

---

<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>23 September 2014</b>
<b>Report By:</b>	<b>Acting Corporate Director, Environment Regeneration &amp; Resources</b>	<b>Report No:</b>	<b>FIN/50/14/JB/MT</b>
<b>Contact Officer:</b>	<b>Jan Buchanan</b>	<b>Contact No:</b>	<b>01475 712223</b>
<b>Subject:</b>	<b>2014/16 Capital Programme</b>		

---

## 1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2014/16 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 2015/16 General Capital Grant has now been confirmed and is greater than anticipated.
- 2.2 Based on the latest figures it can be seen from Appendix 1 that the estimated surplus in resources is £1.302 million over the 2014/16 period, this is a significant improvement on the £1.135m shortfall previously reported. In the longer term it is anticipated that annual capital requirements will continue to exceed the General Capital Grant and this will be addressed through the budget process.
- 2.3 It can be seen from Appendix 2 that as at 31<sup>st</sup> July 2014 expenditure was 18.57% of projected spend. Phasing and project spend has been reviewed by the Senior Officer (CAMS) Group and the relevant Corporate Director.
- 2.4 The position in respect of each individual Committee is reported in Appendix 2 and Section 5 of the report. Overall Committees are projecting to outturn on budget. Budgetary slippage of 10.27% is being reported, this compares with a slippage outturn of 13.04% in 2013/14.
- 2.5 The reasons for the increase in slippage in 2013/14 were considered by the Committee in August based on the unaudited accounts and highlighted slippage of 14.45%. Adjustments highlighted during the audit have reduced this figure to 13.04%.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2014/16 Capital Programme and previous decision that any surplus on the 2014/16 Capital Programme be considered as part of the February 2015 budget process.

## **4.0 BACKGROUND**

- 4.1 On 14<sup>th</sup> 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 4<sup>th</sup> February 2014 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 20<sup>th</sup> February 2014 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.
- 4.4 Scottish Government have now confirmed the General Capital Grant allocation for 2015/16 which is significantly more than the estimate included when agreeing the budget in February 2013. As a result the previously reported shortfall in resources of £1.135m has been replaced by a surplus in resources of £1.302m.
- 4.5 The Policy & resources Committee agreed to defer any decision on the surplus resources to the February 2015.

## **5.0 CURRENT POSITION**

- 5.1 Appendix 1 shows that over the 2 year period there is a projected surplus in resources of £1.302 million.
- 5.2 The position in respect of individual Committees is as follows:

### Social Care

No slippage is being reported and there is no spend to date.

### Environment & Regeneration

Net slippage of £1.728m (9.57%) is being reported with spend being 22.8% of projected spend for the year. Slippage relates mainly to the Asset Management Plan (£1.267m), the Sea Wall element of the Gourock Pier & Railhead Development (£0.25m) and Coronation Park (£0.2m) as well as other minor areas of slippage. Where possible projects are being advanced from future years and are partly offsetting the slipped projects.

### Education & Communities

Slippage of £1.435m (12.6%) is being reported with spend being 11.4% of projected spend for the year. The slippage relates mainly to Inverkip Community Facility (£1.112m) and Primary School Pitch Upgrading (£0.27m).

Within SEMP no net slippage is being shown.

### Policy & Resources

Net advancement of £0.039m (4.94%) is being reported with spend being 25.48% of projected spend for the year. Advancement within the Modernisation Fund (£0.163m) from future years is partly offset by slippage, mainly within Storage/Backup Devices and Minor Works & Projects (£0.037m) and Whiteboard/Projector Refresh (£0.036m).

- 5.3 Overall in 2014/15 it can be seen that expenditure is 18.57% of the projected spend for the year and that slippage from the programme agreed in February 2014 is currently £3.124 million (10.27%).

## 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 5<sup>th</sup> November 2013 advised of the latest position of the SEMP with the overall model remaining affordable and deliverable and an update will be reported to the Education & Lifelong Learning Committee on 4<sup>th</sup> November 2014.
- 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 MUGA's within the Primary School estate was approved.

## 7.0 CONCLUSIONS

- 7.1 Slippage in 2013/14 outturned at 13.04%, this compared with an outturn of 9.34% in 2012/13 and a report was submitted to both the CMT and this Committee on the reasons for this. It should be noted these reports were based on the unaudited accounts and highlighted slippage of 14.45%, adjustments highlighted during the audit have reduced this figure to 13.04%. Whilst slippage levels of 10.27% in 2014/15 are currently being reported, projections have been robustly reviewed by Officers with the intention of highlighting slippage at an early stage.

While it is likely that there will be addition slippage reported later in the year Officers are working to advance projects from future years where practical. It is expected therefore that slippage levels should not rise significantly from that currently reported.

