

2022

CAPITAL PLAN SUMMARY REPORT

2. INTRODUCTION

2.1 This report details the revisions proposed to the capital plan approved in February 2020 for the period 2021-22 to 2022-23 and extends the capital plan for a further year to 2023-24. The revisions are based on updated capital funding assumptions, phasing and cost changes.

3. DETAIL

3.1 This report is split into the following sections:

- x Estimated Capital Funding 2021-22 to 2023-24
- x Summary of Capital Plan reported as at 31 December 2020
- x Proposed Revisions to Capital Plan
- x Proposed Block Allocations for 2023-24
- x Comparison of Revised Plan to Estimated Capital Funding
- x Updated Capital Plan.99 499.28 434.82 tt70.13 4384 370.13 434.83 129.14 re

	2020-21	2021-22	2022-23	2023-24	Future Years	Total
	£m	£m	£m	£m	£m	£000
General Capital Grant	9.661	9.596	9.596	9.596	0.000	38.44
Change to General Capital Grant - Pct	-0.040	0.000	0.000	0.000	0.000	-0.040
Campbeltown Flood Scheme Allocation		0.125				0.125
General Capital Grant Flooding Allocation	0.155	0.155	0.155	0.155	0.000	0.620
Ring Fenced Capital Grant	2.080	0.376				

3.3 Summary of Capital Plan reported as at 31 December 2020

3.3.1 The capital plan included in the December capital monitoring is summarised in the table below:

3.7 Funding Options Identified

- 3.7.1 The Treasury have advised that there are financial flexibility options available in relation to additional costs as a result of COVID-19 which could be transferred over to capital from revenue where there are additional capital costs as a result of the pandemic. It is estimated that approximately £2m of the overspend within Significant Strategic Change projects is as a result of COVID-19 and as such these financial flexibilities may be applied and result in additional funding for the project.
- 3.7.2 As part of the 2020-21 budget setting process it was agreed that £5.013m of funding would be set aside for significant strategic change capital projects. £2.856m of this funding was approved to be drawn down in 2020-21 for Helensburgh Waterfront Development leaving a balance of £2.157m that could be used to contribute towards the reported overspend within Rothesay Pavilion.
- 3.7.3 The revenue budget overview report advises that if Members agree to all the proposals noted within the report, there will be a balanced 2021-22 budget with a surplus of £3.080m. It is proposed within the revenue budget overview report that this surplus is used to reduce the funding gap in the capital programme, which would eliminate the need to reduce or remove projects from the current capital plan and also reduce the level of borrowing required to fund the gap.
- 3.7.4 The above funding options have been included when calculating the overall position of the capital programme as detailed in 3.8.2.

3.8 Comparison of Revised Plan to Estimated Capital Funding

- 3.8.1 The capital plan as at 31 December 2020, including the new block allocation for 2023-24, has been compared to the estimated funding (noted in section 3.2).

2020-2	2021-2	2022-2	2023-2	Future	Total
£m	£m	£m	£m	Years	£m

- 3.8.2 The total gap currently within the capital programme to 2023-24 is £6.262m. Various elements contribute to this gap as summarised in the table below. After adjusting for the intolerable red risks, cost pressures and other funding sources, identified within sections 3.6 and 3.7 of this report, the total gap within the capital programme is £0.259m, see table below.

