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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>26 March 2013</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/22/13/AP/MT</b>
<b>Contact Officer:</b>	<b>Alan Puckrin</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>2012/16 Capital Programme</b>		

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## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2012/16 Capital Programme.

## 2.0 SUMMARY

- 2.1 In February 2013 the Council agreed the 2013/16 Capital Programme plus funding for 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 £1.195 million over the 2012/16 period which represents 1.3% of the total programme excluding the Schools Estate. A shortfall of this level is not unusual and is considered to be within acceptable parameters however in the longer term annual capital allocations continue to exceed the General Capital Grant and opportunities to reduce this funding gap should be taken.
- 2.3 It can be seen from Appendix 2 that as at 31<sup>st</sup> January 2013 expenditure is 72% of projected spend. Phasing and project spend have been reviewed by the Senior Officer (CAMS) Group against planned spend.
- 2.4 Appendix 2 shows that overall Committees are projecting an underspend of £170,000. This relates to the Vehicle Replacement Programme, Knocknairshill Cemetery expansion and Kylemore Childrens Home. Slippage is being reported within Environment and Regeneration (including Vehicles £0.425m, Play Areas £0.22m, Leisure Strategy £0.656m, Asset Management Plan £1.124m) and Education & Communities (including St Columba's HS £0.5m, PG Community Campus £0.5m, St Laurence's Refurbishment £0.62m). This is partly offset by acceleration of other projects however net capital slippage of £4.881m (8.95%) is now being reported.

## 3.0 RECOMMENDATION

- 3.1 It is recommended that Committee note the current position of the 2012/16 Capital Programme.

Alan Puckrin  
Chief Financial Officer

## **4.0 BACKGROUND**

- 4.1 On 14<sup>th</sup> February 2013 the Council agreed a 2013/16 Capital Programme. In addition significant additional funding was identified to increase the Roads Asset Management Plan, further amounts were set aside from available Revenue Reserves to fund a number of further Capital Projects and to reduce the overall funding shortfall.
- 4.2 The introduction of the unified Police Service of Scotland on 1<sup>st</sup> April 2013 will result in the Capital Grant being paid directly to the Police Service. As a result the 2013/14 (£0.222m) and 2014/15 (£0.326m) Police Grants have been removed from the Policy & Resources budget, reducing the budget by £0.548m. The Council's General Capital Grant has been reduced by the same amount resulting in a nil impact to the Council.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows that over the 4 year period there is a projected shortfall in resources of £1.195 million which represents approximately 1.3% 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

An underspend of £0.04m within the Kylemore Children's home is being reported. No additional slippage is being reported with spend being 59.6% of projected spend for the year.

### Environment & Regeneration

An underspend of £0.130m within the Vehicle Replacement Programme (£0.095m) and Knocknairshill Cemetery Expansion (£0.035m) is being reported. In addition net slippage of £2.811m is being reported for a total slippage (including underspend) of £2.941m (18.17%) with spend being 73% of projected spend for the year. The main areas of slippage are within Vehicles (£0.435m inclusive of the £0.095m underspend), Play Areas (£0.22m), Leisure & Pitches Strategy (£0.656m), Asset Management Plan (£1.124m) and Lunderston Bay (£0.198m).

### Education & Communities

Net slippage of £1.882m (5.2%) is being reported with spend being 71.2% of projected spend for the year. The main areas of slippage are within Scheme of Assistance (£0.26m), St Columba's High School (£0.5m), the Port Glasgow Community Campus (£0.5m) and the St Laurence's Primary School (Refurb for Mearns Centre) (£0.62m).

### Policy & Resources

Replacement of PCs to the value of £0.175m (13.7%) has been accelerated from future years with £0.233m of slippage also being reported for net slippage of £0.058m (4.53%) with spend being 78.3% of projected spend for the year.

- 5.3 Overall in 2012/13 it can be seen that expenditure is 71.68% of the projected spend for the year and that slippage from the programme agreed in February 2012 is currently £4.881 million (8.95%).

## **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. Proposals to accelerate aspects of the Primary School Programme were approved by the Council in February 2013.

## **7.0 CONCLUSION**

- 7.1 The Council's Capital Programme for 2012/16 is showing a shortfall in resources of £1.195 million.
- 7.2 Overall Service Committees have spent 71.68% of the 2012/13 projected spend as at 31<sup>st</sup> January 2013.

