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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>18 September 2018</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/92/18/AP/MT</b>
<b>Contact Officer:</b>	<b>Matt Thomson</b>	<b>Contact No:</b>	<b>01475 712256</b>
<b>Subject:</b>	<b>2018/21 Capital Programme</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2018/21 Capital Programme.

## 2.0 SUMMARY

- 2.1 On March 15 2018 the Council approved the 2018/21 Capital Programme which built on the previously approved 2017/20 Capital Programme.
- 2.2 The Capital Programme reflects the confirmed 2018/19 capital grant plus an estimate of capital grants for the period 2019/21 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual 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 £2.193m which represents 4.40% of the 2018/21 resources.
- 2.4 Officers have confirmed that the phasing of some Property Services projects was not correct at the time the budget was set. Whilst this has no impact on the overall 3 year programme, the Chief Financial Officer would recommend that the Committee approve the restated baseline as reflected in the appendices.
- 2.5 It can be seen from Appendix 2 that as at 31 July 2018, expenditure in 2018/19 was 23.18% of projected spend. Phasing and project spend have been reviewed by the budget holders and the relevant Corporate Director.
- 2.6 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 slippage of 0.13% is currently being reported based on the restated baseline. This is due to minor advancement within the Environment & Regeneration Committee (£0.035m) offset by slippage - Policy & Resources Committee (£0.015m) and Birkmyre Pitch Improvements (£0.055m)

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee approves that the 2018/19 Capital budget be restated to reflect the information omitted at the time the budget was approved and otherwise notes the current position of the 2018/21 Capital Programme.

**Alan Puckrin**  
**Chief Financial Officer**

## **4.0 BACKGROUND**

- 4.1 On 15 March 2018, the Council approved the 2018/21 Capital Programme which built upon the previously approved 2017/20 Capital Programme.
- 4.2 The approved Capital Programme reflects the confirmed 2018/19 capital grant plus an estimate of capital grants for the period 2019/21 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the core annual allocations.
- 4.3 Over provision of projects against estimated (non SEMP) resources of up to 5% has been made to allow for increased resources and/or cost reductions.
- 4.4 Officers have confirmed that the phasing of some Property Services projects was not correct at the time the budget was set. Whilst this has no impact on the overall 3 year programme, the Chief Financial Officer would recommend that the Committee approves the restated baseline as reflected in the appendices.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows that over the 2018/21 period, the Capital Programme is reporting a £2.143 deficit. This is considered to be within an acceptable level of up to 5% over- provision.
- 5.2 The position in respect of individual Committees for 2018/19 is as follows:

### Health & Social Care

No slippage is being reported with spend of £1.364m for the year.

### Environment & Regeneration

Net advancement of £0.035m (0.24%) is being reported with spend of £14.577m for the year. Slippage is projected within the Depot AMP (£0.138m) however this is offset by minor advancements on various budgets across the RAMP and Property Services annual allocations.

### Education & Communities

Net slippage of £0.055m (0.47%) is being reported with spend of £11.534m for the year. The slippage is within Birkmyre Park Pitch Improvements (£0.055m).

### Policy & Resources

Net slippage of £0.015m (3.00%) is being reported with spend of £0.485m for the year. The slippage is within the Modernisation Fund (£0.065m) partly offset by advancement within the PC Refresh and Server Replacement Programme (£0.050m).

- 5.3 Overall in 2018/19 expenditure is 23.18% of projected spend for the year and that project slippage from the programme agreed in March 2018 is £0.035million (0.13%).