Summary	Detail	£m
Projected overspend as at 31st December 2020	As reported in December Capital monitoring report there is an overspend of £2.563m in the Capital Plan. This is largely made up of an overspend within Rothesay Pavilion £2.175m and also an overspend within Early Learning and Childcare £0.330m. The remaining variances relate to small over and under spends which will be rectified by the year end, leaving a reduced overspend to be considered as part of the capital budget of £2.505m.	(2.505)
2021-22 Capital Grant	Capital grant for 2021-22 less than previously anticipated. Previous estimates were based on an average of the previous 4 year settlements (£12.278m) but the reality was £2.621m less after adjusting for schemes.	(2.682)
2022-23 Capital Grant	Capital grant for 2021-22 less than previously anticipated. Previous estimates were based on an average of the previous 4 year settlements (£12.278m) but the reality was £2.621m less after adjusting for schemes.	(2.682)
2023-24 Capital Grant	Estimated small reduction in capital grant for 2023-24 based on capital grant provisional settlement for 2021-22 (officers have been advised a capital grant settlement of £9.661m plus a flooding allocation of £0.100m for 2023-24, this adjustment assumes block allocations are not used to reflect the lower than estimated settlement).	(0.065)
Capital Receipts Adjustments within existing programmes	Capital receipts estimated last year over the 3 year programme have been reduced from £3.606m to £3.259m resulting a reduction of £0.347m. This is offset by receipts from vehicle sales in 2020-21 which were £0.046m.	(0.301)
Early Learning and Childcare 1140 Hours	Additional revenue funding that Scottish Government have agreed to fund ELC capital expenditure in 2020-21.	0.100
Previously Agreed Earmarked Reserve	It was agreed at Business Continuity Committee that the underspend within the Loans Fund at the end of 2019-20 should be utilised to fund the gap in the capital programme as a result of significantly reduced settlements.	1.873
Total Surplus / (Gap) prior to Intolerable Red Risks and Cost Pressures		(6.262)
Intolerable Red Risks	Intolerable red risks as noted at 3.6.1 of this report.	(0.072)
Significant Strategic Change Projects	Increase to the significant strategic change fund as per exempt appendix 4.	1.162
Total Surplus / (Gap) after Intolerable Red Risks and Cost Pressures		(7.496)
Financial Flexibilities	Estimated financial flexibility that may be available in relation to additional costs as a result of COVID-19 but this option has still not been confirmed.	2.000
Revenue Surplus	Revenue surplus available to fund gap in capital programme.	3.080
Significant Strategic Change Projects	Earmarked Reserve for Significant Strategic Change Projects available at 2020-21 budget setting.	2.150
Remaining Surplus / (Gap)		(0.259)

3.8.3 Council should give consideration as to how to deal with the £0.259m funding gap within the capital programme. If the gap was funded through borrowing it would create a revenue cost pressure of £0.017m per annum which has not been built into the revenue budget overview report.

3.9 Updated Capital Plan

3.9.1 The table below shows a summary of the updated capital plan and further detail is contained within Appendix 3. This excludes the intolerable red risk and cost pressures identified as these are subject to Member approval.

4.

- 5.5 Fairer Scotland Duty ±None.
- 5.5.1 Equalities ±None.
- 5.5.2 Socio-Economic Duty ±None.
- 5.5.3

Appendix 1 - Proposed Asset Disposals

Property

Dunclutha Children's home (overage payment)

Land at Balisacate, Isle of Mull

Land at Former Police Station, Garelochhead

Plot of ground, Pilot Street, Dunoon

Area of ground adjoining Pier House Fionnphort

Units at Broadcroft Lane, Rothesay

Ardchattan Primary school and schoolhouse

Land, Fountainhead, Bunessan

Port Ellen school house

Former public toilet, Tarbet

Former Council Offices, Witchburn Road, Campbeltown

Former Kirn Girl Guides Hut, Dunclutha Lane, Kirn, Dunoon

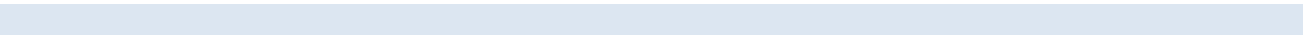
Bridge of Orchy School/House

Blairvadach

^]š } ((}œ u œ }Á o d Z œ [• d œ]v]vP v š œ

Appendix 2 - Restricted Funding

	2020-21	2021-22	2022-23	2023-24	Future
	£m	£m	£m	£m	



&\$3,7\$/ 3/\$1
2YHUDOO 6

\$33(1',;

