
Report To:	Policy & Resources Committee	Date:	13 November 2012
Report By:	Chief Financial Officer	Report No:	FIN/94/12/AP/MT
Contact Officer:	Alan Puckrin	Contact No:	01475 712223
Subject:	2012/15 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2012/15 Capital Programme.

2.0 SUMMARY

- 2.1 In February 2011 the Council agreed a 3 Year Capital Programme covering the period 2011/14, this was amended following Government confirmation of revised Capital Grant figures for 2012/15. In February 2012 the Council agreed to extend the Capital Programme to include financial year 2014/15, to fund a number of additional Capital projects from available reserves and to address the shortfall in the Capital Programme. Appendix 1 reflects these decisions.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that there is an estimated shortfall in resources of £1.66 million over the 2012/15 period which represents 2.5% of the total programme excluding the Schools Estate. A shortfall of this level is not unusual and is considered to be within acceptable parameters but opportunities to reduce this funding gap will need to be taken in the next year or two.
- 2.3 It can be seen from Appendix 2 that as at 30th September 2012 expenditure is 31.3% of projected spend. Phasing and project spend has been reviewed by the Senior Officer (CAMS) Group against planned spend.
- 2.4 Appendix 2 shows that overall Committees are projecting an underspend of £95,000 relating to the Vehicle Replacement Programme. While there is some slippage being reported in Regeneration and School Estates this is being partly offset by acceleration of other projects. In addition ICT Services are accelerating £0.175m of PC refresh from future years. As a result net capital slippage of 0.33% is now being reported.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2012/15 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 which was subsequently amended following Government confirmation of reduced Capital Grant figures in December 2011, this reduction is partially returned over 2014/16.
- 4.2 On 9th February 2012 a Special Council meeting agreed to extend the Capital Programme to include the financial year 2014/15. In addition an amount was set aside from available Revenue Reserves to reduce the funding shortfall in the Capital Programme as well as to fund a number of further Capital Projects.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 3 year period there is a projected shortfall in resources of £1.662 million which represents approximately 2.5% of the projected spend excluding the School Estates Management Plan. This is within acceptable parameters.
- 5.2 The position in respect of individual Committees is as follows:

Social Care

No slippage is being reported with spend being 46.1% of projected spend for the year.

Environment & Regeneration

An underspend of £0.095m within the Vehicle Replacement Programme is being reported. In addition net slippage of £0.149m is being reported for a total slippage (including underspend) of £0.244m (1.48%) with spend being 22.8% of projected spend for the year.

The budget has been increased by £2.6m to reflect the budget decision taken on 9th February 2012 to release funds previously set aside for the Landfill Tax Penalty Scheme to be used to fund additional Roads and Flooding works. Officers are now comfortable that the Landfill Tax Penalty Scheme will not be implemented thus freeing up the Earmarked Reserve. A further £0.6m of the agreed funding has been retained within a Revenue Earmarked Reserve for Roads Infrastructure works.

Education & Communities

Net slippage of £0.070m (0.28%) is being reported with spend being 35% of projected spend for the year.

Policy & Resources

Replacement of PC's to the value of £0.175m (13.7%) has been accelerated from future years with £0.012m of slippage also being reported for a net advancement of £0.163m (12.7%) with spend being 25.6% of projected spend for the year.

- 5.3 Overall in 2012/13 it can be seen that expenditure is 31.3% of the projected spend for the year and that slippage from the programme agreed in February 2012 is currently £0.181 million (0.33%).

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 & Communities Committee on 30th October 2012 advised of the latest position of the SEMP with the overall model remaining affordable and deliverable.

- 6.2 Proposals to accelerate aspects of the Primary School Programme were approved in March at the Education & Lifelong Learning Committee.

7.0 CONCLUSION

- 7.1 The Council's Capital Programme for 2012/15 is showing a shortfall in resources of £1.66 million.
- 7.2 Overall Service Committees have spent 31.3% of the 2012/13 projected spend as at 30th September 2012.

8.0 CONSULTATION

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

Appendix 1

Capital Programme - 2012/13 - 2014/15

Available Resources

	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000
Government Capital Support	6,183	5,500	8,164	19,847
Less: Allocation to School Estate	(4,800)	(4,500)	(4,800)	(14,100)
Capital Receipts (Note 1)	706	800	1,120	2,626
Capital Grants (Note 2)	2,152	268	125	2,545
Prudential Funded Projects (Note 3)	8,446	20,513	8,950	37,909
Balance B/F From 11/12 (Exc School Estate)	3,995	-	-	3,995
Capital Funded from Current Revenue (Note 4)	4,079	8,105	1,350	13,534
Transfer to Capital Fund	-	-	(920)	(920)
	<u>20,761</u>	<u>30,686</u>	<u>13,989</u>	<u>65,436</u>

