
Report To:	Policy & Resources Committee	Date:	20 May 2014
Report By:	Acting Corporate Director, Environment Regeneration & Resources	Report No:	FIN/27/14/JB/MT
Contact Officer:	Jan Buchanan	Contact No:	01475 712223
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, In February 2014 the Council further agreed to return £0.5m of SEMP monies to the General Fund as well as approving a number of further projects funded from Revenue Reserves. 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.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that the estimated shortfall in resources is to £1.135 million over the 2013/16 period which represents 1.08% of the projected spend over the 3 year period, in line with the recommended level. 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 March 2014 expenditure was 98.29% of projected spend. Phasing and project spend have been reviewed by the Senior Officer (CAMS) Group against planned spend. It should be noted that although expenditure is shown as up to 31st March the figures do not reflect end of year accruals.
- 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 outturn on budget. Budgetary slippage of 15.19% is being reported, an increase of 2.83% from that reported to the previous Committee, this compares with a slippage outturn of 9.34% in 2012/13. It should be noted that this remains a projected outturn at this stage, final outturn will be known once all accruals have been included and may differ from the projection.
- 2.5 The reasons for the increase in slippage in 2013/14 are due to be considered by the CMT and will be reported to Committee in August.

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 that a detailed report on the 2013/14 outturn will be presented to Committee in August.

Jan Buchanan
Head of Finance

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 On 4th February 2014 the Policy & Resources Committee agreed to return £500,000 unused contingency within the School Estate to the General Fund, reducing the funding shortfall accordingly.
- 4.3 On 20th February 2014 the Council confirmed the existing Capital Programme to 2015/16. In addition a number of additional projects, funded from Revenue Reserves, were approved. These projects are reflected in this report.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 3 year period there is a projected shortfall in resources of £1.135 million which represents 1.08% of the projected spend and is within the recommended level of 1.5%.
- 5.2 The position in respect of individual Committees is as follows:

Social Care

The previously reported underspend within the Kylemore Children's home has been returned to the overall programme: as a result Social Care is now projected to outturn on budget. No additional slippage is being reported, with spend being 8.7% of projected spend for the year. The majority of projected spend relates to retentions due on Kylemore Children's Home and will be accrued as part of the year end process.

Environment & Regeneration

Net slippage of £4.453m (31.47%) is being reported with spend being 84.7% of projected spend for the year. Slippage relates mainly to the Gourock Pier & Railhead Development (£0.622m), the Replacement Depots (£1.565m), other slippage within the Asset Management Plan (£0.362m), Property Assets Core Allocation (£0.577m), Play Areas (£0.289m), RAMP (£0.24m) and underspends within the SPT Grant funded programme (£0.28m) and is partly offset by the acceleration of other budgets, in particular the Vehicle Replacement Programme (£0.178m).

Education & Communities

Slippage of £1.119m (4.77%) is being reported with spend being 98.1% of projected spend for the year. The slippage relates mainly to the Scheme of Assistance (£0.726m), the Watt Complex Refurbishment (£0.124m) and Inverkip Community Facility (£0.241m).

Within SEMP negligible net slippage is being shown.

Policy & Resources

Slippage of £0.347m (28.75%) is being reported with spend being 91.7% of projected spend for the year. The main areas of slippage are within the PC Refresh (£0.089m), Storage/Back-up Devices (£0.067m) and Rolling Replacement of PC's (£0.052m).

- 5.3 Overall in 2013/14 it can be seen that expenditure is 98.29% of the projected spend for the year and that slippage from the programme agreed in February 2013 is currently £5.919 million (15.19%). This represents a significant increase from 2012/13 and the reasons for this are being reviewed by the CMT and will be reported to Committee in August.

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 5th November 2013 advised of the latest position of the SEMP with the overall model remaining affordable and deliverable.
- 6.2 £0.5 million was transferred from the SEMP to the core capital programme as part of the approval of the 2014/16 Budget. In addition £1.1m of further investment in MUGAs within the Primary School estate was approved subject to confirmation from Scottish Government of the 2015/16 settlement.

