
Report To:	Policy & Resources Committee	Date:	20 June 2017
Report By:	Chief Financial Officer	Report No:	FIN/42/17/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2016/20 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2016/20 Capital Programme.

2.0 SUMMARY

- 2.1 On 16 February 2017 the Council approved the 2017/20 Capital Programme, this effectively continued the previously approved 2016/18 Capital Programme.
- 2.2 The Capital Programme reflects the confirmed 2017/18 capital grant plus an estimate of capital grants for the period 2018/20 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual core allocations.
- 2.3 In order to fund increased investment in a number of areas it was agreed to overprovide by up to 5% against available (non SEMP) resources in recognition of potential increase in resources or cost reductions in the future. As a result the Capital Programme is reporting a deficit of £2.270m which represents 4.47% of the 2017/20 resources.
- 2.4 It can be seen from Appendix 2 that as at 31 March 2017 provisional outturn in 2016/17 was £30.546m
- 2.5 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. Overall committees are projecting to outturn on budget. In the current year net advancement of 9.27% is currently being reported, an increase in advancement of 7.31% (£2.053m) since the previous Committee. This is mainly due to advancement within the Asset Management Plan (£0.820m), the Roads Asset Management Strategy (£0.509m) and the School Estates Management Plan (£1.063m), partially offset by slippage in the New Community Facility, Broomhill (£0.208m).
- 2.6 This compares with net advancement of 3% in 2015/16. In view of high slippage levels in previous years officers were prudent in estimates of capital spend when preparing the 2016/17 Capital Programme and actively sought to advance projects where possible to offset unavoidable slippage.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the current position of the 2016/20 Capital Programme, and welcomes the net advancement of £2.59 million in 2016/17.

4.0 BACKGROUND

- 4.1 On 16 February 2017 the Council approved the 2017/20 Capital Programme, this effectively continued the previously approved 2016/18 Capital Programme to 2017/20.
- 4.2 The approved Capital Programme reflects the confirmed 2017/18 capital grant plus an estimate of capital grants for the period 2018/20 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual core allocations.
- 4.3 Overprovision of projects against estimated (non SEMP) resources of up to 5% has been made to allow for increased resources and/or cost reductions. This overprovision as well as the removal of unspent prior year budgets from 3 recurring budgets, ICT, Scheme of Assistance and Zero Waste Fund, has allowed for investment in Roads Assets, expansion of Cemetery provision, Open Spaces and a match funding allowance for an Indoor Sports Facility (Tennis) with further Revenue (CFCR) funding approved for Town and Village Centre Regeneration.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2016/20 period the Capital Programme is reporting a £2.270m deficit. This is considered to be within an acceptable level of up to 5% overprovision.
- 5.2 The position for 2016/17 in respect of individual Committees is as follows:

Health & Social Care

Net slippage of £0.357m (25.25%) is being reported with spend of £1.057m for the year. The slippage is due to the revised phasing of the Neil Street Children's Home Replacement.

Environment & Regeneration

Net advancement of £1.912m (12.3%) is being reported with spend of £17.455m for the year. The advancement is projected mainly within the Roads Asset Management Strategy (£1.064m), Wallace Place Elevation Roofing (£0.209m), Asset Management Plan (£0.281m) and various Property Assets Minor Works and Projects (£0.622m), offset by slippage within Play Areas (£0.230m).

Education & Communities

Net advancement of £1.132m (10.71%) is being reported with spend of £11.71m for the year. The advancement is mainly due to the revised phasing of various projects within the School Estates Management Plan (£1.319m) as well as the New Community Facility, Broomhill (£0.353m) and Scheme of Assistance (£0.111m), offset by slippage in the Watt Complex (£0.386m) and in Public Space CCTV (£0.321m).

Policy & Resources

Net slippage of £0.096m (22.59%) is being reported with spend of £0.329m for the year. The slippage is mainly due to the revised phasing of the ICT Annual Allocation (£0.133m) and Rolling Replacement of PCs (£0.043m), offset by advancement within the Server & Switch Replacement Programme (£0.049m) and the Modernisation Fund (£0.026m).

