
Report To:	Policy & Resources Committee	Date:	21 March 2017
Report By:	Chief Financial Officer	Report No:	FIN/23/17/AP/MT
Contact Officer:	Matt Thomson	Contact No:	01475 712256
Subject:	2016/20 Capital Programme		

1.0 PURPOSE

- 1.1 The purpose of the report is to provide the Committee with the latest position of the 2016/20 Capital Programme.

2.0 SUMMARY

- 2.1 On February 16 2017 the Council approved the 2017/20 Capital Programme, this effectively continued the previously approved 2016/18 Capital Programme.
- 2.2 The Capital Programme reflects the confirmed 2017/18 capital grant plus an estimate of capital grants for the period 2018/20 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the annual core allocations.
- 2.3 In order to fund increased investment in a number of areas it was agreed to overprovide by 5% against available (non SEMP) resources in recognition of potential increase in resources or cost reductions in the future. As a result the Capital Programme is reporting a deficit of £2.294m which represents 4.4% of the 2017/20 resources.
- 2.4 It can be seen from Appendix 2 that as at 31 January 2017 expenditure in 2016/17 was 73.27% of projected spend. Phasing and project spend has been reviewed by the budget holders and the relevant Corporate Director.
- 2.5 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. In the current year net advancement of 1.96% is currently being reported, a reduction in advancement of 4.91% (£1.028m) since the previous Committee.
- 2.6 The reduction in advancement is mainly due to a reduction in the previously reported advancement of the New Community Facility, Broomhill (£0.437m) and slippage within the Watt Complex (£0.4m) and the Neil St Children's Home replacement (£0.332m). In addition budget allocation for CCTV replacement of £0.321m had been added to 2016/17 however this has now been delayed until 2017/18. This compares with net advancement of 3% in 2015/16. In view of high slippage levels in previous years officers were prudent in estimates of capital spend when preparing the 2016/17 Capital Programme and are actively seeking to advance projects where possible to offset unavoidable slippage.

3.0 RECOMMENDATIONS

- 3.1 It is recommended that the Committee note the current position of the 2016/20 Capital Programme.

Alan Puckrin
Chief Financial Officer

4.0 BACKGROUND

- 4.1 On February 16 2017 the Council approved the 2017/20 Capital Programme, this effectively continued the previously approved 2016/18 Capital Programme to 2017/20.
- 4.2 The approved Capital Programme reflects the confirmed 2017/18 capital grant plus an estimate of capital grants for the period 2018/20 which includes the return of £1.4m re-profiled by the Government in 2016/17 and is in addition to the annual core allocations.
- 4.3 Over provision of projects against estimated (non SEMP) resources of 5% has been made to allow for increased resources and/or cost reductions. This overprovision as well as the removal of unspent prior year budgets from 3 recurring budgets, ICT, Scheme of Assistance and Zero Waste Fund, has allowed for investment in Roads Assets, expansion of Cemetery provision, Open Spaces and a match funding allowance for an Indoor Sports Facility (Tennis) with further Revenue (CFCR) funding approved for Town and Village Centre Regeneration.

5.0 CURRENT POSITION

- 5.1 Appendix 1 shows that over the 2016/20 period the Capital Programme is reporting a £2.294m deficit. This is considered to be within an acceptable level of up to 5% over provision.
- 5.2 The position in respect of individual Committees is as follows:

Health & Social Care

Net slippage of £0.332m (23.48%) is being reported with spend being 47.0% of projected spend for the year. The slippage is due to the revised phasing of the Neil Street Children's Home Replacement.

Environment & Regeneration

Net advancement of £0.754m (4.85%) is being reported with spend being 68.5% of projected spend for the year. The advancement is projected mainly within the Roads Asset Management Strategy (£0.555m), Wallace Place Elevation Roofing (£0.331m) and various Property Assets Minor Works and Projects (£0.620m), offset by slippage within the Asset Management Plan (£0.539m) and various core Property Asset projects (£0.172m).

Education & Communities

Net advancement of £0.198m (1.87%) is being reported with spend being 83.7% of projected spend for the year. The advancement is mainly due to the revised phasing of various projects within the School Estates Management Plan as well as the New Community Facility, Broomhill however this is a reduction in advancement of £0.805m mainly due to slippage in the Watt Complex (£0.4m) and a reduction in advancement of the New Community Facility, Broomhill (£0.437m).