7.0 CONCLUSIONS

- 7.1 Officers robustly reviewed phasings on all projects prior to the setting of the 2013/16 Capital Programme in order to set a 3 year Capital Programme that was both prudent and realistic in reflecting the anticipated capital expenditure. It is therefore a concern that as can be seen in paragraph 5.3 projected slippage is currently 15.19%, compared with an outturn of 9.34% in 2012/13.
- 7.2 The Council's Capital Programme for 2013/16 is showing a shortfall in resources of £1.135 million, approximately 1.08% of the projected spend.
- 7.3 Overall, Service Committees have spent 98.29% of the 2013/14 projected spend as at 31st March 2014.

8.0 CONSULTATION

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

9.0 IMPLICATIONS

Finance

9.1 Financial Implications

All financial implications are discussed in detail within the report and in Appendices 1 & 2.

One off Costs

Cost Centre	Budget Heading	Budget Years	Proposed Spend this Report £000	Virement From	Other Comments
General Fund Capital	Expenditure	2013/16	£74,853	n/a	Overall shortfall in funding £1.135m
	Income	2013/16	£73,718		

Annually Recurring Costs/ (Savings)

Cost Centre	Budget Heading	With Effect from	Annual Net Impact £000	Virement From (If Applicable)	Other Comments
N/A					

Legal

9.2 There are no legal implications.

Human Resources

9.3 There are no direct staffing implications in respect of this report and as such the Head of Organisational Development, HR & Communications has not been consulted.

Equalities

9.4 The report has no impact on the Council's Equalities policy.

Repopulation

9.5 The report has no impact on repopulation.

Appendix 1

Capital Programme - 2013/14 - 2015/16

	<u>Available Resources</u>				
	A	B	C	D	E
	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	5,857	8,251	6,000	-	20,108
Less: Allocation to School Estate	(4,500)	(4,713)	(4,300)	-	(13,513)
Capital Receipts (Note 1)	566	470	922	-	1,958
Capital Grants (Note 2)	196	519	250	-	965
Prudential Funded Projects (Note 3)	4,135	8,974	19,552	5,814	38,475
Balance B/F From 11/12 (Exc School Estate)	1,455	-	-	-	1,455
Capital Funded from Current Revenue (Note 4)	8,231	7,628	7,111	1,300	24,270
	15,940	21,129	29,535	7,114	73,718

Overall Position 2013/16

	<u>£000</u>
Available Resources (Appendix 1, Column E)	73,718
Projection (Appendix 2, Column B-F)	74,853
(Shortfall)/Under Utilisation of Resources	<u>(1,135)</u>

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	554	420	772	-	1,746
Contributions/Recoveries	12	50	150	-	212
	566	470	922	-	1,958

Note 2 (Capital Grants)

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	82	125	-	-	207
SPT	6	167	-	-	173
Sustrans	10	77	250	-	337
Sports Scotland/SFA	18	-	-	-	18
Zero Waste Scotland	80	150	-	-	230
	196	519	250	-	965

Capital Programme - 2013/14 - 2015/16

Agreed Projects

Committee	A Prior Years £000	B 2013/14 £000	C 2014/15 £000	D 2015/16 £000	E 2016/17 £000	F Future £000	G Total £000	H Approved Budget £000	I (Under)/ Over £000	J 2013/14 Spend To 31/3/14 £000
Policy & Resources	3,784	860	611	1,066	50	-	6,371	6,371	-	806
Environment & Regeneration	34,513	9,697	17,754	26,684	3,473	420	92,541	92,541	-	9,408
Education & Communities (Exc School Estate)	455	1,281	4,261	4,812	1,400	2,221	14,430	14,430	-	1,281
CHCP	1,131	183	80	-	-	-	1,394	1,394	-	16
Sub -Total	39,883	12,021	22,706	32,562	4,923	2,641	114,736	114,736	-	11,511
School Estate (Note 1)	37,984	21,090	8,037	9,018	5,837	6,186	88,152	88,152	-	21,034
Total	77,867	33,111	30,743	41,580	10,760	8,827	202,888	202,888	-	32,545