- 5.3 Overall in 2016/17 expenditure is £30.546m and project advancement from the programme agreed in March 2016 is currently £2.591 million (9.27%). This is an increase in advancement of 7.31% (£2.053m) since the previous Committee. This is mainly due to advancement within the Asset Management Plan (£0.820m), the Roads Asset Management Strategy (£0.509m) and the School Estates Management Plan (£1.063m), offset by slippage in the New Community Facility, Broomhill (£0.208m).
- 5.4 This compares with advancement of 3% in 2015/16. It should be noted that officers have actively sought to advance projects in anticipation of potential slippage as well as taking a prudent view when setting the 2016/17 Capital Programme.

6.0 CONSULTATION

- 6.1 This report reflects the detail reported to Service Committees.

7.0 IMPLICATIONS

Finance

7.1 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

7.2 There are no legal implications.

Human Resources

7.3 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

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

Repopulation

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

8.0 BACKGROUND PAPERS

8.1 None.

Appendix 1

Capital Programme - 2016/17 - 2019/20

Available Resources

	A	B	C	D	E
	2016/17	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000	£000
Government Capital Support	7,355	9,560	8,700	8,700	34,315
Less: Allocation to School Estate	(4,674)	(4,300)	(4,300)	(4,300)	(17,574)
Capital Receipts (Note 1)	692	435	134	336	1,597
Capital Grants (Note 2)	844	174	-	-	1,018
Prudential Funded Projects (Note 3)	14,188	17,659	7,488	2,531	41,866
Balance B/F From 15/16 (Exc School Estate)	1,290	-	-	-	1,290
Capital Funded from Current Revenue (Note 4)	201	1,821	5,696	406	8,124
	<u>19,896</u>	<u>25,349</u>	<u>17,718</u>	<u>7,673</u>	<u>70,636</u>

Overall Position 2016/20

	<u>£000</u>
Available Resources (Appendix 1, Column E)	70,636
Projection (Appendix 2, Column B-E)	<u>72,906</u>
(Shortfall)/Under Utilisation of Resources	<u>(2,270)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Sales	610	385	134	336	1,465
Contributions/Recoveries	82	50	-	-	132
	<u>692</u>	<u>435</u>	<u>134</u>	<u>336</u>	<u>1,597</u>

Note 2 (Capital Grants)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	88	109	-	-	197
SPT	92	-	-	-	92
Sustrans	35	-	-	-	35
Sports Scotland/SFA	18	-	-	-	18
Electric Vehicle Charging Points	8	-	-	-	8
Vehicle Replacement Programme - Electric Vehicles Additional Grant	19	-	-	-	19
Historic Scotland	-	65	-	-	65
Big Lottery Fund	584	-	-	-	584
	<u>844</u>	<u>174</u>	<u>-</u>	<u>-</u>	<u>1,018</u>

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	112	42	30	-	184
Vehicle Replacement Programme	190	535	1,627	1,106	3,458
Greenock Parking Strategy	139	4	-	-	143
Asset Management Plan - Offices	2,995	1,057	405	-	4,457
Asset Management Plan - Depots	3,864	1,356	1,642	-	6,862
Capital Works on Former Tied Houses	15	78	195	300	588
Waterfront Leisure Complex Combined Heat and Power Plant	152	75	-	-	227
Leisure & Pitches Strategy	13	23	-	-	36
Broomhill Community Facility	-	500	-	-	500
CCTV	-	321	-	-	321
Clune Park Regeneration	-	-	-	1,000	1,000
Neil Street Childrens Home Replacement	841	708	81	-	1,630
Crosshill Childrens Home Replacement	47	760	750	125	1,682
Modernisation Fund	73	27	40	-	140
Watt Complex Refurbishment	137	986	693	-	1,816
Roads Asset Management Plan	4,300	5,377	2,025	-	11,702
Surplus Prudential Borrowing due to project savings	60	60	-	-	120
Reduction in Prudential Borrowing, ICT Annual allocation	(150)	(150)	-	-	(300)
Additional Prudential Borrowing to Support annual allocations	1,400	1,400	-	-	2,800
Additional Prudential Borrowing to allow return of Reserves	-	4,500	-	-	4,500
	<u>14,188</u>	<u>17,659</u>	<u>7,488</u>	<u>2,531</u>	<u>41,866</u>

