
Report To:	Policy & Resources Committee	Date:	15 November 2011
Report By:	Chief Financial Officer	Report No:	FIN/110/11/AP/CM
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Subject:	2011/14 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2011/14 Capital Programme.

2.0 SUMMARY

- 2.1 In February 2011 the Council agreed a 3 Year Capital Programme covering the period 2011/14. The 3 Year Programme was set after allowing for further estimated capital grant reductions in 2012/14.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that there is an estimated shortfall in resources of £1.6 million over the 2011/14 period which represents 2.3% 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 30th September 2011 expenditure is 29% of projected spend. Phasing and project spend have been reviewed by the Senior Officer (CAMS) Group against planned spend.
- 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 budgetary slippage of 22.5% (£10.6 million) is now being reported.
- 2.5 This is a significant increase in financial slippage since the last report to Committee, however, a large element of this(£7.396m) is due to reduced projected spend on the Shared Campus /ASN project due to a large reduction in the overall project cost and the associated delay in tender acceptance whilst officers clarified the successful tenderer's price. In addition there is slippage reported in Safe Sustainable Communities, mainly in Scheme of Assistance Grants, and increased slippage in the ICT programme.
- 2.6 Members will be asked to approve a 2011/15 Capital Programme in February as part of the overall budget review. Indications are the capital grant will be cut in 2012/14 before being partially returned in 2014/15.

3.0 RECOMMENDATION

- 3.1 It is recommended that Committee note the current position of the 2011/14 Capital Programme.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 On 10 February 2011 the Council approved the 3 Year Capital Programme covering the years 2011/14.
- 4.2 The programme reflected estimated reductions in the amount of Government Capital Grant over 2012/14 and reductions in capital receipts.
- 4.3 The Government is expected to announce Capital Grant figures for 2012/15 in December 2011.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 3 year period there is a projected shortfall in resources of £1.6 million which represents approximately 2.3% 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 £0.3 million (22%) with no spend to date.

Safe Sustainable Communities

Slippage of £0.606m (8%) with spend being 28% of projected spend for the year.

Regeneration

Although some slippage is being reported this has been offset by accelerating other projects, as a result net slippage of £0.131m (1%) is being reported with spend being 34% of projected spend for the year.

Education & Lifelong Learning

Slippage of £8.446m (37%) with spend being 29% of projected spend for the year. It should be noted that the majority of this slippage (£7.396m) relates to the Shared Campus and ASN School and is in fact a combination of the project coming in under budget (£4.2m over the life of the project) and a delay of approximately 2 months whilst clarification on lower than expected tender was sought

Policy & Resources

Slippage of £0.808 million (39%) with spend being 26% of projected spend for the year.

- 5.3 Overall in 2011/12 it can be seen that expenditure is 29% of the projected spend for the year and that net slippage from the programme agreed in February 2011 is currently £10.291 million (22.5%).
- 5.4 The CAM's Officer Group review actual spend against project phasings in order to arrive at spend projections and the reported spend levels reflect their detailed review.

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 1st November 2011 advised of the latest position and the Committee approved minor revisions to the plan which remains affordable.

7.0 CONCLUSION

- 7.1 The Council's Capital Programme for 2011/14 is showing a shortfall in resources of £1.6 million.
- 7.2 Overall Service Committees have spent 29% of the 2011/12 projected spend as at 30 September 2011.

8.0 CONSULTATION

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

Appendix 1Capital Programme - 2011/12 - 2013/14Available Resources

	A	B	C	F
	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000
Government Capital Support	7,889	7,500	6,750	22,139
Less: Allocation to School Estate	(4,800)	(4,800)	(4,800)	(14,400)
Capital Receipts (Note 1)	1,290	2,614	1,000	4,904
Capital Grants (Note 2)	410	115	890	1,415
Prudential Funded Projects (Note 3)	11,416	20,942	11,758	44,116
Balance B/F From 10/11 (Exc School Estate)	5,484	-	-	5,484
Capital Funded from Current Revenue (Note 4)	3,492	3,306	563	7,361
Transfer to Capital Fund	-	-	-	-
	25,181	29,677	16,161	71,019