Note 1Summarised SEMP Capital Position - 2013/17

	2013/14	2014/15	2015/16	2016/17
Capital Allocation	4,500	4,713	4,300	4,300
Scottish Government School Grant (estimate)	1,366		801	803
Surplus b/fwd	2,182	4,723	3,663	246
Prudential Borrowing	9,440	2,264	500	-
Prudential Borrowing - In Lieu of Receipts	3,325			
Prudential Borrowing - Accelerated Investment	5,000			
Available Funding	25,813	11,700	9,264	5,349
<u>Projects</u>				
Ex-Prudential Borrowing	11,650	5,773	8,518	5,837
Prudential Borrowing	9,440	2,264	500	-
Total	21,090	8,037	9,018	5,837
Surplus c/fwd	4,723	3,663	246	(488)

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	38	68	104	-	210
Vehicle Replacement Programme	341	879	2,198	-	3,418
Greenock Parking Strategy	(27)	68	75	-	116
Asset Management Plan - Offices	1,858	2,401	3,583	1,269	9,111
Asset Management Plan - Borrowing in Lieu of Receipts	-	920	-	-	920
Asset Management Plan - Depots	305	2,669	7,214	1,144	11,332
Capital Works on Former Tied Houses	-	60	60	480	600
Leisure & Pitches Strategy	1,316	416	178	-	1,910
Broomhill Community Facility	(28)	28	500	-	500
Kylemore Childrens Home	179	(200)	-	-	(21)
Modernisation Fund	60	32	350	-	442
Watt Complex Refurbishment	47	73	380	2,421	2,921
Gourock One Way System	-	-	2,000	500	2,500
Roads Asset Management Plan	-	1,350	2,850	-	4,200
Kerbside Glass Collection	-	150	-	-	150
Surplus Prudential Borrowing due to project savings	60	60	60	-	180
Element of Prudentially Funded projects already funded through existing Supported Borrowing	(14)	-	-	-	(14)
	4,135	8,974	19,552	5,814	38,475

Note 4 (Capital Funded from Current Revenue)

	2013/14	2014/15	2015/16	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	149	45	150	-	344
Play Areas	62	739	200	-	1,001
Coronation Park, Port Glasgow	-	250	-	-	250
Contribution to Birkmyre Park Pitch Improvements	-	50	-	-	50
Gourock Walled Garden, Toilet Provision	-	40	-	-	40
Port Glasgow Health Centre Car Park	-	40	-	-	40
SWIFT Finance Module	60	-	-	-	60
Hillend Respite Unit	-	80	-	-	80
Lunderston Bay	143	18	-	-	161
Scheme of Assistance	433	433	433	-	1,299
Aids & Adaptations (Earmarked Reserve)	360	100	-	-	460
Flooding Strategy	27	467	810	-	1,304
Greenock Parking Strategy	70	134	-	-	204
Roads Asset Management Plan	2,597	2,701	2,189	-	7,487
Broomhill Community Facility (Community Facility Fund)	50	100	400	-	550
Inverkip Community Facility	23	801	500	-	1,324
Primary School MUGA's - various	-	500	600	-	1,100
Modernisation Fund	25	-	-	-	25
Port Glasgow Town Centre, Town Hall Refresh	122	71	34	-	227
Watt Complex Refurbishment	-	80	120	800	1,000
Community Facilities Investment	-	-	400	-	400
Blaes Football Parks	27	533	270	-	830
Ravenscraig Sports Barn	-	300	300	-	600
Broomhill Regeneration	16	34	200	-	250
Lower Port Glasgow Regeneration	-	-	100	250	350
East Central Greenock Regeneration	-	-	250	250	500
Central Gourock	-	-	150	-	150
Completion of SV Comet Canopy	17	112	5	-	134
Use of General Fund Reserves	4,050	-	-	-	4,050
	8,231	7,628	7,111	1,300	24,270