

EAST AYRSHIRE COUNCIL

SPECIAL POLICY AND RESOURCES COMMITTEE – 1 FERUARY 2002

GENERAL SERVICES CAPITAL PROGRAMME 2002/03 & 2003/04

Report by Director of Finance

1 PURPOSE

- 1.1 To propose capital allocations to each Service Committee in relation to the financial years 2002/03 and 2003/04.

2 BACKGROUND INFORMATION

- 2.1 Funding for the capital programme is drawn from a number of sources including formal borrowing consent from the Scottish Executive, receipts raised from the disposal of surplus assets, and specific grants. The Scottish Executive issued notification of the levels of capital borrowing consent for a three year period, which commenced in 2001/02.
- 2.2 This Committee at its meeting on 23 January 2001 approved three year capital allocations for 2001/02 to 2003/04. Since then a number of factors have changed including an increase in the level of funding available. It may be appropriate to review the provisional allocations in the light of this.
- 2.3 The total anticipated funding available within each of the following two financial years is shown in the table below.

Source of Funding	2002/03 £'000	2003/04 £'000
Borrowing Consent – Composite Programme	6,360	7,053
Estimated Capital Receipts – Property Disposal	1,125	800
Estimated Capital Receipts – Vehicle Disposal	20	20
Prior Year Anticipation/Overspend B/Fwd	(599)	(636)
Current Year Anticipation (Max 10% of Consent)	636	705
TOTAL FUNDING AVAILABLE	7,542	7,942

- 2.4 The amount of borrowing consent specified for the composite programme can be increased by a maximum of 10%. Any such

utilisation of this “anticipation” facility requires to be deducted from the capital allocation for the following year.

- 2.5** The Capital Receipts target has been increased in accordance with advice from the Director of Development Services in anticipation of disposal of surplus land and property resulting from the detailed review of assets in every area by the Property Monitoring Group. Performance will require to be closely monitored during the year. Failure to achieve the target would require departmental allocations to be reviewed by this Committee.

3 DEPARTMENTAL CAPITAL ALLOCATION ISSUES

- 3.1** A number of issues have arisen since this Committee agreed the provisional capital allocations for 2002/03, which should be taken into account in determining revised departmental allocations.

Slippage of £0.250m on the Galston Primary School project in 2001/02 results in a requirement to add this sum to the 2002/03 allocation for Education. In addition emergency work on the boiler at Silverwood Primary School meant that other projects to the value of £0.075m have slipped and that sum has also been added to the Education allocation to allow these to proceed in 2002/03.

The Council's commitment to the Cumnock Pool Project remains intact. The project has not yet secured all of the funding from other sources that it needs however and It is recommended that the Council's contribution be released only when appropriate legal safeguards are in place. Consequently the timing of payments has been revised.

The Ayrshire Electronic Community (AEC) project was previously funded at a level of £0.150m per annum over the last three years. In order to take the project to the next stage and attract up to £2m of funding from other sources, a commitment by the Council of £0.365m over the next three years is required. The proposed programme assumes that Members would wish to make this commitment.

The other changes are designed to reflect current council priorities particularly the progression of the programme to upgrade playparks.

- 3.2** The following table compares the proposed departmental allocations with the programme approved last year.

Service	2002/03 £'000 – Original Proposal	2002/03 £'000- Revised Proposal	2003/04 £'000 – Original Proposal	2003/04 £'000 – Revised Proposal
Composite Programme				
Education	2,800	3,125	3,000	3,000
Social Work	350	300	400	330
Development Services	1,400	1,575	1,500	1,525
Community Services – Operational	50	400	450	600
Community Services – Cumnock Pool	350	150	150	350
Housing – General Fund	300	320	300	375
Corporate Services – IT	550	380	550	380
Corporate Office Accommodation	100	80	100	90
Council Issues – General	50	50	50	50
Council Issues – Ayrshire Electronic Community	0	65	0	50
Council Issues – Dalrymple Area Centre	-	-	-	50
Council Issues – North West Area	-	-	-	Within existing allocations
Capitalised Repairs	1,500	1,500	1,500	1,500
Total Composite Programme	7,450	7,945	8,000	8,300
TOTAL FUNDING AVAILABLE	7,136	7,542	7,642	7,942
OVER/(UNDER) COMMITMENT	314	403	358	358

- 3.3** In common with previous years, a degree of over-commitment has been factored into the programme. This should be offset by naturally occurring slippage during the year and reduce the need to identify quick spend projects at the year-end which do not reflect Council priorities. Departments should recognise that this is the case and should not commit additional schemes to take up slippage without prior Policy & Resources Committee approval.
- 3.4** The anticipated net cost of the proposed North West Area Centre of £0.500M will require to be met by the user Departments from their 2003/04 capital allocations. It is expected that individual commitments will be proposed to Service Committees as part of their capital programme for that year.
- 3.5** Each Director involved will be required to submit a detailed Capital Programme to the relevant Service Committee proposing how these allocations could be utilised.
- 3.6** Expenditure will be monitored against individual projects with significant underspends being remitted back to this Committee for

consideration in light of overall Council priorities. A Department underspending on one project will not therefore be in a position to subsidise another project without reference to this Committee.

4 FINANCIAL IMPLICATIONS

- 4.1 The proposed Capital Programme will be contained within the overall funding levels available.

5 LEGAL/POLICY IMPLICATIONS

Nil.

6 RECOMMENDATIONS

It is recommended that Members:

- 6.1 agree the capital allocations to Services outlined in 3.1 above;
- 6.2 instruct Directors to submit detailed proposed programmes for the utilisation of capital allocations to their service committees for consideration;
- 6.3 confirm that any slippage which occurs in these programmes is not automatically available to the department but must be remitted back to this committee for consideration; and
- 6.3 otherwise note the contents of this report.

Alex McPhee
Director of Finance

RB/DMW
28 January 2002

**LIST OF BACKGROUND PAPERS
NIL**

AGENDA