
Report To:	Policy & Resources Committee	Date:	24 September 2013
Report By:	Chief Financial Officer	Report No:	FIN/68/13/AP/MT
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Subject:	2013/16 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2013/16 Capital Programme.

2.0 SUMMARY

- 2.1 In February 2013 the Council agreed a 3 year Capital Programme covering the period 2013/16. It should be noted that the 2015/16 Capital Grant Allocation is an estimate at this stage until figures are confirmed by the Scottish Government. The estimated shortfall in resources at the time of agreeing the budget was £1.695m being 1.5% of projected spend over 2013/16.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that the estimated shortfall in resources remains at £1.695 million over the 2013/16 period which represents 1.6% of the total programme. A shortfall of this level is not unusual and is in line with the 1.5% recommended. 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 31st July 2013 expenditure was 28% 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 can be seen that overall Committees are projecting an underspend of £156,000. This relates to Kylemore Children's Home and is partially offset by a reduction in the projected receipt for the former Redholm Children's Home of £100,000. Budgetary slippage of 1.9% is being reported. This compares with net capital acceleration of 0.4% reported at the same stage last year.
- 2.5 In line with the approved process, the underspend of £156,000 on the Kylemore project will be returned to the overall programme, together with the reduction in receipts this will decrease the estimated shortfall in resources to £1.639m or 1.5% of projected spend.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2013/16 Capital Programme.

3.2 It is recommended that Committee note the return of the underspend on the Kylemore project to the overall programme, reducing the estimated shortfall in resources.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 On 14th February 2013 the Council agreed a 2013/16 Capital Programme which included significant additional funding to increase the Roads Asset Management Plan with further amounts set aside from available Revenue Reserves to fund a number of further Capital Projects and to reduce the overall funding shortfall.
- 4.2 The Business Property Renovation Scheme (BPRA) was approved by the Policy & Resources Committee in February 2013. The refurbishment of Wallace Place and the creation of the Port Glasgow Hub are funded from this scheme and will deliver a capital saving of around £1.0m which was factored into the 2013/16 Budget. These projects have been removed from the Capital Programme.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 3 year period there is a projected shortfall in resources of £1.695 million which represents 1.6% of the projected spend excluding the School Estates Management Plan and is in line with the recommended level of 1.5%.
- 5.2 The position in respect of individual Committees is as follows:

Social Care

An underspend of £0.156m within the Kylemore Children's home is being reported. No additional slippage is being reported, with spend being 2.7% of projected spend for the year. The underspend is partially offset by a reduction in the projected receipt for the Redholm Children's Home and the balance will be used to reduce the overall shortfall in resources.

Environment & Regeneration

Net slippage of £0.294m (2.09%) is being reported with spend being 12.6% of projected spend for the year. Slippage relates mainly to the Gourrock Pier & Railhead Development.

Education & Communities

Slippage of £0.071m (0.30%) is being reported with spend being 37.7% of projected spend for the year. The slippage relates to the Watt Complex (£0.071m).

Within SEMP no slippage is being shown at this stage however there will be overspends at St Columba's and Lomond View that will be fully funded from within the SEMP. A detailed update on the overall delivery of the SEMP projects has been given to the Education & Communities Committee in September 2013.

Finally, no slippage is being shown within Scheme of Assistance at present. Officers are reviewing the allocation of this budget and any slippage will be reported to the next cycle.

Policy & Resources

Slippage of £0.262m (21.71%) is being reported with spend being 5.4% of projected spend for the year. The main areas of slippage are within the PC Refresh (£0.089m), Storage/Back-up Devices (£0.077m) and the Modernisation Fund (£0.054m).

- 5.3 Overall in 2013/14 it can be seen that expenditure is 27.67% of the projected spend for the year and that slippage from the programme agreed in February 2013 is currently £0.743 million (1.91%).

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 and a comprehensive update will be reported to the Education & Communities Committee in November 2013.

7.0 CONCLUSION

- 7.1 Officers robustly reviewed phasings on all projects prior to the setting of the 2012/15 Capital Programme in order to set a 3 year Capital Programme that was both prudent and realistic in reflecting the anticipated capital expenditure and this resulted in improved slippage levels.
- 7.2 This review process was repeated prior to the setting of the 2013/16 Capital Programme and as can be seen in paragraph 5.3, projected slippage is currently 1.91%, compared with net capital acceleration of 0.4% reported at the same stage last year. While it is early in the financial year the signs are that this review continues to produce a more realistically phased Capital Programme.
- 7.3 The Council's Capital Programme for 2013/16 is showing a shortfall in resources of £1.695 million, approximately 1.6% of the projected spend.
- 7.4 Overall Service Committees have spent 27.67% of the 2013/14 projected spend as at 31st July 2013.

8.0 CONSULTATION

- 8.1 This report has been approved by the Corporate Management Team.

