

Report To:	Policy & Resources Committee	Date:	24 May 2011
Report By:	Chief Financial Officer	Report No:	FIN/51/11/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 2011 the Council agreed a 4 Year Capital Programme covering the period 2010/14. The 4 Year Programme was set after allowing for further expected capital grant reductions in 2012/14.
- 2.2 Based on latest figures it can be seen from Appendix 1 that there is an estimated shortfall in resources of £2.0 million over the 2010/14 period. This represents 2.4% of the total programme excluding the Schools Estate. A shortfall in resources of this order is not unusual and Officers will continue to monitor the situation.
- 2.3 It can be seen from Appendix 2 that as at 28th February 2011 expenditure is 88% of projected spend. Phasing and project spend has been reviewed by the Senior Officer (CAMS) Group.
- 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.
- 2.5 The Leisure Strategy has a surplus of £816,000 following a recent tender return. The Corporate Management Team have considered this matter and have recommended an approach outlined in Paragraph 7.3.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2010/14 Capital Programme.
- 3.2 It is recommended Committee approve the proposal in respect of the Leisure Strategy surplus outlined in Paragraph 7.3.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 On 10 February 2011 the Council approved the 4 Year Capital Programme covering the years 2010/14.
- 4.2 The programme reflected expected reductions in the amount of Government Capital Grant and reductions in capital receipts.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 4 year period there is a projected shortfall in resources of £2.0 million. The shortfall represents approximately 2.4% of the projected spend excluding the School Estates Management Plan and is within acceptable parameters.
- 5.2 The position in respect of individual Committees is as follows:

Social Care

Slippage of £0.295 million (35%) with spend being 80% of projected spend for the year.

Safe Sustainable Communities

Slippage of £1.446 million (15%) with spend being 89% of projected spend for the year.

Regeneration

Slippage and rephasing of £8.346 million (62%) with spend being 90% of projected spend for the year. The main reasons for the slippage have been the review of the Rankin Park project, 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 £2.843m (37%) with spend being 93% of projected spend for the year. The main reason for slippage being a delay in the start of the Overton Primary contract.

Policy & Resources

Slippage of £0.771 million (35%) with spend being 61% of projected spend for the year.

- 5.3 Overall in 2010/11 it can be seen that expenditure is 88% of the projected spend for the year and that slippage from the programme agreed in February 2010 is currently £13.701 million (41%).

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.
- 6.2 Following the budget the overall SEMP Financial model will be reviewed and will be reported to the Education & Lifelong Learning Committee immediately after the summer recess.

7.0 LEISURE STRATEGY

- 7.1 The tender for the Parklea Pavilion and Juniors Facility has come back significantly under previous cost estimates and has resulted in an £816,000 surplus within the Leisure Strategy budget. Given the projected £2.0 million shortfall in resources reported in Appendix 1 it is appropriate for the Committee to take a view on the treatment of this sum.
- 7.2 A report was remitted to this Committee from Regeneration Committee seeking £150,000 from this surplus for investment within the Indoor Bowling Facility. In addition the Council as landlords for Greenock Waterfront require to invest approximately £200,000 in the replacement of the Ice Rink refrigeration system (this assumes a 50% Contribution for Sportscotland). The Head of Property Assets and Facilities Management has confirmed that £100,000 of this sum could be contained within his annual Property Capital Budget.
- 7.3 If Committee agreed to the Regeneration Committee retaining £250,000 (£150,000 for Indoor Bowling plus £100,000 for the Ice Rink) and also retaining a Contingency of £200,000 for any specific project cost increases within the Leisure Strategy, then this means £366,000 could be returned to Policy & Resources Committee to reduce the overall shortfall in resources.
- 7.4 The Corporate Management Team have considered this issue and would recommend the approach in 7.3 above.

8.0 CONCLUSION

- 8.1 The Council's Capital Programme for 2010/14 is showing a shortfall in resources of £2.0 million.
- 8.2 Overall Service Committees have spent 88% of the 2010/11 projected spend as at 28 February 2011.
- 8.3 There is the opportunity to reduce the 4 year shortfall in resources if Committee agree to the CMT proposal in 7.3.