## **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	2015/16	Total
	£000	£000	£000	£000	£000
Government Capital Support	6,200	5,857	7,838	6,000	25,895
Less: Allocation to School Estate	(4,800)	(4,500)	(4,800)	(4,300)	(18,400)
Capital Receipts (Note 1)	641	865	560	937	3,003
Capital Grants (Note 2)	2,152	468	125	-	2,745
Prudential Funded Projects (Note 3)	5,744	9,781	24,678	6,179	46,382
Balance B/F From 11/12 (Exc School Estate)	3,995	-	-	-	3,995
Capital Funded from Current Revenue (Note 4)	4,174	9,144	8,933	2,833	25,084
Transfer to Capital Fund	(50)	-	(340)	(165)	(555)
	18,056	21,615	36,994	11,484	88,149

Overall Position 2012/16

	£000
Available Resources (Appendix 1, Column E)	88,149
Projection (Appendix 2, Column B-E)	89,344
(Shortfall)/Under Utilisation of Resources	(1,195)

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	2015/16	Total
	£000	£000	£000	£000	£000
Sales	467	496	560	937	2,460
Contributions/Recoveries (2012/13 to be confirmed)	174	369	-	-	543
	641	865	560	937	3,003

Note 2 (Capital Grants)

	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	93	85	125	-	303
SPT	1,475	-	-	-	1,475
Sports Scotland/SFA	317	383	-	-	700
Food Waste	267	-	-	-	267
	2,152	468	125	-	2,745

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	185	68	68	68	389
Vehicle Replacement Programme	(91)	217	978	2,198	3,302
Greenock Parking Strategy	-	-	150	-	150
Asset Management Plan - Offices	265	4,695	6,580	570	12,110
Asset Management Plan - Borrowing in Lieu of Receipts	-	-	920	-	920
Asset Management Plan - Depots	1,881	1,900	8,279	1,183	13,243
Leisure & Pitches Strategy	2,271	1,488	943	-	4,702
Kylemore Childrens Home	546	60	-	-	606
Binnie Street Nursery	575	-	-	-	575
Modernisation Fund	12	157	350	-	519
Watt Complex Refurbishment	100	1,150	1,750	-	3,000
Gourock One Way System	-	-	2,500	-	2,500
Roads Asset Management Plan	-	-	2,100	2,100	4,200
Surplus Prudential Borrowing due to project savings	-	60	60	-	180
Element of Prudentially Funded projects already funded through existing Supported Borrowing	-	(14)	-	-	(14)
	5,744	9,781	24,678	6,179	46,382

Note 4 (Capital Funded from Current Revenue)

	2012/13	2013/14	2014/15	2015/16	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	350	290	450	-	1,090
Play Areas	387	295	300	-	982
SWIFT Finance Module	35	35	-	-	70
Asset Management Plan - Offices (Capital Fund)	1,000	-	-	-	1,000
Lunderston Bay	10	63	100	-	173
Scheme of Assistance	183	683	433	433	1,732
Aids & Adaptations (Earmarked Reserve)	277	110	-	-	387
Flooding Strategy	210	42	1,250	-	1,502
Additional Funding for Road Improvements	7	-	-	-	7
Roads Winter Maintenance Equipment	32	-	-	-	32
Greenock Parking Strategy	-	104	100	-	204
Roads Asset Management Plan	1,373	2,727	2,400	2,400	8,900
Broomhill Community Facility (Community Facility Fund)	-	50	150	-	200
Inverkip Community Facility	-	-	900	-	900
Modernisation Fund	-	25	-	-	25
Greenock Town Centre	250	-	-	-	250
Port Glasgow Town Centre, Town Hall Refresh	60	170	20	-	250
Watt Complex Refurbishment	-	-	1,000	-	1,000
Community Facilities Investment	-	-	750	-	750
Blaes Football Parks	-	-	830	-	830
Broomhill Regeneration	-	-	250	-	250
Use of General Fund Reserves	-	4,550	-	-	4,550
	4,174	9,144	8,933	2,833	25,084

## Capital Programme - 2012/13 - 2014/15

## Agreed Projects

Committee	A Prior Years	B 2012/13	C 2013/14	D 2014/15	E 2015/16	F Future	G Total	H Approved Budget	I (Under)/ Over	J 2012/13 Spend To 31/01/13
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	3,652	1,221	1,305	865	515	-	7,558	7,558	-	956
Environment & Regeneration	26,287	13,247	16,375	31,210	11,703	90	98,912	99,042	(130)	9,673
Education & Communities (Exc School Estate)	1,038	2,143	2,788	6,083	933	-	12,965	12,965	-	1,733
CHCP	454	881	95	-	-	-	1,430	1,470	(40)	525
Sub - Total	31,431	17,492	20,543	38,158	13,151	90	120,865	121,035	(170)	12,887
School Estate (Note 1)	10,839	32,176	22,838	12,016	6,365	11,622	95,856	95,856	-	22,713
Total	42,270	49,668	43,381	50,174	19,516	11,712	216,721	216,891	(170)	35,600

## 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	4,300	4,300
Scottish Government School Grant (estimate)	3,007	1,366	801	803	803
Surplus b/fwd	5,352	2,510	4,409	1,244	(20)
Prudential Borrowing	15,827	10,546	4,051	-	-
Prudential Borrowing - In Lieu of Receipts	5,700	3,325	-	-	-
Prudential Borrowing - Alternative Model	-	5,000	-	-	-
Available Funding	34,686	27,247	13,260	6,345	5,083
Projects					
Ex-Prudential Borrowing	16,349	12,292	7,965	6,365	5,436
Prudential Borrowing	15,827	10,546	4,051	-	-
Total	32,176	22,838	12,016	6,365	5,436
Surplus c/fwd	2,510	4,409	1,244	(20)	(353)