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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b> 21 September 2010
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b> FIN/54/10/AP/GJ
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b> 01475 712223
<b>Subject:</b>	<b>2010/14 Capital Programme</b>	

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2010/14 Capital Programme.

## 2.0 SUMMARY

- 2.1 In February 2010 the Council agreed a 4 Year Capital Programme covering the period 2010/14. The 4 Year Programme included an anticipated reduction in resources from the Government of £5 million over this period.
- 2.2 Based on a latest figures it can be seen from Appendix 1 that there is a shortfall in resources of £1.0 million over the 2010/14 period. This represents less than 1.4% of the total programme excluding the Schools Estate and a shortfall in resources of this order is not unusual and should give Committee no cause for concern.
- 2.3 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 stay within budget although there is some budgetary slippage reported.
- 2.4 As reported in the Financial Strategy and the Mid-Year Budget report it is anticipated that there will be a further reduction in resources from the Government announced as part of the Comprehensive Spending Review. It is estimated that this could be 20% which equates to approximately £5 million over the next three financial years. Officers are currently developing proposals for Members to consider as part of the 2011/13 Budget.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2010/14 Capital Programme and that Officers will develop proposals as part of the budget to be considered in February 2011 for the eventuality that Government Capital Support is reduced even further as part of the Comprehensive Spending Review.

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 On 9 February 2010 the Policy & Resources Committee approved the 4 Year Capital Programme covering the years 2010/14.
- 4.2 The programme reflected a reduction of 33% in the amount of Government Capital Grant by 2013/14 in anticipation of the expected reduction in public finances over the next spending review.
- 4.3 At the same meeting the Policy & Resources Committee noted the updated position in respect of the School Estate Management Plan Funding Model and noted that the overall programme was still affordable and deliverable within the previously approved timescales.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows that over the 4 year period there is a projected shortfall in resources of £1.0 million which represents approximately 1.4% of the projected spend excluding the School Estates Management Plan. A projected shortfall in resources of this order is not unusual and the Committee is not required to carry out any action in this regard.
- 5.2 The position in respect of individual Committees is as follows:

### Social Care

Slippage of £265,000 (32%) with spend being 48% of projected spend for the year.

### Safe Sustainable Communities

There is no slippage and spend is 26% of projected spend for the year.

### Regeneration

Slippage and rephasing of £4.36 million (35%) with spend being 16% of projected spend for the year.

### Education & Lifelong Learning

Slippage of £47,000 (0.7%) with spend being 7% of projected spend for the year.

### Policy & Resources

Slippage of £0.182 million (9%) with spend being 7% of projected spend for the year.

- 5.3 Overall in 2010/11 it can be seen that expenditure is 17.5% of the projected spend for the year and that slippage from the programme agreed in February 2010 is currently £4.854 million (15.4%).

## **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 7 September resulted in approved revisions to some of the phasings and overall timescales. The overall outcome of the report however was confirmation that the School Estate Plan is still affordable and deliverable.

## **7.0 POTENTIAL FURTHER REDUCTIONS IN BUDGETS**

- 7.1 The Policy & Resources Committee on 17 August 2010 considered a report which highlighted that it is likely there will be further reductions in the amount of Government Capital support received by the Council. To date the Council has anticipated a reduction of approximately £5 million and it is estimated that a further reduction of this order over the 2010/14 Capital Programme is possible. It would be prudent for Members to be presented with options for consideration in the event that the Comprehensive Spending Review figures confirm this further anticipated reduction.
- 7.2 Officers are currently developing proposals to be presented to Members as part of the 2011/13 budget process.

## **8.0 CONCLUSION**

- 8.1 The Council's Capital Programme for 2010/14 is showing a shortfall in resources of £1.0 million.
- 8.2 Overall Service Committees have spent 17.5% of the 2010/11 projected spend.
- 8.3 It would be prudent for the Council to plan for further reductions in Capital Resources being received from the Government in order that decisions in this regard can be taken as part of the 2011/13 Budget.

## **9.0 CONSULTATION**

- 9.1 This report reflects the position reported to Service Committees and has been approved by the Corporate Management Team.

Capital Programme - 2010/11 - 2013/14Available Resources

	A	B	C	D	F
	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
Council Supported Borrowing	5,360	4,500	4,500	4,500	18,860
Less: Allocation to School Estate	(4,800)	(4,800)	(4,800)	(4,800)	(19,200)
Capital Receipts (Note 1)	3,104	148	4,164	-	7,416
Capital Grants (Note 2)	5,059	4,682	5,270	3,658	18,669
Prudential Funded Projects (Note 3)	9,703	16,770	3,828	5,746	36,047
Balance B/F From 09/10 (Exc School Estate)	5,147	-	-	-	5,147
Capital Funded from Current Revenue (Note 4)	2,105	88	-	-	2,193
Virement from School Estate	-	-	-	-	-
Transfer to Capital Fund	(2,000)	-	-	-	(2,000)
	<u>23,678</u>	<u>21,388</u>	<u>12,962</u>	<u>9,104</u>	<u>67,132</u>

