852
Capital Works on Former Tied Houses	20	160	60	360	600
Waterfront Leisure Complex Combined Heat and Power Plant	181	50	-	-	231
Leisure & Pitches Strategy	103	204	-	-	307
Broomhill Community Facility	-	500	-	-	500
Kylemore Childrens Home (return of borrowing in lieu of receipt)	(200)	-	-	-	(200)
Neil Street Childrens Home Replacement	346	1,369	29	-	1,744
Crosshill Childrens Home Replacement	-	157	1,435	90	1,682
Modernisation Fund	92	110	-	-	202
Watt Complex Refurbishment	-	700	2,221	-	2,921
Gourock One Way System	2,000	500	-	-	2,500
Roads Asset Management Plan	1,001	7,102	4,600	-	12,703
Surplus Prudential Borrowing due to project savings	60	60	60	-	180
Reduction in Prudential Borrowing, ICT Annual allocation	(150)	(150)	(150)	-	(450)
Additional Prudential Borrowing to Support annual allocations	1,000	1,400	1,400	-	3,800
	<u>9,668</u>	<u>21,971</u>	<u>11,866</u>	<u>450</u>	<u>43,955</u>

<u>Note 4 (Capital Funded from Current Revenue)</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>Future</u>	<u>Total</u>
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	416	326	-	-	742
Play Areas	352	308	-	-	660
Coronation Park, Port Glasgow	185	-	-	-	185
Contribution to Birkmyre Park Pitch Improvements	-	200	-	-	200
Gourock Walled Garden, Toilet Provision	27	-	-	-	27
Hillend Respite Unit	3	-	-	-	3
Scheme of Assistance	433	333	333	-	1,099
Flooding Strategy	(609)	2,472	-	-	1,863
Greenock Parking Strategy	68	-	-	-	68
Roads Asset Management Plan	2,190	-	-	-	2,190
Broomhill Community Facility (Community Facility Fund)	101	252	-	-	353
Inverkip Community Facility	901	715	-	-	1,616
Primary School MUGA's - various	473	838	-	-	1,311
Various MUGAs - transfer to SEMP	(138)	(365)	-	-	(503)
Watt Complex Refurbishment	152	800	-	-	952
Community Facilities Investment	100	300	-	-	400
Blaes Football Parks	26	40	-	-	66
Ravenscraig Sports Barn	600	-	-	-	600
Broomhill Regeneration	80	670	-	-	750
Central Gourock	-	150	-	-	150
Scottish Wide Area Network	323	-	-	-	323
Rankin Park Cycle Track	250	(100)	-	-	150
Asset Management Plan - Depots	137	-	-	-	137
Use of General Fund Reserves	(1,260)	-	-	-	(1,260)
	<u>4,810</u>	<u>6,939</u>	<u>333</u>	<u>-</u>	<u>12,082</u>

Capital Programme - 2015/16 - 2017/18Agreed Projects

Committee	A Prior Years £000	B 2015/16 £000	C 2016/17 £000	D 2017/18 £000	E Future £000	F Total £000	G Approved Budget £000	H (Under)/ Over £000	I 2014/15 Spend To 30/09/15 £000
Policy & Resources	5,044	886	549	363	-	6,842	6,842	-	69
Environment & Regeneration	25,690	20,272	23,102	11,307	360	80,731	80,731	-	5,239
Education & Communities (Exc School Estate)	1,021	3,272	6,464	3,054	-	13,811	13,811	-	1,006
CHCP	191	356	1,526	1,464	90	3,627	3,627	-	8
Sub -Total	31,946	24,786	31,641	16,188	450	105,011	105,011	-	6,322
School Estate (Note 1)	8,145	6,139	12,615	3,308	2,696	32,903	32,903	-	2,861
Total	40,091	30,925	44,256	19,496	3,146	137,914	137,914	-	9,183

Note 1Summarised SEMP Capital Position - 2014/18

	2015/16	2016/17	2017/18
Capital Allocation	5,317	4,300	4,300
Scottish Government School Grant (estimate)	1,120	1,953	100
Surplus b/fwd	3,762	4,758	(774)
Prudential Borrowing	500	465	-
Prudential Borrowing - In Lieu of Receipts			
Prudential Borrowing - Accelerated Investment			
Contractor Contribution	60		
CFCR	138	365	-
Available Funding	<u>10,897</u>	<u>11,841</u>	<u>3,626</u>
<u>Projects</u>			
Ex-Prudential Borrowing	5,501	11,785	3,308
Prudential Borrowing	500	465	-
CFCR	138	365	-
Total	<u>6,139</u>	<u>12,615</u>	<u>3,308</u>
Surplus c/fwd	4,758	(774)	318