Policy & Resources

Net slippage of £0.072m (16.94%) is being reported mainly due to the revised phasing of the ICT Annual Allocation (£0.134m) and the Rolling Replacement of PCs (£0.044m) offset by some advancement in the Modernisation Fund and Server & Switch Replacement Programme, with spend being 56.9% of projected spend.

- 5.3 Overall in 2016/17 expenditure is 73.27% of the projected spend for the year and project advancement from the programme agreed in March 2016 is currently £0.548 million (1.96%). This is a reduction in advancement of 4.91% (£1.028m) since the previous Committee and is mainly due to a reduction in the previously reported advancement of the New Community Facility, Broomhill (£0.437m) and slippage within the Watt Complex (£0.4m) and the Neil St Children's Home replacement (£0.332m). In addition budget allocation for CCTV replacement of £0.321m had been added to 2016/17 however this has now been delayed until 2017/18.

This compares with advancement of 3% in 2015/16. It should be noted that officers have actively sought to advance projects in anticipation of potential slippage as well as taking a prudent view when setting the 2016/17 Capital Programme.

6.0 CONSULTATION

6.1 This report reflects the detail reported to Service Committees.

7.0 IMPLICATIONS

Finance

7.1 Financial Implications

All financial implications are shown 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

7.2 There are no legal implications.

Human Resources

7.3 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

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

Repopulation

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

8.0 BACKGROUND PAPERS

8.1 None.

Appendix 1

Capital Programme - 2016/17 - 2019/20

Available Resources

	A	B	C	D	E
	2016/17	2017/18	2018/19	2019/20	Total
	£000	£000	£000	£000	£000
Government Capital Support	7,355	9,560	8,700	8,700	34,315
Less: Allocation to School Estate	(4,674)	(4,300)	(4,300)	(4,300)	(17,574)
Capital Receipts (Note 1)	692	435	134	336	1,597
Capital Grants (Note 2)	919	174	-	-	1,093
Prudential Funded Projects (Note 3)	13,311	18,304	7,720	2,531	41,866
Balance B/F From 15/16 (Exc School Estate)	1,243	-	-	-	1,243
Capital Funded from Current Revenue (Note 4)	94	1,457	6,167	406	8,124
	<u>18,940</u>	<u>25,630</u>	<u>18,421</u>	<u>7,673</u>	<u>70,664</u>

Overall Position 2016/20

	<u>£000</u>
Available Resources (Appendix 1, Column E)	70,664
Projection (Appendix 2, Column B-E)	<u>72,934</u>
(Shortfall)/Under Utilisation of Resources	<u>(2,270)</u>

Notes to Appendix 1

All notes exclude School Estates

Note 1 (Capital Receipts)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Sales	610	385	134	336	1,465
Contributions/Recoveries	82	50	-	-	132
	<u>692</u>	<u>435</u>	<u>134</u>	<u>336</u>	<u>1,597</u>

Note 2 (Capital Grants)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Cycling, Walking & Safer Streets	88	109	-	-	197
SPT	175	-	-	-	175
Sustrans	37	-	-	-	37
Sports Scotland/SFA	18	-	-	-	18
Electric Vehicle Charging Points	17	-	-	-	17
Historic Scotland	-	65	-	-	65
Big Lottery Fund	584	-	-	-	584
	<u>919</u>	<u>174</u>	<u>-</u>	<u>-</u>	<u>1,093</u>

Notes to Appendix 1

Note 3 (Prudentially Funded Projects)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Additional ICT - Education Whiteboard & PC Refresh	118	36	30	-	184
Vehicle Replacement Programme	110	615	1,627	1,106	3,458
Greenock Parking Strategy	123	20	-	-	143
Asset Management Plan - Offices	2,452	1,600	405	-	4,457
Asset Management Plan - Depots	3,587	1,401	1,874	-	6,862
Capital Works on Former Tied Houses	18	75	195	300	588
Waterfront Leisure Complex Combined Heat and Power Plant	227	-	-	-	227
Leisure & Pitches Strategy	13	23	-	-	36
Broomhill Community Facility	-	500	-	-	500
CCTV	-	321	-	-	321
Clune Park Regeneration	-	-	-	1,000	1,000
Neil Street Childrens Home Replacement	800	749	81	-	1,630
Crosshill Childrens Home Replacement	57	750	750	125	1,682
Modernisation Fund	73	27	40	-	140
Watt Complex Refurbishment	123	1,000	693	-	1,816
Roads Asset Management Plan	4,300	5,377	2,025	-	11,702
Surplus Prudential Borrowing due to project savings	60	60	-	-	120
Reduction in Prudential Borrowing, ICT Annual allocation	(150)	(150)	-	-	(300)
Additional Prudential Borrowing to Support annual allocations	1,400	1,400	-	-	2,800
Additional Prudential Borrowing to allow return of Reserves	-	4,500	-	-	4,500
	<u>13,311</u>	<u>18,304</u>	<u>7,720</u>	<u>2,531</u>	<u>41,866</u>

