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<b>Report To:</b>	<b>Policy &amp; Resources Committee</b>	<b>Date:</b>	<b>19 May 2015</b>
<b>Report By:</b>	<b>Chief Financial Officer</b>	<b>Report No:</b>	<b>FIN/40/15/JB/MT</b>
<b>Contact Officer:</b>	<b>Jan Buchanan</b>	<b>Contact No:</b>	<b>01475 712225</b>
<b>Subject:</b>	<b>2014/18 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 2014/18 Capital Programme.

## 2.0 SUMMARY

- 2.1 On February 19<sup>th</sup> 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 capital programme is in a break-even position.
- 2.3 It can be seen from Appendix 2 that as at 31<sup>st</sup> March 2015 expenditure in 2014/15 was 88.77% of projected spend. Phasing and project spend has been reviewed by the budget holders and the relevant Corporate Director. It should be noted that although expenditure is shown up to 31<sup>st</sup> 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. Budgetary slippage of 16.05% is being reported, this compares with a slippage outturn of 13.04% in 2013/14. 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 this position.
- 2.5 One reason for the increase in slippage is the requirement to delay spend on the AMP Depots and Kirn Drive projects pending the completion of the budget savings exercise. Had these projects progressed as planned, slippage would have reduced to £3.608m (12.14%).
- 2.6 In line with previous years, a detailed report on Capital Programme performance will be presented to the August Policy & Resources Committee.

## 3.0 RECOMMENDATIONS

- 3.1 It is recommended that Committee note the current position of the 2014/18 Capital Programme.
- 3.2 It is recommended that Committee note the current projected level of capital slippage in 2014/15 and that a detailed report on the 2014/15 final position will be presented to Committee in August.

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 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 February 19<sup>th</sup> 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 £0.010m is being reported with spend being 94.1% of projected spend for the year.

### Environment & Regeneration

Net slippage of £2.942m (16.44%) is being reported with spend being 87.4% of projected spend for the year. Slippage relates mainly to the Asset Management Plan (£1.886m). Where possible projects have been advanced from future years and have partly offset the slipped projects. It should be noted that slippage has increased due to the requirement to delay spend on the AMP Depots and Kirn Drive projects pending the completion of the budget savings exercise. Had these projects progressed as planned, slippage would have reduced considerably to £1.781m (9.95%).

### Education & Communities

Slippage of £1.885m (17.39%) is being reported with spend being 90.8% of projected spend for the year. The slippage relates mainly to Inverkip Community Facility (£1.112m) and Primary School Pitch Upgrading (£0.332m) as well as slippage within the SEMP (£0.167), mainly relating to St John's Primary Refurbishment and Early Years partly offset by the advancement of spend on Ardgowan PS.

### Policy & Resources

Net advancement of £0.068m (8.62%) is being reported with spend being 89.3% 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 (£0.095m).

- 5.3 Overall in 2014/15 it can be seen that expenditure is 88.77% of the projected spend for the year and that slippage from the programme agreed in February 2014 is currently £4.769 million (16.05%). This is an increase in slippage of £0.245m (0.83%) from last Committee.

## **6.0 CONCLUSIONS**

- 6.1 As can be seen in paragraph 5.3 projected slippage is currently 16.05%, this compares with slippage of 13.04% in 2013/14. 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 this position.
- 6.2 The Council's Capital Programme for 2014/18 is showing a break-even position.
- 6.3 Overall Service Committees have spent 88.77% of the 2014/15 projected spend as at 31<sup>st</sup> March 2015.

## 7.0 CONSULTATION

7.1 This report has been approved by the Corporate Management Team.

## 8.0 IMPLICATIONS

### Finance

#### 8.1 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

8.2 There are no legal implications.

### Human Resources

8.3 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

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

### Repopulation

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

## 9.0 BACKGROUND PAPERS

9.1 None.

Appendix 1

Capital Programme - 2014/15 - 2017/18

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	469	10	-	-	1,014
Prudential Funded Projects (Note 3)	7,189	13,764	18,680	10,264	360	50,257
Balance B/F From 13/14 (Exc School Estate)	3,049	-	-	-	-	3,049
Capital Funded from Current Revenue (Note 4)	5,707	6,949	5,558	333	-	18,547
	<u>20,579</u>	<u>27,818</u>	<u>27,381</u>	<u>13,982</u>	<u>360</u>	<u>90,120</u>

Overall Position 2014/18

	£000
Available Resources (Appendix 1, Column E)	89,760
Projection (Appendix 2, Column B-E)	<u>89,760</u>
(Shortfall)/Under Utilisation of Resources	<u>-</u>