Overall Position 2010/14

	<u>£000</u>
Available Resources (Appendix 1, Column F)	71,019
Projection (Appendix 2, Column B-E)	72,642
(Shortfall)/Under Utilisation of Resources	<u>(1,623)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000
Sales	941	364	1,000	2,305
Contributions/Recoveries (2012/13 to be confirmed)	349	2,250	-	2,599
	1,290	2,614	1,000	4,904

Note 2 (Capital Grants)

	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000
Cycling, Walking & Safer Streets	115	115	115	345
Sports Scotland/SFA	225	-	775	1,000
SPT	70	-	-	70
	410	115	890	1,415

Note 3 (Prudentially Funded Projects)

	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	185	180	180	545
Vehicle Replacement Programme	997	187	-	1,184
Asset Management Plan - Offices	2,657	6,075	3,750	12,482
Asset Management Plan - Depots	450	7,850	5,200	13,500
Leisure & Pitches Strategy	5,619	2,555	2,625	10,799
Redholm Childrens Home	950	70	-	1,020
Binnie Street Nursery	620	597	3	1,220
Operating Model - ICT Investment	100	428	-	528
Watt Complex Refurbishment	-	3,000	-	3,000
Element of Prudentially Funded projects already funded through existing Supported Borrowing	(162)			(162)
	11,416	20,942	11,758	44,116

Notes to Appendix 1Note 4 (Capital Funded from Current Revenue)

	2011/12	2012/13	2013/14	Total
	£000	£000	£000	£000
Roads Projects (former Transport Scotland)	59	-	-	59
Greenock Arts Guild	292	-	-	292
Gourock Transport Interchange	4	296	-	300
Regeneration of Port Glasgow Town Centre		1,000	-	1,000
Play Areas	408	289	-	697
Wellpark Centre	145	-	-	145
Lunderston Bay	100	88		188
PSHG	503	533	563	1,599
PSHG (Earmarked Reserve)	150	150	-	300
Flooding Strategy	433	250	-	683
Additional Funding for Road Improvements	500	500		1,000
Rankin Park (Community Facility Fund)		200		200
E-Forms	38			38
Use of General Fund Reserves	860			860
	3,492	3,306	563	7,361

Capital Programme - 2011/12 - 2013/14Agreed Projects

Committee	A Prior Years	B 2011/12	C 2012/13	D 2013/14	E Future	H Total	I Approved Budget	J (Under)/ Over	K 2011/12 Spend To 30/09/11
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	3,286	1,283	1,903	1,060	-	7,532	7,532	-	339
Safe, Sustainable Communities	7,698	6,569	4,804	2,758	-	21,829	21,829	-	1,812
Regeneration	6,039	12,035	26,960	12,585	1,150	58,769	58,769	-	4,101
Education & Lifelong Learning (Exc School Estate)	80	620	597	3	-	1,300	1,300	-	15
CHCP	2,361	1,095	370	-	-	3,826	3,826	-	-
Sub -Total	19,464	21,602	34,634	16,406	1,150	93,256	93,256	-	6,267
School Estate (Note 1)	4,070	13,796	38,334	21,277	9,819	87,296	91,105	(3,809)	4,154
Total	23,534	35,398	72,968	37,683	10,969	180,552	184,361	(3,809)	10,421

Note 1Summarised SEMP Capital Position - 2010/14

	2011/12	2012/13	2013/14	2014/15	2015/16
Capital Allocation	4,800	4,800	4,800	4,800	4,800
Scottish Government School Grant (estimate)	375	3,030	1,650		
Surplus b/fwd	8,729	3,397	2,613	(1,615)	269
Prudential Borrowing - Shared Campus	3,259	19,871	10,599	481	-
Prudential Borrowing - Receipts		9,849			
CFCR	30	-	-	-	
Available Funding	17,193	40,947	19,662	3,666	5,069
<u>Projects</u>					
Ex-Prudential Borrowing	10,507	18,463	10,678	2,916	3,658
Prudential Borrowing - Shared Campus	3,259	19,871	10,599	481	-
CFCR	30	-	-	-	-
Total	13,796	38,334	21,277	3,397	3,658
Surplus c/fwd	3,397	2,613	(1,615)	269	1,411