

EAST RENFREWSHIRE COUNCIL15 March 2021Report by Head of Accountancy (Chief Financial Officer)GENERAL FUND CAPITAL PLAN 2021/22 TO 2030/31**PURPOSE OF REPORT**

1. The purpose of this report is to present for consideration the General Fund Capital Plan covering the 10 years from 2021/22 to 2030/31. This has been prepared in line with the approach set out in the Capital Investment Strategy report earlier on the agenda.

RECOMMENDATIONS

2. The Council is invited to:-

- (i) approve the programme for 2021/22 and authorise officers to progress the projects contained therein; and
- (ii) agree to allow a degree of flexibility within the Plan, subject to prudential indicators being adhered to during the year, if required in the light of updated information relating to the time critical Neilston Learning Campus project.

BACKGROUND

3. Whilst the Council only approves the capital programme for the coming year, the Capital Plan also includes figures for future years so that long term capital investment plans and their associated financial impacts can be recognised. Our rolling Capital Plan aligns with best practice in covering the next 10 years. The Council's Capital Investment Strategy provides an even broader view of the Council's capital ambitions.

RESOURCES

4. Capital resources available to support investment remain constrained for future years. Details of the available resources are provided in Appendix B.

5. Over the period of the Plan the Council does not currently envisage any significant capital receipts from the disposal of assets. This will be kept under review and disposals will only be progressed provided they demonstrate best value.

6. The Council's general capital grant for 2021/22 has been confirmed as £5.336 million. This is almost exactly the same level as in the current year. Indications from the Scottish Government are that grant will remain at this level from 2022/23 onwards. It is understood that the Scottish Government intend to publish multi-year capital grant figures later this year and this will be very helpful in future long term capital planning.

7. The Capital Plan assumes total borrowing of £168.0 million, (£31.6 million in 2021/22, £54.2 million in 2022/23, £50.0 million in 2023/24 and £28.5 million in later years). This represents an increase of £37.1 million over the previously approved Plan. An increase

in borrowing will result in increased loan charges which must be funded from revenue budgets, however with historically low interest rates expected to continue for the next two years the revenue impact will be minimised. The cost of all elements of the planned borrowing has been factored into the Council's revenue budget plans for 2021/22 and beyond.

8. As highlighted in previous Capital Plans, the City Deal project is funded by £38m of Government funding and £6m of Council funding. However the projects will be completed over a 10 year period with grant income over a 20 year period. In the coming years the Council will require to fund further new borrowing of up to £22.3 million until full payment is received reducing the long term impact on the revenue budget.

9. In response to financial pressures arising from the COVID pandemic, the Scottish Government has permitted Councils "fiscal flexibilities" in 2020/21 and 2021/22, effectively allowing certain capital funding approaches to be applied to cover COVID related revenue pressures. These include the flexibility to utilise capital receipts generated in 2020/21 and 2021/22 to help address unfunded COVID-19 pressures in these years. As the Council's current level of confirmed grant funding is insufficient to cover our forecast COVID pressures for these years, and our general reserve is expected to reduce to close to the minimum prudent level, it is proposed to allocate capital receipts of around £2m generated in 2020/21 to meet unfunded COVID pressures. Should the final unfunded gap not require the full utilisation of these receipts, any unused portion would be made available to support the capital plan from 1 April 2022.

10. Some guidance on the detail of these flexibilities is still awaited and their application may result in slight increases in overall loans fund repayments in future years. Accountancy staff will continue to smooth repayment profiles between years to minimise any large variations in repayments between years.

11. The Council continues to have active discussions with developers over contributions receivable in relation to housing developments. The timescale and amount of such receipts are often difficult to evaluate fully until each scheme progresses, however estimates of contributions totalling £4.3 million have been reflected within the proposed Plan. These will be firmed up as developments progress.

12. In recent years the Council has built up and utilised a significant Capital reserve to assist in supporting major projects. The projected balance on this reserve at 31 March 2021 is £2.671 million. This provides an element of cover should unforeseen costs arise. There are no plans to draw further on this reserve in 2021/22.

EXPENDITURE PLAN

13. The detailed programme for 2021/22 and the outline plan for the subsequent 9 years are set out in Appendix A. These plans are developed to support the delivery of the Council's overall strategy, have been compiled in line with the approach set out in the Council's Capital Investment Strategy (considered earlier on today's agenda) and align with the Asset Management Plans summarised in that document.