## **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.

Capital Programme - 2018/19 - 2020/21Available Resources

	A	B	C	D	E
	2018/19	2019/20	2020/21	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	8,282	9,500	8,500	-	26,282
Less: Allocation to School Estate	(4,300)	(4,300)	(3,000)	-	(11,600)
Capital Receipts (Note 1)	389	247	543	-	1,179
Capital Grants (Note 2)	1,861	260	-	-	2,121
Prudential Funded Projects (Note 3)	5,885	5,338	2,333	350	13,906
Balance B/F From 17/18 (Exc School Estate)	12,167	-	-	-	12,167
Capital Funded from Current Revenue	4,901	852	406	-	6,159
	<u>29,185</u>	<u>11,897</u>	<u>8,782</u>	<u>350</u>	<u>50,214</u>

Overall Position 2018/21

Available Resources (Appendix 1, Column E)	<u>£000</u>
Projection (Appendix 2, Column B-E)	50,214
(Shortfall)/Under Utilisation of Resources	<u>52,407</u>
	<u>(2,193)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2018/19	2019/20	2020/21	Future	Total
	£000	£000	£000	£000	£000
Sales	389	247	543	-	1,179
Contributions/Recoveries	-	-	-	-	-
	<u>389</u>	<u>247</u>	<u>543</u>	<u>-</u>	<u>1,179</u>

Note 2 (Capital Grants)

	2018/19	2019/20	2020/21	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	108	-	-	-	108
SPT	1,600	-	-	-	1,600
Historic Scotland	65	260	-	-	325
Big Lottery Fund	88	-	-	-	88
	<u>1,861</u>	<u>260</u>	<u>-</u>	<u>-</u>	<u>2,121</u>

Notes to Appendix 1Note 3 (Prudentially Funded Projects)

	<u>2018/19</u>	<u>2019/20</u>	<u>2020/21</u>	<u>Future</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Additional ICT - Education Whiteboard & PC Refresh	30	-	-	-	30
Vehicle Replacement Programme	989	1,288	1,633	-	3,910
Asset Management Plan - Offices	-	22	-	-	22
Asset Management Plan - Depots	1,429	778	590	-	2,797
Capital Works on Former Tied Houses	51	45	50	350	496
Waterfront Leisure Complex Combined Heat and Power Plant	4	-	-	-	4
CCTV	201	-	-	-	201
Clune Park Regeneration	-	1,000	-	-	1,000
Neil Street Childrens Home Replacement	49	-	-	-	49
Crosshill Childrens Home Replacement	811	717	-	-	1,528
Modernisation Fund	34	(45)	60	-	49
Watt Complex Refurbishment	903	329	-	-	1,232
Roads Asset Management Plan	1,384	1,204	-	-	2,588
	<u>5,885</u>	<u>5,338</u>	<u>2,333</u>	<u>350</u>	<u>13,906</u>

Capital Programme - 2018/19 - 2020/21Agreed Projects

Committee	A Prior Years £000	B 2018/19 £000	C 2019/20 £000	D 2020/21 £000	E Future £000	F Total £000	G Approved Budget £000	H (Under)/ Over £000	I 2018/19 Spend To 31/07/18 £000
Policy & Resources	24	485	468	423	-	1,400	1,400	-	290
Environment & Regeneration	45,988	14,577	18,294	11,268	350	90,477	90,477	-	2,385
Education & Communities (Exc School Estate)	2,432	1,622	2,394	420	-	6,868	6,868	-	358
HSCP	214	1,364	742	-	-	2,320	2,320	-	46
Sub -Total	48,658	18,048	21,898	12,111	350	101,065	101,065	-	3,079
School Estate (Note 1)	19,549	9,912	11,590	5,381	50	46,482	46,482	-	3,401
Total	68,207	27,960	33,488	17,492	400	147,547	147,547	-	6,480

Note 1Summarised SEMP Capital Position - 2018/21

	2018/19	2019/20	2020/21
Capital Allocation	4,300	4,300	3,000
Scottish Government School Grant (estimate)	1,900	2,200	1,500
Surplus b/fwd	9,197	5,485	395
Prudential Borrowing	-	-	-
Available Funding	15,397	11,985	4,895
<u>Projects</u>	9,912	11,590	5,381
Total	9,912	11,590	5,381
Surplus c/fwd	5,485	395	(486)