Note 4 (Capital Funded from Current Revenue)

	2016/17	2017/18	2018/19	Future	Total
	£000	£000	£000	£000	£000
Regeneration of Port Glasgow Town Centre	495	-	585	-	1,080
Regeneration of Town & Village Centres	-	-	2,500	-	2,500
Play Areas	135	150	80	-	365
Contribution to Birkmyre Park Pitch Improvements	25	150	125	-	300
Scheme of Assistance	333	406	406	406	1,551
Flooding Strategy	-	863	1,000	-	1,863
Greenock Parking Strategy	47	-	-	-	47
Roads Asset Management Plan	117	(1,167)	1,050	-	-
Broomhill Community Facility (Community Facility Fund)	414	189	50	-	653
Inverkip Community Facility	651	100	-	-	751
Neil Street Childrens Home Replacement	-	133	-	-	133
John Street, Gourock	225	-	-	-	225
Primary School MUGA's - various	152	45	-	-	197
Community Facilities Investment	65	-	-	-	65
Blaes Football Parks	27	-	-	-	27
Bakers Brae Re-alignment/Broomhill Regeneration	72	1,000	371	-	1,443
Central Gourock	30	-	-	-	30
Scottish Wide Area Network	23	-	-	-	23
Rankin Park Cycle Track	53	8	-	-	61
King George VI Refurbishment	50	450	-	-	500
District Court Room Restoration	-	330	-	-	330
AMP - William St	-	300	-	-	300
GMB Lighting Replacement	17	-	-	-	17
Trafalgar St Solum	13	-	-	-	13
Investment in Park Assets	150	-	-	-	150
Contribution to General Fund Reserves	(3,000)	(1,500)	-	-	(4,500)
	<u>94</u>	<u>1,457</u>	<u>6,167</u>	<u>406</u>	<u>8,124</u>

Capital Programme - 2016/17 - 2019/20

Agreed Projects

Committee	A Prior Years £000	B 2016/17 £000	C 2017/18 £000	D 2018/19 £000	E 2019/20 £000	F Total £000	G Approved Budget £000	H (Under)/ Over £000	I 2016/17 Spend To 31/01/17 £000
Policy & Resources	1,288	353	230	633	363	2,867	2,867	-	201
Environment & Regeneration	34,064	16,287	14,047	18,830	7,976	91,204	91,204	-	11,151
Education & Communities (Exc School Estate)	2,210	3,096	3,363	2,180	1,906	12,755	12,755	-	2,294
CHCP	228	1,082	1,632	831	125	3,898	3,898	-	508
Sub -Total	37,790	20,818	19,272	22,474	10,370	110,724	110,724	-	14,154
School Estate (Note 1)	5,901	7,675	14,333	17,815	5,193	50,917	50,917	-	6,723
Total	43,691	28,493	33,605	40,289	15,563	161,641	161,641	-	20,877

Note 1Summarised SEMP Capital Position - 2014/18

	2016/17	2017/18	2018/19	Future
Capital Allocation	4,674	4,300	4,300	4,300
Scottish Government School Grant (estimate)	1,120	1,953	100	
Surplus b/fwd	3,827	6,971	1,291	(12,124)
Prudential Borrowing	3,965	-	-	
Prudential Borrowing - Accelerated Investment		-		
Contractor Contribution	60			
CFCR	1,000	2,400	-	
Available Funding	14,646	15,624	5,691	(7,824)
<u>Projects</u>				
Ex-Prudential Borrowing	2,710	11,933	17,815	
Prudential Borrowing	3,965	-	-	
CFCR	1,000	2,400	-	
Total	7,675	14,333	17,815	-
Surplus c/fwd	6,971	1,291	(12,124)	(7,824)