Note 4 (Capital Funded from Current Revenue)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	394	101	585	-	1,080
Regeneration of Town & Village Centres	-	-	2,500	-	2,500
Play Areas	35	250	80	-	365
Contribution to Birkmyre Park Pitch Improvements	13	162	125	-	300
Scheme of Assistance	333	406	406	406	1,551
Flooding Strategy	-	863	1,000	-	1,863
Greenock Parking Strategy	47	-	-	-	47
Roads Asset Management Plan	626	(1,205)	579	-	-
Broomhill Community Facility (Community Facility Fund)	206	397	50	-	653
Inverkip Community Facility	719	32	-	-	751
Neil Street Childrens Home Replacement	-	133	-	-	133
John Street, Gourrock	169	56	-	-	225
Primary School MUGA's - various	163	34	-	-	197
Community Facilities Investment	41	24	-	-	65
Blaes Football Parks	3	24	-	-	27
Bakers Brae Re-alignment/Broomhill Regeneration	185	887	371	-	1,443
Central Gourrock	4	26	-	-	30
Scottish Wide Area Network	23	-	-	-	23
Rankin Park Cycle Track	38	23	-	-	61
King George VI Refurbishment	50	450	-	-	500
District Court Room Restoration	-	330	-	-	330
AMP - William St	-	300	-	-	300
GMB Lighting Replacement	12	5	-	-	17
Trafalgar St Solum	13	-	-	-	13
Investment in Park Assets	127	23	-	-	150
Contribution to General Fund Reserves	(3,000)	(1,500)	-	-	(4,500)
	<u>201</u>	<u>1,821</u>	<u>5,696</u>	<u>406</u>	<u>8,124</u>

Capital Programme - 2016/17 - 2019/20Agreed Projects

Committee	A Prior Years £000	B 2016/17 £000	C 2017/18 £000	D 2018/19 £000	E 2019/20 £000	F Total £000	G Approved Budget £000	H (Under)/ Over £000	I 2016/17 Spend To 31/03/17 £000
Policy & Resources	1,288	329	254	633	363	2,867	2,867	-	329
Environment & Regeneration	34,017	17,455	13,591	18,090	7,976	91,129	91,129	-	17,455
Education & Communities (Exc School Estate)	2,210	2,967	3,492	2,180	1,906	12,755	12,755	-	2,967
CHCP	228	1,057	1,657	831	125	3,898	3,898	-	1,057
Sub -Total	37,743	21,808	18,994	21,734	10,370	110,649	110,649	-	21,808
School Estate (Note 1)	5,901	8,738	13,306	17,779	3,154	48,878	48,878	-	8,738
Total	43,644	30,546	32,300	39,513	13,524	159,527	159,527	-	30,546

Note 1Summarised SEMP Capital Position - 2014/18

	2016/17	2017/18	2018/19	Future
Capital Allocation	4,674	4,300	4,300	4,300
Scottish Government School Grant (estimate)	1,120	1,953	100	
Surplus b/fwd	3,827	5,908	1,255	(12,124)
Prudential Borrowing	3,965	-	-	
Prudential Borrowing - Accelerated Investment		-		
Contractor Contribution	60			
CFCR	1,000	2,400	-	
Available Funding	14,646	14,561	5,655	(7,824)
<u>Projects</u>				
Ex-Prudential Borrowing	3,773	10,906	17,779	3,154
Prudential Borrowing	3,965	-	-	
CFCR	1,000	2,400	-	
Total	8,738	13,306	17,779	3,154
Surplus c/fwd	5,908	1,255	(12,124)	(10,978)