Overall Position 2010/14

Available Resources (Appendix 1, Column F)	£000
Projection (Appendix 2, Column B-F)	67,132
(Shortfall)/Under Utilisation of Resources	68,233
	<u>(1,101)</u>

Notes to Appendix 1

All notes exclude School Estates

**Note 1 (Capital Receipts)**

	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
Sales	2,826	148	1,564	-	4,538
Contributions/Recoveries (2012/13 to be confirmed)	278	-	2,600	-	2,878
	3,104	148	4,164	-	7,416

**Note 2 (Capital Grants)**

	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
General Capital Grant (2011/12 to 2013/14 to be confirmed)	3,798	4,000	3,500	3,000	14,298
Cycling, Walking & Safer Streets	146	-	-	-	146
PSHG	695	682	670	658	2,705
Sports Scotland/SFA (2012/13 to be confirmed)	-	-	1,100	-	1,100
SPT	175	-	-	-	175
Wellpark Centre	245	-	-	-	245
	5,059	4,682	5,270	3,658	18,669

**Note 3 (Prudentially Funded Projects)**

	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
ICT Capital Programme	22	8	10	-	40
Additional ICT - Education Whiteboard & PC Refresh	180	180	180	180	720
Vehicle Replacement Programme	3,691	303	187	-	4,181
Asset Management Plan - Depots	-	2,500	2,500	5,000	10,000
Asset Management Plan - Offices	1,000	1,000	50	-	2,050
Knocknairshill Camelry Ph5c	85	-	-	-	85
Crescent Street Rewiring & Heating	49	-	-	-	49
Devon Glen Stabilisation Works	100	-	-	-	100
Leisure & Pitches Strategy	3,908	10,474	799	563	15,744
Redholm Childrens Home	50	980	70	-	1,100
Wellpark Centre	-	-	-	-	-
Binnie Street Nursery	122	1,143	32	3	1,300
Operating Model - ICT Investment	496	182	-	-	678
	9,703	16,770	3,828	5,746	36,047

**Note 4 (Capital Funded from Current Revenue)**

	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
Roads Projects (former Transport Scotland)	59	-	-	-	59
Greenock Arts Guild	298	-	-	-	298
Play Areas	93	-	-	-	93
Wellpark Centre	274	88	-	-	362
Newark House Alterations	6	-	-	-	6
Vehicle Replacement	850	-	-	-	850
Lunderston Bay (C.I.F.)	203	-	-	-	203
PSHG	322	-	-	-	322
	2,105	88	-	-	2,193

## Capital Programme - 2010/11 - 2013/14

## Agreed Projects

Committee	A Prior Years	B 2010/11	C 2011/12	D 2012/13	E 2013/14	F Future	H Total	I Approved Budget	J (Under)/ Over	K 2010/11 Spend To 31/07/10
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive	-	-	-	-	-	-	-	-	-	-
Improvement & Performance	2,055	1,917	1,402	1,255	1,140	-	7,769	7,769	-	138
Safe, Sustainable Communities	2,190	9,378	2,661	2,461	2,210	-	18,900	18,900	-	2,467
Regeneration & Resources	3,947	8,219	18,465	9,249	6,563	-	46,443	46,443	-	1,311
Education & Lifelong Learning (Exc School Estate)	1,472	122	1,143	32	3	-	2,772	2,772	-	-
Health & Social Care	1,866	575	1,368	70	-	-	3,879	3,879	-	277
Sub -Total	11,530	20,211	25,039	13,067	9,916	-	79,763	79,763	-	4,193
School Estate (Note 1)	53,702	6,512	24,439	33,896	14,250	9,246	142,045	142,045	-	479
Total	65,232	26,723	49,478	46,963	24,166	9,246	221,808	221,808	-	4,672

## Note 1

## Summarised SEMP Capital Position - 2010/14

	2010/11	2011/12	2012/13	2013/14	2014/15
Capital Allocation	4,800	4,800	4,800	4,800	4,800
Scottish Government School Grant (estimate)	-	-	5,500	-	-
Surplus b/fwd	7,097	6,474	(3,685)	311	(2,963)
Prudential Borrowing - Shared Campus	989	9,480	17,743	6,176	975
Prudential Borrowing - Shared Campus	-	-	-	-	-
Prudential Borrowing - Receipts	-	-	9,849	-	-
CFCR	100	-	-	-	-
Available Funding	12,986	20,754	34,207	11,287	2,812
Projects					
Ex-Prudential Borrowing	5,423	14,959	16,153	8,074	2,936
Prudential Borrowing - Shared Campus	989	9,480	17,743	6,176	975
CFCR	100	-	-	-	-
Total	6,512	24,439	33,896	14,250	3,911
Surplus c/fwd	6,474	(3,685)	311	(2,963)	(1,099)