
Report To:	Policy & Resources Committee	Date: 8 February 2011
Report By:	Chief Financial Officer	Report No: FIN/08/11/AP/CM
Contact Officer:	Alan Puckrin	Contact No: 01475 712223
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 The Government has confirmed the level of Capital Support to the Council for 2011/12 and there is a reduction estimated over the period 2011/14 of over £2.0 million from the level of resources previously reported to members.
- 2.3 Based on a latest figures it can be seen from Appendix 1 that there is a shortfall in resources of £4.15 million over the 2010/14 period. This represents a 5.2% of the total programme excluding the Schools Estate and proposals to reduce this shortfall to £2.0 million (2.5%) need to be considered as part of the budget on 10th February.
- 2.4 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 further budgetary slippage is reported.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2010/14 Capital Programme and that the Council will agree a 2011/14 Capital Programme on the 10th February 2011.

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 £4.15 million following confirmation of the 2011/12 Government Grant levels. The shortfall represents approximately 5.2% of the projected spend excluding the School Estates Management Plan and will require to be addressed by members when agreeing the budget on 10th February 2011.
- 5.2 The position in respect of individual Committees is as follows:

Social Care

Slippage of £0.25 million (30%) with spend being 63% 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 £0.15 million (1.9%) with spend being 54% of projected spend for the year.

Regeneration

Slippage and rephasing of £7.216 million (54%) with spend being 54% of projected spend for the year. The main reasons for the increased slippage have been the review of the Rankin Park project, which forms part of the budget consideration delays in two other major Leisure Strategy projects pending Sportscotland funding decisions and a delay in the Council's contribution to the Arts Guild project following a request by Riverside Inverclyde.

Education & Lifelong Learning

Slippage of £1.61m (21%) with spend being 31% of projected spend for the year.

Policy & Resources

Slippage of £0.321 million (15%) with spend being 39% of projected spend for the year.

- 5.3 Overall in 2010/11 it can be seen that expenditure is 46.9% of the projected spend for the year and that slippage from the programme agreed in February 2010 is currently £9.547 million (28.5%).

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 CONCLUSION

- 7.1 The Council's Capital Programme for 2010/14 is showing a shortfall in resources of £4.15 million.
- 7.2 Overall Service Committees have spent 46.9% of the 2010/11 projected spend as at 30th November 2010.
- 7.3 The Council requires to reduce the shortfall in resources to £2.0 million as part of the budget approval process on 10th February 2011.

8.0 CONSULTATION

- 8.1 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
Government Capital Support	5,360	7,889	7,500	6,750	27,499
Less: Allocation to School Estate	(4,800)	(4,800)	(4,800)	(4,800)	(19,200)
Capital Receipts (Note 1)	3,218	584	4,164	1,000	8,966
Capital Grants (Note 2)	5,059	115	1,215	115	6,504
Prudential Funded Projects (Note 3)	7,881	11,195	21,533	9,681	50,290
Balance B/F From 09/10 (Exc School Estate)	5,147	-	-	-	5,147
Capital Funded from Current Revenue (Note 4)	2,689	158	-	-	2,847
Transfer to Capital Fund	(2,000)	-	-	-	(2,000)
	<u>22,554</u>	<u>15,141</u>	<u>29,612</u>	<u>12,746</u>	<u>80,053</u>

Overall Position 2010/14

£000

Available Resources (Appendix 1, Column F)

80,053

Projection (Appendix 2, Column B-E)

84,201

(Shortfall)/Under Utilisation of Resources

(4,148)

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

Sales
Contributions/Recoveries (2012/13 to be confirmed)

2010/11	2011/12	2012/13	2013/14	Total
£000	£000	£000	£000	£000
2,826	548	1,564	1,000	5,938
392	36	2,600	-	3,028
3,218	584	4,164	1,000	8,966

Note 2 (Capital Grants)

General Capital Grant
Cycling, Walking & Safer Streets
PSHG
Sports Scotland/SFA (2012/13 to be confirmed)
SPT
Wellpark Centre

2010/11	2011/12	2012/13	2013/14	Total
£000	£000	£000	£000	£000
3,798	-	-	-	3,798
146	115	115	115	491
695	-	-	-	695
-	-	1,100	-	1,100
175	-	-	-	175
245	-	-	-	245
5,059	115	1,215	115	6,504

Note 3 (Prudentially Funded Projects)

ICT Capital Programme
Additional ICT - Education Whiteboard & PC Refresh
Vehicle Replacement Programme
Asset Management Plan - Offices
Asset Management Plan - Depots
Knocknairhill Cemetery Ph5c
Crescent Street Demolition
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
675	2,575	5,875	3,725	12,850
-	450	7,850	5,200	13,500
85	-	-	-	85
35	14	-	-	49
100	-	-	-	100
2,774	5,201	7,196	573	15,744
50	980	70	-	1,100
79	1,053	165	3	1,300
190	431	-	-	621
7,881	11,195	21,533	9,681	50,290

Note 4 (Capital Funded from Current Revenue)

Notes to Appendix 1

	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
Kilmacolm Village Centre	150	-	-	-	150
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	416	-	-	-	416
Flooding Strategy	440	-	-	-	440
	<u>2,689</u>	<u>158</u>	<u>-</u>	<u>-</u>	<u>2,847</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 30/11/10
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Organisational Improvement & Resources	2,055	1,835	1,657	1,175	1,140	-	7,862	7,862	-	686
Safe, Sustainable Communities	1,341	9,503	2,925	2,576	2,325	-	18,670	18,670	-	5,102
Regeneration & Resources	4,770	6,099	11,755	29,430	10,498	1,150	63,702	63,702	-	3,269
Education & Lifelong Learning (Exc School Estate)	1,472	79	1,053	165	3	-	2,772	2,772	-	(4)
Health & Social Care	1,866	545	1,368	70	-	-	3,849	3,879	(30)	343
Sub -Total	11,504	18,061	18,758	33,416	13,966	1,150	96,855	96,885	(30)	9,396
School Estate (Note 1)	53,702	5,899	19,796	36,806	16,925	9,060	142,188	142,188	-	1,835
Total	65,206	23,960	38,554	70,222	30,891	10,210	239,043	239,073	(30)	11,231

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	6,986	(260)	1,960	(3,024)
Prudential Borrowing - Shared Campus	888	7,750	18,877	7,141	745
Prudential Borrowing - Receipts	100	-	9,849	-	-
CFCR	12,885	19,536	38,766	13,901	2,521
Available Funding					
Projects					
Ex-Prudential Borrowing	4,911	12,046	17,929	9,784	2,980
Prudential Borrowing - Shared Campus	888	7,750	18,877	7,141	745
CFCR	100	-	-	-	-
Total	5,899	19,796	36,806	16,925	3,725
Surplus c/fwd	6,986	(260)	1,960	(3,024)	(1,204)