
Report To:	Policy & Resources Committee	Date:	24 March 2015
Report By:	Chief Financial Officer	Report No:	FIN/19/15/JB/MT
Contact Officer:	Jan Buchanan	Contact No:	01475 712225
Subject:	2014/18 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide Committee with the latest position of the 2014/18 Capital Programme.

2.0 SUMMARY

- 2.1 On February 19th 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18.
- 2.2 As part of the approved Capital Programme it was agreed to return the existing surplus in Capital Resources to Revenue Reserves. As a result it can be seen from Appendix 1 that the previously reported surplus in resources of £1.302 million has been reduced to a break-even position. In the longer term it is anticipated that annual capital requirements will continue to exceed the General Capital Grant and this requires to be addressed through the budget process.
- 2.3 It can be seen from Appendix 2 that as at 31st January 2015 expenditure in 2014/15 was 64.08% of projected spend. Phasing and project spend has been reviewed by the budget holders 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 15.22% is being reported, this compares with a slippage outturn of 13.04% in 2013/14.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the initial position of the 2014/18 Capital Programme.
- 3.2 It is recommended that the Committee note the current projected level of capital slippage in 2014/15.

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 Scottish Government General Capital Grant allocation for 2015/16 is significantly more than the estimate included when agreeing the budget in February 2013. As a result the previously reported shortfall in resources was replaced by a surplus in resources.
- 4.3 On February 19th 2015 the Council approved a new 3 year Capital Programme covering the period 2015/18, effectively extending the previously approved 2013/16 Capital Programme to 2017/18. As part of this process minor underspends in 2 projects, SV Comet and Kylemore Children's Home, were removed and the previously reported surplus was reduced to a break-even position and a total balance of £1.261m returned to Revenue Reserves.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2014/18 period the Capital Programme is in a break-even position.
- 5.2 The position in respect of individual Committees is as follows:

Social Care

Slippage of £0.025m is being reported with spend being 63.5% of projected spend for the year. The slippage in fact relates to an underspend within Kylemore Childrens Home.

Environment & Regeneration

Net slippage of £2.550m (14.25%) is being reported with spend being 62.7% of projected spend for the year. Slippage relates mainly to the Asset Management Plan (£1.886m). Where possible projects are being advanced from future years and are partly offsetting the slipped projects.

Education & Communities

Slippage of £1.988m (18.34%) is being reported with spend being 66.8% of projected spend for the year. The slippage relates mainly to Inverkip Community Facility (£1.112m) and Primary School Pitch Upgrading (£0.35m) as well as slippage within the SEMP (£0.625), mainly relating to St John's Primary Refurbishment and Early Years partly offset by the advancement of spend on Primary School MUGAs (£0.234m).

Policy & Resources

Net advancement of £0.039m (4.94%) is being reported with spend being 61.2% of projected spend for the year. Advancement within the Modernisation Fund (£0.163m) from future years is partly offset by slippage in some ICT investment (£0.073m).

- 5.3 Overall in 2014/15 it can be seen that expenditure is 64.08% of the projected spend for the year and that slippage from the programme agreed in February 2014 is currently £4.524 million (15.22%). After allowing for a budget correction due to an anomaly identified during the audit of the 2013/14 accounts which was reported to Council in December 2014, this is an increase in slippage of £0.769m (0.91%) from the last Committee.

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 4th November 2014 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.

7.0 CONCLUSIONS

7.1 As can be seen in paragraph 5.3, projected slippage is currently 15.22%; this compares with slippage of 13.04% in 2013/14. Officers are working to maximise spend 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 2014/18 is showing a break-even position.

7.3 Overall Service Committees have spent 64.08% of the 2014/15 projected spend as at 31st January 2015.

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 Council's continuing significant capital investment levels will have a positive impact on regeneration, job creation and hence repopulation.

10.0 BACKGROUND PAPERS

- 10.1 None.

Appendix 1

Capital Programme - 2014/15 - 2015/16

Available Resources

	A	B	C	D	E	F
	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Government Capital Support	8,937	11,180	7,300	7,300	-	34,717
Less: Allocation to School Estate	(5,399)	(5,317)	(4,300)	(4,300)	-	(19,316)
Capital Receipts (Note 1)	561	773	133	385	-	1,852
Capital Grants (Note 2)	535	514	160	-	-	1,209
Prudential Funded Projects (Note 3)	7,200	12,005	18,751	11,368	360	49,684
Balance B/F From 12/13 (Exc School Estate)	3,049	-	-	-	-	3,049
Capital Funded from Current Revenue (Note 4)	6,408	5,699	6,732	333	-	19,172
	<u>21,291</u>	<u>24,854</u>	<u>28,776</u>	<u>15,086</u>	<u>360</u>	<u>90,367</u>

Overall Position 2013/16

Available Resources (Appendix 1, Column E)	£000	90,007
Projection (Appendix 2, Column B-E)		90,007
(Shortfall)/Under Utilisation of Resources		-

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Sales	441	746	83	385	-	1,655
Contributions/Recoveries	120	27	50	-	-	197
	<u>561</u>	<u>773</u>	<u>133</u>	<u>385</u>	<u>-</u>	<u>1,852</u>

Note 2 (Capital Grants)

	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	125	121	-	-	-	246
SPT	132	75	-	-	-	207
Sustrans	37	140	150	-	-	327
Sports Scotland/SFA	18	-	-	-	-	18
Electric Vehicle Charging Points	73	-	-	-	-	73
Big Lottery Fund	-	178	10	-	-	188
Zero Waste Scotland	150	-	-	-	-	150
	<u>535</u>	<u>514</u>	<u>160</u>	<u>-</u>	<u>-</u>	<u>1,209</u>