Capital Programme - 2013/14 - 2015/16

Available Resources

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	5,857	7,838	6,000	-	19,695
Less: Allocation to School Estate	(4,500)	(4,800)	(4,300)	-	(13,600)
Capital Receipts (Note 1)	816	560	937	50	2,363
Capital Grants (Note 2)	408	125	-	-	533
Prudential Funded Projects (Note 3)	5,604	25,454	6,451	90	37,599
Balance B/F From 11/12 (Exc School Estate)	1,455	-	-	-	1,455
Capital Funded from Current Revenue (Note 4)	9,043	8,914	2,833	-	20,790
Transfer to Capital Fund	(50)	(340)	(165)	(50)	(605)
	18,633	37,751	11,756	90	68,230

Overall Position 2013/16

	£000
	68,230
	69,925
	(1,695)

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)

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Sales	804	560	937	50	2,351
Contributions/Recoveries	12	-	-	-	12
	816	560	937	50	2,363

Note 2 (Capital Grants)

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	85	125	-	-	210
SPT	285	-	-	-	285
Sustrans	20	-	-	-	20
Sports Scotland/SFA	18	-	-	-	18
	408	125	-	-	533

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2013/14 £000	2014/15 £000	2015/16 £000	Future £000	Total £000
Additional ICT - Education Whiteboard & PC Refresh	74	68	68	-	210
Vehicle Replacement Programme	176	978	2,198	-	3,352
Greenock Parking Strategy	(34)	150	-	-	116
Asset Management Plan - Offices	2,173	6,356	492	90	9,111
Asset Management Plan - Borrowing in Lieu of Receipts	-	920	-	-	920
Asset Management Plan - Depots	1,870	8,279	1,183	-	11,332
Leisure & Pitches Strategy	1,464	946	-	-	2,410
Kylemore Childrens Home	(77)	-	-	-	(77)
Modernisation Fund	38	54	350	-	442
Watt Complex Refurbishment	100	2,821	-	-	2,921
Gaurock One Way System	(226)	2,722	-	-	2,496
Roads Asset Management Plan	-	2,100	2,100	-	4,200
Surplus Prudential Borrowing due to project savings	60	60	60	-	180
Element of Prudentially Funded projects already funded through existing Supported Borrowing	(14)	-	-	-	(14)
	5,604	25,454	6,451	90	37,599

Note 4 (Capital Funded from Current Revenue)

	2013/14 £000	2014/15 £000	2015/16 £000	Future £000	Total £000
Regeneration of Port Glasgow Town Centre	184	450	-	-	634
Play Areas	351	300	-	-	651
SWIFT Finance Module	60	-	-	-	60
Lunderston Bay	120	41	-	-	161
Scheme of Assistance	433	433	433	-	1,299
Aids & Adaptations (Earmarked Reserve)	360	-	-	-	360
Flooding Strategy	42	1,222	-	-	1,264
Greenock Parking Strategy	104	100	-	-	204
Roads Asset Management Plan	2,727	2,400	2,400	-	7,527
Broomhill Community Facility (Community Facility Fund)	50	150	-	-	200
Inverkip Community Facility	264	900	-	-	1,164
Modernisation Fund	25	-	-	-	25
Port Glasgow Town Centre, Town Hall Refresh	164	63	-	-	227
Watt Complex Refurbishment	-	1,000	-	-	1,000
Community Facilities Investment	-	750	-	-	750
Blaes Football Parks	-	830	-	-	830
Broomhill Regeneration	-	250	-	-	250
Completion of SV Comet Canopy	109	25	-	-	134
Use of General Fund Reserves	4,050	-	-	-	4,050
	9,043	8,914	2,833	-	20,790

Capital Programme - 2013/14 - 2015/16

Agreed Projects Committee	A	B	C	D	E	G	H	I	J
	Prior Years £000	2013/14 £000	2014/15 £000	2015/16 £000	Future £000	Total £000	Approved Budget £000	(Under)/ Over £000	2013/14 Spend To 31/7/13 £000
Policy & Resources	3,784	945	777	865	-	6,371	6,371	-	51
Environment & Regeneration	34,513	13,806	30,419	11,625	90	90,453	90,453	-	1,737
Education & Communities (Exc School Estate)	455	2,197	8,085	933	-	11,670	11,670	-	142
CHCP	1,131	183	-	-	-	1,314	1,470	(156)	5
Sub-Total	39,883	17,131	39,281	13,423	90	109,808	109,964	(156)	1,935
School Estate (Note 1)	37,984	21,117	12,016	6,365	11,622	89,104	89,104	-	8,650
Total	77,867	38,248	51,297	19,788	11,712	198,912	199,068	(156)	10,585

Note 1

Summarised SEMP Capital Position - 2013/17

	2013/14	2014/15	2015/16	2016/17
Capital Allocation	4,500	4,800	4,300	4,300
Scottish Government School Grant (estimate)	1,366	801	803	803
Surplus b/fwd	2,182	3,769	604	(660)
Prudential Borrowing	8,513	4,051	-	-
Prudential Borrowing - In Lieu of Receipts	3,325	-	-	-
Prudential Borrowing - Accelerated Investment	5,000	-	-	-
Available Funding	24,886	12,620	5,705	4,443
Projects	12,604	7,965	6,365	5,436
Ex-Prudential Borrowing	8,513	4,051	-	-
Prudential Borrowing	21,117	12,016	6,365	5,436
Total	3,769	604	(660)	(993)