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 - 2013/14

Available 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)	3,618	977	2,614	1,000	8,209
Capital Grants (Note 2)	5,069	185	115	1,115	6,484
Prudential Funded Projects (Note 3)	6,224	11,893	20,440	11,733	50,290
Balance B/F From 09/10 (Exc School Estate)	5,147	-	-	-	5,147
Capital Funded from Current Revenue (Note 4)	2,598	2,629	2,383	663	8,273
Transfer to Capital Fund	(2,693)	-	-	-	(2,693)
	<u>20,523</u>	<u>18,773</u>	<u>28,252</u>	<u>16,461</u>	<u>84,009</u>

Overall Position 2010/14

Available Resources (Appendix 1, Column F)	£000	84,009
Projection (Appendix 2, Column B-E)		86,007
(Shortfall)/Under Utilisation of Resources		<u>(1,998)</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	3,126	941	364	1,000	5,431
Contributions/Recoveries (2012/13 to be confirmed)	492	36	2,250	-	2,778
	3,618	977	2,614	1,000	8,209

Note 2 (Capital Grants)

	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
General Capital Grant	3,798	-	-	-	3,798
Cycling, Walking & Safer Streets	146	115	115	115	491
PSHG	695	-	-	-	695
Sports Scotland/SFA (2012/13 to be confirmed)	-	-	-	1,000	1,000
SPT	185	70	-	-	255
Wellpark Centre	245	-	-	-	245
	5,069	185	115	1,115	6,484

Note 3 (Prudentially Funded Projects)

	2010/11	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000	£000
ICT Capital Programme	3	27	10	-	40
Additional ICT - Education Whiteboard & PC Refresh	175	185	180	180	720
Vehicle Replacement Programme	3,072	922	187	-	4,181
Asset Management Plan - Offices	393	2,857	5,875	3,725	12,850
Asset Management Plan - Depots	-	450	7,850	5,200	13,500
Knocknairhill Cemetery Ph5c	-	85	-	-	85
Crescent Street Demolition	32	17	-	-	49
Devon Glen Stabilisation Works	-	100	-	-	100
Leisure & Pitches Strategy	2,329	5,437	3,103	2,625	13,494
Redholm Childrens Home	50	980	70	-	1,100
Wellpark Centre	-	-	-	-	-
Binnie Street Nursery	79	1,053	165	3	1,300
Operating Model - ICT Investment	91	530	-	-	621
Watt Complex Refurbishment	-	-	3,000	-	3,000
Funded from freed up supported Borrowing	-	(750)	-	-	(750)
	6,224	11,893	20,440	11,733	50,290

Notes to Appendix 1

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	200	98	-	-	298
Gourock Transport Interchange			300		300
Regeneration of Port Glasgow Town Centre			1,000		1,000
Kilmacolm Village Centre	150	-	-	-	150
Play Areas	93	300	-	-	393
Wellpark Centre	244	88	-	-	332
Newark House Alterations	6	-	-	-	6
Vehicle Replacement	850	-	-	-	850
Lunderston Bay (C.I.F.)	15	188	-	-	203
PSHG	703	503	533	563	2,302
PSHG (Earmarked Reserve)	100	100	100	100	400
Flooding Strategy	237	183			420
Flooding Works Ph2	-	250	250		500
Rankin Park (community Facility Fund)			200		200
Use of General Fund Reserves		860			860
	2,598	2,629	2,383	663	8,273

Capital Programme - 2010/11 - 2013/14

Agreed Projects

Committee	A	B	C	D	E	F	H	I	J	K
	Prior Years £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000	Future £000	Total £000	Approved Budget £000	(Under)/ Over £000	2010/11 Spend To 28/02/11 £000
Policy & Resources	2,055	1,442	1,970	1,095	1,060	-	7,622	7,622	-	878
Safe, Sustainable Communities	1,341	8,206	5,752	3,359	2,858	-	21,516	21,516	-	7,266
Regeneration	4,770	5,169	12,076	27,187	12,550	1,150	62,902	62,902	-	4,652
Education & Lifelong Learning (Exc School Estate)	1,472	79	1,053	165	3	-	2,772	2,772	-	78
CHCP	1,866	545	1,368	70	-	-	3,849	3,849	-	438
Sub - Total	11,504	15,441	22,219	31,876	16,471	1,150	98,661	98,661	-	13,312
School Estate (Note 1)	53,702	4,709	20,676	37,146	16,925	9,060	142,218	142,218	-	4,394
Total	65,206	20,150	42,895	69,022	33,396	10,210	240,879	240,879	-	17,706

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	8,076	80	1,960	(3,024)
Prudential Borrowing - Shared Campus	788	7,850	18,877	7,141	745
Prudential Borrowing - Receipts	100	-	9,849	-	-
CFCR	12,785	20,726	39,106	13,901	2,521
Available Funding	3,821	12,796	18,269	9,784	2,980
Projects	788	7,850	18,877	7,141	745
Ex-Prudential Borrowing	100	-	-	-	-
Prudential Borrowing - Shared Campus	4,709	20,646	37,146	16,925	3,725
CFCR	8,076	80	1,960	(3,024)	(1,204)
Total					
Surplus c/fwd					