6HUYLEFH ... V ... V ... V ... V)XWXUH <HDUV 7RWDO
(GXFDWLRQ ... V ... V ... V ... V
6KDUHG 2IILFHV
,&7
5RDGV DQG ,QIUDVWUXFWXUH
'HYHORSPHQW DQG (FRQRPLF *URZWK
+HDOWK DQG 6RFLDO &DUH 3DUWQHUVKL`Sq9™ pu)–NiYU v€ORSPHQHQ Q Q Q ‡QG °

[Redacted]

[Redacted]

[Redacted]

[Redacted]

&\$3,7\$/ 3/\$1
6KDUHG

\$33(1',;

&DWH
\$VVH

7RWDO

... ..

&\$3,7\$/ 3/\$1
ODMRU 3L

\$33(1',;

&DWHJRU\
6WUDWHJLI

6HUYLEFH
&+25

3URMHFW

&+25' 'XQRRQ

&+25' +HOHQVEXUJK 3XEOLF 5HDOP ,PSUY

&+25' 2EDQ

... V ... V... V ... V

7RWDO

... V

&\$3,7\$/ 3/\$1
,&

\$33(1',;

&DWHJRU\
\$VVHW 6XVW

6HUYLEFH
,&

3URMHFW ... V ... V ... V ... V ... V
%ORFN \$OORFDWLRQ ,&7
06 ([FKDQJH 'RF 6KDULQJ
3& 5HSODFHPHQW
6HUYHU 6XVWDLQDELOLW\
7HOFRPPV 1HWZRUN

7RWDO

... V

&\$3,7\$/ 3/\$1
5RDGV DQG ,QIUDVWU

\$33(1',;

&DWHJRU\

6HUYLEFH

3URMHFW

... V

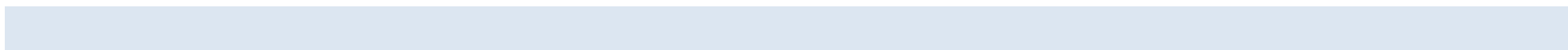
... V

... V

... V

7RWDO

... V



&\$3,7\$/ 3/\$1
+HDOWK 6RFLDO &C

\$33(1',;

&DWHJRU\
\$VVHW 6XVW

6HUYLEFH
+6&

3URMHFW
\$UGIHQDLJ
%ORFN \$OORFDWLRQ
&DSLWDO 3URSHUW\ :RUNV
'LJLWDOLVQLQJ WHOHFDUH

... V ... V... V ... V ... V 7RWDO
... V

&\$3,7\$/ 3/\$1
/LYH \$!

\$33(1',;

7RWDO

&DWHJRU\ \$VVHW 6XVW	6HUYLEFH /LYH \$!	3URMHFW \$TXDOLEUL&P@ @ 4™•4@0U%AYFB"rT O #Dy\$ &DPSEHOWRZQ &RPPXQLW\ &HQWUH)LUH \$ODUP DQG 'RRU 8SJUDGH &DPSEHOWRZQ 0XVHXP %XUQHW %OGJ &DSLWDO 3URSHUW\ :RUNV 'XQRRQ &RPPXQLW\ (GXFDWLRQ &HQWUH +HOHQVEXUJK /LEUDU\ +HOHQVEXUJK 6ZLPPLQJ 3RRO 5RRILQJ ,QYHUDUD\ &\$56 ORDW &HQWUH 5RRILQJ 5LYHUVLGH /HLVXUH &HQWUH &ODGGLQJ 8SJUDGH 5RWKHVD\ 6ZLPPLQJ 3RRO 9LFWRULD +DOOV +HOHQVEXUJK	... V ... V ... V ... V ... V ... V
-------------------------	----------------------	--	-------------------------------------

\$VVHW 6XVWDLG
6HUYLEFH 'Tñ