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	114	-	-	-	246
Sustrans	37	56	-	-	-	93
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>469</u>	<u>10</u>	<u>-</u>	<u>-</u>	<u>1,014</u>

## Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
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	1,798	1,376	3,756	133	-	7,063
Asset Management Plan - Borrowing in Lieu of Receipts	920	-	-	-	-	920
Asset Management Plan - Depots	1,594	3,424	4,099	393	-	9,510
Capital Works on Former Tied Houses	1	19	160	60	360	600
Waterfront Leisure Complex Combined Heat and Power Plant	19	181	50	-	-	250
Leisure & Pitches Strategy	152	157	198	-	-	507
Broomhill Community Facility	-	-	500	-	-	500
Kylemore Childrens Home	(85)	-	-	-	-	(85)
Neil Street Childrens Home Replacement	15	660	83	-	-	758
Crosshill Childrens Home Replacement	-	-	1,622	-	-	1,622
Modernisation Fund	286	9	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	3,423	4,600	4,600	-	13,973
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
	7,189	13,764	18,680	10,264	360	50,257

Note 4 (Capital Funded from Current Revenue)

	2014/15	2015/16	2016/17	2017/18	Future	Total
	£000	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	232	274	250	-	-	756
Play Areas	477	460	-	-	-	937
Coronation Park, Port Glasgow	50	200	-	-	-	250
Contribution to Birkmyre Park Pitch Improvements	-	-	200	-	-	200
Gourock Walled Garden, Toilet Provision	13	27	-	-	-	40
Port Glasgow Health Centre Car Park	40	-	-	-	-	40
Hillend Respite Unit	80	-	-	-	-	80
Scheme of Assistance	433	433	333	333	-	1,532
Aids & Adaptations (Earmarked Reserve)	100	-	-	-	-	100
Flooding Strategy	380	93	1,726	-	-	2,199
Greenock Parking Strategy	90	75	-	-	-	165
Roads Asset Management Plan	2,395	2,189	-	-	-	4,584
Broomhill Community Facility (Community Facility Fund)	66	109	252	-	-	427
Inverkip Community Facility	88	896	315	-	-	1,299
Neil Street Childrens Home Replacement	-	1,100	-	-	-	1,100
Primary School MUGA's - various	40	805	255	-	-	1,100
St John's MUGA - transfer to SEMP	-	(138)	-	-	-	(138)
Port Glasgow Town Centre, Town Hall Refresh	82	-	12	-	-	94
Watt Complex Refurbishment	1	152	800	-	-	953
Community Facilities Investment	-	100	300	-	-	400
Blaes Football Parks	467	87	245	-	-	799
Ravenscraig Sports Barn	-	600	-	-	-	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	658	(1,145)	-	-	-	(487)
	5,707	6,949	5,558	333	-	18,547

Capital Programme - 2014/15 - 2017/18Agreed Projects

Committee	A Prior Years	B 2014/15	C 2015/16	D 2016/17	E 2017/18	F Future	G Total	H Approved Budget	I (Under)/ Over	J 2014/15 Spend To 31/03/15
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Policy & Resources	4,271	857	802	549	363	-	6,842	6,842	-	765
Environment & Regeneration	32,206	14,958	20,432	23,089	10,682	360	101,727	101,727	-	13,078
Education & Communities (Exc School Estate)	341	1,769	3,354	6,201	3,054	-	14,719	14,719	-	1,595
CHCP	1,156	185	1,760	1,705	-	-	4,806	4,806	-	174
Sub -Total	37,974	17,769	26,348	31,544	14,099	360	128,094	128,094	-	15,612
School Estate (Note 1)	676	7,184	6,546	12,597	5,164	-	32,167	32,167	-	6,538
Total	38,650	24,953	32,894	44,141	19,263	360	160,261	160,261	-	22,150

Note 1Summarised SEMP Capital Position - 2014/18

	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	3,821	3,850	(1,823)
Prudential Borrowing	602	-	671	-
Prudential Borrowing - In Lieu of Receipts				
Prudential Borrowing - Accelerated Investment				
CFCR	-	138	-	-
Available Funding	11,005	10,396	10,774	2,577
<u>Projects</u>				
Ex-Prudential Borrowing	6,582	6,408	11,926	5,164
Prudential Borrowing	602	-	671	-
CFCR	-	138	-	-
Total	7,184	6,546	12,597	5,164
Surplus c/fwd	3,821	3,850	(1,823)	(2,587)