
Report To:	Policy & Resources Committee	Date: 16 November 2010
Report By:	Chief Financial Officer	Report No: FIN/74/10/AP/GJ
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Subject:	2010/14 Capital Programme	

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 latest figures it can be seen from Appendix 1 that there is a shortfall in resources of £1.1 million over the 2010/14 period. This represents less than 1.6% 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 £1.1 million which represents approximately 1.6% 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 £0.25 million (30%) with spend being 57% of projected spend for the year. In addition there is a projected underspend of £30,000, this is offset by a similar reduction in the CFCR funding and has no net impact on the overall capital position.

Safe Sustainable Communities

Slippage of £0.18 million (1.9%) with spend being 44% of projected spend for the year.

Regeneration

Slippage and rephasing of £5.044 million (39%) with spend being 29% of projected spend for the year.

Education & Lifelong Learning

Slippage of £0.831m (11%) with spend being 12.5% of projected spend for the year.

Policy & Resources

Slippage of £0.194 million (9.2%) with spend being 15.8% of projected spend for the year.

- 5.3 Overall in 2010/11 it can be seen that expenditure is 29% of the projected spend for the year and that slippage from the programme agreed in February 2010 is currently £6.499 million (20.6%).

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 £1.1 million.
- 8.2 Overall Service Committees have spent 29% 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	448	4,164	-	7,716
Capital Grants (Note 2)	5,059	4,682	5,270	3,658	18,669
Prudential Funded Projects (Note 3)	9,342	17,121	3,828	5,756	36,047
Balance B/F From 09/10 (Exc School Estate)	5,147	-	-	-	5,147
Capital Funded from Current Revenue (Note 4)	2,345	258	-	-	2,603
Virement from School Estate	-	-	-	-	-
Transfer to Capital Fund	(2,000)	-	-	-	(2,000)
	<u>23,557</u>	<u>22,209</u>	<u>12,962</u>	<u>9,114</u>	<u>67,842</u>

Overall Position 2010/14

Available Resources (Appendix 1, Column F)	£000
Projection (Appendix 2, Column B-F)	67,842
(Shortfall)/Under Utilisation of Resources	<u>(1,127)</u>

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	448	1,564	-	4,838
Contributions/Recoveries (2012/13 to be confirmed)	278	-	2,600	-	2,878
	3,104	448	4,164	-	7,716

Note 2 (Capital Grants)

General Capital Grant (2011/12 to 2013/14 to be confirmed)

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)

ICT Capital Programme
 Additional ICT - Education Whiteboard & PC Refresh
 Vehicle Replacement Programme
 Asset Management Plan - Depots
 Asset Management Plan - Offices
 Knocknairshill Cemetery Ph5c
 Crescent Street Rewiring & Heating
 Devol Glen Stabilisation Works
 Leisure & Pitches Strategy
 Redholm Childrens Home
 Wellpark Centre
 Binnie Street Nursery
 Operating Model - ICT Investment

	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
	22	8	10	-	40
	180	180	180	180	720
	3,691	303	187	-	4,181
	-	2,500	2,500	5,000	10,000
	1,000	1,000	50	-	2,050
	85	-	-	-	85
	49	-	-	-	49
	100	-	-	-	100
	3,559	10,813	799	573	15,744
	50	980	70	-	1,100
	122	1,143	32	3	1,300
	484	194	-	-	678
	9,342	17,121	3,828	5,756	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	244	88	-	-	332
Newark House Alterations	6	-	-	-	6
Vehicle Replacement	850	-	-	-	850
Lunderston Bay (C.I.F.)	133	70	-	-	203
PSHG	322	-	-	-	322
Flooding Strategy	340	100	-	-	440
	<u>2,345</u>	<u>258</u>	<u>-</u>	<u>-</u>	<u>2,603</u>

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 30/09/10
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Chief Executive	-	-	-	-	-	-	-	-	-	-
Improvement & Performance	2,055	1,905	1,414	1,255	1,140	-	7,769	7,769	-	301
Safe, Sustainable Communities	1,341	9,378	2,841	2,461	2,210	-	18,231	18,231	-	4,090
Regeneration & Resources	4,770	8,121	19,139	9,249	6,573	-	47,852	47,852	-	2,208
Education & Lifelong Learning (Exc School Estate)	1,472	122	1,143	32	3	-	2,772	2,772	-	-
Health & Social Care	1,866	545	1,368	70	-	-	3,849	3,879	(30)	310
Sub -Total	11,504	20,071	25,905	13,067	9,926	-	80,473	80,503	(30)	6,909
School Estate (Note 1)	53,702	6,678	24,217	34,096	14,250	9,245	142,188	142,188	-	855
Total	65,206	26,749	50,122	47,163	24,176	9,245	222,661	222,691	(30)	7,764

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	6,346	(3,591)	206	(3,068)
Prudential Borrowing - Shared Campus	1,027	9,480	17,744	6,176	974
Prudential Borrowing - Shared Campus	-	-	-	-	-
Prudential Borrowing - Receipts	100	-	9,849	-	-
CFCR	13,024	20,626	34,302	11,182	2,706
Available Funding	-	-	-	-	-
Projects	-	-	-	-	-
Ex-Prudential Borrowing	5,551	14,737	16,352	8,074	2,936
Prudential Borrowing - Shared Campus	1,027	9,480	17,744	6,176	974
CFCR	100	-	-	-	-
Total	6,678	24,217	34,096	14,250	3,910
Surplus c/fwd	6,346	(3,591)	206	(3,068)	(1,204)