- 7.2 The Council's Capital Programme for 2014/16 is showing a surplus in resources of £1.302 million.
- 7.3 Overall Service Committees have spent 18.57% of the 2014/15 projected spend as at 31<sup>st</sup> July 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
N/A					

#### 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.

Capital Programme - 2014/15 - 2015/16Available Resources

	A	B	C	D	E
	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Government Capital Support	8,251	10,585	-	-	18,836
Less: Allocation to School Estate	(4,713)	(4,722)			(9,435)
Capital Receipts (Note 1)	561	999	-	-	1,560
Capital Grants (Note 2)	610	371	-	-	981
Prudential Funded Projects (Note 3)	8,160	20,393	5,818	2,833	37,204
Balance B/F From 11/12 (Exc School Estate)	3,049	-	-	-	3,049
Capital Funded from Current Revenue (Note 4)	6,493	9,976	1,576	-	18,045
	22,411	37,602	7,394	2,833	70,240

Overall Position 2013/16

	£000
Available Resources (Appendix 1, Column E)	70,240
Projection (Appendix 2, Column B-F)	68,938
(Shortfall)/Under Utilisation of Resources	1,302

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Sales	441	772	-	-	1,213
Contributions/Recoveries	120	227	-	-	347
	561	999	-	-	1,560

Note 2 (Capital Grants)

	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	125	121	-	-	246
SPT	167	-	-	-	167
Sustrans	77	250	-	-	327
Sports Scotland/SFA	18	-	-	-	18
Electric Vehicle Charging Points	73	-	-	-	73
Zero Waste Scotland	150	-	-	-	150
	610	371	-	-	981

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	68	104	-	-	172
Vehicle Replacement Programme	861	2,198	-	-	3,059
Greenock Parking Strategy	41	232	-	-	273
Asset Management Plan - Offices	1,806	4,105	1,519	133	7,563
Asset Management Plan - Borrowing in Lieu of Receipts	920	-	-	-	920
Asset Management Plan - Depots	2,397	7,229	1,334	59	11,019
Capital Works on Former Tied Houses	60	60	60	420	600
Leisure & Pitches Strategy	346	161	-	-	507
Broomhill Community Facility	-	500	-	-	500
Kylemore Childrens Home	(85)	-	-	-	(85)
Neil Street Childrens Home Replacement	-	675	83	-	758
Crosshill Childrens Home Replacement	-	-	1,622	-	1,622
Modernisation Fund	186	219	-	-	405
Watt Complex Refurbishment	-	-	700	2,221	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	-	-	120
	8,160	20,393	5,818	2,833	37,204

Notes to Appendix 1

Note 4 (Capital Funded from Current Revenue)

	2014/15	2015/16	2016/17	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	106	150	-	-	256
Play Areas	587	350	-	-	937
Coronation Park, Port Glasgow	50	200	-	-	250
Contribution to Birkmyre Park Pitch Improvements	-	50	-	-	50
Gourock Walled Garden, Toilet Provision	40	-	-	-	40
Port Glasgow Health Centre Car Park	40	-	-	-	40
Hillend Respite Unit	80	-	-	-	80
Scheme of Assistance	433	433	-	-	866
Aids & Adaptations (Earmarked Reserve)	100	-	-	-	100
Flooding Strategy	305	168	776	-	1,249
Greenock Parking Strategy	165	-	-	-	165
Roads Asset Management Plan	2,968	2,189	-	-	5,157
Broomhill Community Facility (Community Facility Fund)	27	352	-	-	379
Inverkip Community Facility	88	1,211	-	-	1,299
Neil Street Childrens Home Replacement	-	1,100	-	-	1,100
Primary School MUGA's - various	-	1,100	-	-	1,100
Port Glasgow Town Centre, Town Hall Refresh	60	34	-	-	94
Watt Complex Refurbishment	100	553	300	-	953
Community Facilities Investment	-	400	-	-	400
Blaes Football Parks	529	270	-	-	799
Ravenscraig Sports Barn	-	600	-	-	600
Broomhill Regeneration	50	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	-	116	-	-	116
Various Projects - moved to complete on Site	7	-	-	-	7
Use of General Fund Reserves	758	-	-	-	758
	6,493	9,976	1,576	-	18,045

Capital Programme - 2014/15 - 2015/16Agreed Projects

Committee	A Prior Years	B 2014/15	C 2015/16	D 2016/17	E Future	F Total	G Approved Budget	H (Under)/ Over	I 2014/15 Spend To 31/7/14
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	4,271	828	894	50	-	6,043	6,043	-	211
Environment & Regeneration	32,197	16,332	29,356	4,689	612	83,186	83,186	-	3,725
Education & Communities (Exc School Estate)	389	2,052	6,713	1,516	2,221	12,891	12,891	-	200
CHCP	1,156	195	1,775	1,705	-	4,831	4,831	-	-
Sub -Total	38,013	19,407	38,738	7,960	2,833	106,951	106,951	-	4,136
School Estate (Note 1)	676	7,902	9,169	5,837	6,286	29,870	29,870	-	934
Total	38,689	27,309	47,907	13,797	9,119	136,821	136,821	-	5,070

Note 1

<u>Summarised SEMP Capital Position - 2014/17</u>	2014/15	2015/16	2016/17
Capital Allocation	4,713	4,722	4,300
Scottish Government School Grant (estimate)	-	801	803
Surplus b/fwd	4,904	3,539	393
Prudential Borrowing	1,824	500	-
Prudential Borrowing - In Lieu of Receipts			
Prudential Borrowing - Accelerated Investment			
CFCR	-	-	-
Available Funding	<u>11,441</u>	<u>9,562</u>	<u>5,496</u>
<u>Projects</u>			
Ex-Prudential Borrowing	6,078	8,669	5,837
Prudential Borrowing	1,824	500	-
CFCR	-	-	-
Total	<u>7,902</u>	<u>9,169</u>	<u>5,837</u>
Surplus c/fwd	3,539	393	(341)