<u>Note 3 (Prudentially Funded Projects)</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>Future</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Additional ICT - Education Whiteboard & PC Refresh	68	78	92	66	-	304
Vehicle Replacement Programme	861	1,254	900	1,481	-	4,496
Greenock Parking Strategy	-	273	-	-	-	273
Asset Management Plan - Offices	1,881	1,293	3,756	133	-	7,063
Asset Management Plan - Borrowing in Lieu of Receipts	920	-	-	-	-	920
Asset Management Plan - Depots	1,503	3,015	4,599	393	-	9,510
Capital Works on Former Tied Houses	20	-	160	60	360	600
Waterfront Leisure Complex Combined Heat and Power Plant	25	175	50	-	-	250
Leisure & Pitches Strategy	261	48	198	-	-	507
Broomhill Community Facility	-	-	500	-	-	500
Kylemore Childrens Home	(85)	-	-	-	-	(85)
Neil Street Childrens Home Replacement	-	-	675	83	-	758
Crosshill Childrens Home Replacement	-	-	601	1,021	-	1,622
Modernisation Fund	186	109	110	-	-	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	4,600	4,600	-	13,400
Kerbside Glass Collection	150	-	-	-	-	150
Surplus Prudential Borrowing due to project savings	60	60	60	60	-	240
Reduction in Prudential Borrowing, ICT Annual allocation	-	(150)	(150)	(150)	-	(450)
Additional Prudential Borrowing to Support annual allocations	-	1,000	1,400	1,400	-	3,800
	<u>7,200</u>	<u>12,005</u>	<u>18,751</u>	<u>11,368</u>	<u>360</u>	<u>49,684</u>

<u>Note 4 (Capital Funded from Current Revenue)</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>Future</u>	<u>Total</u>
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
Regeneration of Port Glasgow Town Centre	30	476	250	-	-	756
Play Areas	457	276	204	-	-	937
Coronation Park, Port Glasgow	50	100	100	-	-	250
Contribution to Birkmyre Park Pitch Improvements	-	-	200	-	-	200
Gourock Walled Garden, Toilet Provision	12	28	-	-	-	40
Port Glasgow Health Centre Car Park	40	-	-	-	-	40
Hillend Respite Unit	80	-	-	-	-	80
Scheme of Assistance	433	433	333	333	-	1,533
Aids & Adaptations (Earmarked Reserve)	100	-	-	-	-	100
Flooding Strategy	360	113	1,726	-	-	2,199
Greenock Parking Strategy	90	75	-	-	-	165
Roads Asset Management Plan	2,968	2,189	-	-	-	5,157
Broomhill Community Facility (Community Facility Fund)	54	73	252	-	-	379
Inverkip Community Facility	88	896	315	-	-	1,299
Neil Street Childrens Home Replacement	-	775	325	-	-	1,100
Primary School MUGA's - various	234	611	255	-	-	1,100
St John's MUGA - transfer to SEMP	-	(138)	-	-	-	(138)
Port Glasgow Town Centre, Town Hall Refresh	60	-	34	-	-	94
Watt Complex Refurbishment	100	53	800	-	-	953
Community Facilities Investment	-	100	300	-	-	400
Blaes Football Parks	479	75	245	-	-	799
Ravenscraig Sports Barn	-	400	200	-	-	600
Broomhill Regeneration	8	172	570	-	-	750
Central Gourock	-	-	150	-	-	150
Scottish Wide Area Network	-	-	323	-	-	323
Rankin Park Cycle Track	-	-	150	-	-	150
Asset Management Plan - Depots	-	137	-	-	-	137
Various Projects - moved to complete on Site	7	-	-	-	-	7
Use of General Fund Reserves	758	(1,145)	-	-	-	(387)
	<u>6,408</u>	<u>5,699</u>	<u>6,732</u>	<u>333</u>	<u>-</u>	<u>19,172</u>

Capital Programme - 2014/15 - 2015/16

Agreed Projects

Committee	A Prior Years £000	B 2014/15 £000	C 2015/16 £000	D 2016/17 £000	E 2017/18 £000	F Future £000	G Total £000	H Approved Budget £000	I (Under)/ Over £000	J 2014/15 Spend To 31/01/15 £000
Policy & Resources	4,271	828	608	872	363	-	6,942	6,942	-	507
Environment & Regeneration	32,206	15,350	18,965	24,359	10,682	360	101,922	101,922	-	9,621
Education & Communities (Exc School Estate)	389	2,124	2,751	6,401	3,054	-	14,719	14,719	-	899
CHCP	1,156	170	775	1,601	1,104	-	4,806	4,806	-	108
Sub -Total	38,022	18,472	23,099	33,233	15,203	360	128,389	128,389	-	11,135
School Estate (Note 1)	676	6,726	6,851	12,750	5,164	-	32,167	32,167	-	5,013
Total	38,698	25,198	29,950	45,983	21,471	360	160,556	160,556	-	16,148

Note 1Summarised SEMP Capital Position - 2013/17

	2014/15	2015/16	2016/17	2017/18
Capital Allocation	5,399	5,317	4,300	4,300
Scottish Government School Grant (estimate)	100	1,120	1,953	100
Surplus b/fwd	4,904	4,126	3,850	(1,823)
Prudential Borrowing	449	-	824	-
Prudential Borrowing - In Lieu of Receipts				
Prudential Borrowing - Accelerated Investment				
CFCR	-	138	-	-
Available Funding	10,852	10,701	10,927	2,577
<u>Projects</u>				
Ex-Prudential Borrowing	6,277	6,713	11,926	5,164
Prudential Borrowing	449	-	824	-
CFCR	-	138	-	-
Total	6,726	6,851	12,750	5,164
Surplus c/fwd	4,126	3,850	(1,823)	(2,587)