Overall Position 2012/15

	£000
Available Resources (Appendix 1, Column E)	65,436
Projection (Appendix 2, Column B-E)	67,098
(Shortfall)/Under Utilisation of Resources	<u>(1,662)</u>

Available Resources (Appendix 1, Column E)
 Projection (Appendix 2, Column B-E)
 (Shortfall)/Under Utilisation of Resources

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000
Sales	463	500	1,120	2,083
Contributions/Recoveries (2012/13 to be confirmed)	243	300	-	543
	<u>706</u>	<u>800</u>	<u>1,120</u>	<u>2,626</u>

Note 2 (Capital Grants)

	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000
Cycling, Walking & Safer Streets	93	85	125	303
SPT	1,475	-	-	1,475
Sports Scotland/SFA	317	183	-	500
Food Waste	267	-	-	267
	2,152	268	125	2,545

Note 3 (Prudentially Funded Projects)

	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	185	180	180	545
Vehicle Replacement Programme	193	283	750	1,226
Asset Management Plan - Offices	1,877	7,520	650	10,047
Asset Management Plan - Borrowing in Lieu of Receipts	-	-	920	920
Asset Management Plan - Depots	1,993	9,150	2,100	13,243
Leisure & Pitches Strategy	2,877	1,725	100	4,702
Kylemore Childrens Home	546	100	-	646
Binnle Street Nursery	575	-	-	575
Modernisation Fund	100	419	-	519
Watt Complex Refurbishment	100	1,150	1,750	3,000
Gourock One Way System	-	-	2,500	2,500
Element of Prudentially Funded projects already funded through existing Supported Borrowing	-	(14)	-	(14)
	8,446	20,513	8,950	37,909

Note 4 (Capital Funded from Current Revenue)

	2012/13	2013/14	2014/15	Total
	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	350	490	-	840
Play Areas	607	75	-	682
SWIFT Finance Module	35	35	-	70
Lunderston Bay	173	-	-	173
Scheme of Assistance	433	433	-	866
Aids & Adaptations (Earmarked Reserve)	287	100	-	387
Flooding Strategy	252	1,250	-	1,502
Additional Funding for Road Improvements	1,407	2,200	-	3,607
Roads Winter Maintenance Equipment	32	-	-	32
Wellington Community Facility (Community Facility Fund)	50	150	-	200
Inverkip Community Facility	-	300	350	650
Modernisation Fund	-	25	-	25
Greenock Town Centre	253	(3)	-	250
Port Glasgow Town Centre, Town Hall Refresh	200	50	-	250
Watt Complex Refurbishment	-	-	1,000	1,000
Use of General Fund Reserves	-	3,000	-	3,000
	4,079	8,105	1,350	13,534

Capital Programme - 2012/13 - 2014/15

Agreed Projects

Committee	A Prior Years	B 2012/13	C 2013/14	D 2014/15	E Future	G Total	H Approved Budget	I (Under)/ Over	J 2012/13 Spend To 30/09/12
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	3,652	1,442	1,708	896	-	7,698	7,698	-	369
Environment & Regeneration	26,210	16,244	29,476	12,005	-	83,935	84,030	(95)	3,698
Education & Communities (Exc School Estate)	1,038	2,228	1,133	950	-	5,349	5,349	-	576
CHCP	454	881	135	-	-	1,470	1,470	-	406
Sub - Total	31,354	20,795	32,452	13,851	-	98,452	98,547	(95)	5,049
School Estate (Note 1)	10,839	33,673	28,859	3,405	13,625	90,401	90,401	-	12,339
Total	42,193	54,468	61,311	17,256	13,625	188,853	188,948	(95)	17,388

Note 1

Summarised SEMP Capital Position - 2010/14

	2012/13	2013/14	2014/15	2015/16	2016/17
Capital Allocation	4,800	4,500	4,800	4,800	4,800
Scottish Government School Grant (estimate)	3,007	1,800	801	803	803
Surplus b/fwd	5,352	1,913	(3,675)	(1,729)	167
Prudential Borrowing	16,727	13,646	551	-	-
Prudential Borrowing - In Lieu of Receipts	5,700	3,325	-	-	-
CFCR	-	-	-	-	-
Available Funding	35,586	25,184	1,676	3,872	5,770
Projects					
Ex-Prudential Borrowing	16,946	15,213	2,854	3,705	3,834
Prudential Borrowing	16,727	13,646	551	-	-
CFCR	-	-	-	-	-
Total	33,673	28,859	3,405	3,705	3,834
Surplus cfwd	1,913	(3,675)	(1,729)	167	1,936