14. Significant capital investment of £238.571m is planned for the 10 year period and includes the following (with total project costs quoted below including the current or previous financial years' spend where appropriate to assist in clarifying the total investment on a particular project):

Outcome 1 – Early Years & Vulnerable Young People

- The final elements of an investment totalling £26.9 million are now being delivered with the Council having met the Scottish Government's original aims of expanding early learning and childcare provision to 1,140 hours per year from August 2020. Funding of £11.7 million from the Scottish Government has been provided towards this programme of works.
- Investment of £0.5m to upgrade Capelrig House, allowing the facility to be brought back into use and leased by a national charity to benefit vulnerable children.

Outcome 2 – Learning, Life and Work

- The Council will participate in the first phase of the Scottish Government's Learning Estate Strategy, an initiative to improve the condition of schools by replacing old facilities. Recognising this, the Plan makes provision totalling £40m for Learning and Leisure in Neilston.
 - The first stage of this project will be the provision of a new education campus comprising new build replacements for Neilston Primary, St Thomas' Primary and Madras Family Centre, together with replacement library provision. An estimated allocation of £28m has been earmarked for these elements. The new facilities will be maintained to a high standard and will deliver improvements in digital learning and energy efficiency as well as providing additional employment opportunities during the construction phase. As a result the Council expects to attract significant new revenue grant funding in future. The new facilities are scheduled to open in August 2023 and so flexibility may be required within the broader project funding envelope to allow works to progress as scheduled should cost pressures be higher than anticipated during the year. Should this arise, costs will be managed in line with the Council's prudential indicators and a report will be brought back to Council as soon as possible thereafter.
 - Future stages of the project will address leisure and regeneration within the village.
- Completion of the £2.5 million investment to provide extended facilities to temporarily increase the planning capacity at St Ninian's High School and honour the commitment made at the time related to changing schools admission arrangements.
- Investment of £2.2 million to further extend Crookfur Primary School in view of increasing demand within the catchment area.
- Over £1.7 million to be invested to provide a new all-weather pitch and running track for Mearns Castle High School.
- A further £2 million to be invested over the next 10 years to improve learning environments to better meet modern learning styles and curricular experiences across the school estate.
- Investment of up to £55m for the provision of top quality new leisure facilities in Eastwood Park.
- More than £2 million to be invested over the next 10 years to improve cultural, leisure and community facilities.

Outcome 3 – Environment & Economy

- City Deal investment of £38.1 million in infrastructure projects including improved road links from Barrhead to the M77, a new railway halt for Barrhead south and country park developments. This is part of an overall regional investment of £1.13 billion across the Glasgow City region which will bring a wide range of benefits to residents such as increased access to jobs.
- Major capital investment in Roads projects which will total £23.0 million over the 10 year period, aimed at achieving a significant improvement in the condition and safety of roads. This is in addition to the investment in roads through City Deal funding.
- Investment of £2.7 million to extend full fibre digital infrastructure across the area.

Outcome 4 – Safer, Supportive Communities

- Increased investment £0.626 million to extend and improve our CCTV service which protects local residents, schools, leisure facilities and other property.
- £0.630 million investment in Overlee House to increase provision for the homeless.

Outcome 5 – Older People & People with Long Term Conditions

- Investment of £1.15 million to upgrade our telecare systems which allow older and vulnerable people to remain in their own homes.

Corporate

- A provision of £26.8 million for further ICT technology projects over the 10 year period to support necessary corporate improvements, enhance technology available in schools and other Council premises and provide a more modern, digital service to residents.
- A provision of £14.4 million over the period of the Plan for improvements necessary to Council property including energy efficiency measures.

CONCLUSIONS

15. Planned borrowing has been increased over the next three years to support the capital plan and the revenue consequences have been factored into the Council's revenue budget plans. Planned 2021/22 expenditure is in line with available resources.

16. Some flexibility may be required within the 2021/22 to 2030/31 Capital Plan during the course of the year once the Council has confirmation of the costs of the Neilston Learning campus.

17. The expenditure plan for subsequent years will continue to be subject to review in light of progress on capital receipts and the levels of funding provided by the Scottish Government.

RECOMMENDATIONS

18. The Council is invited to:-

- (i) approve the programme for 2021/22 and authorise officers to progress the projects contained therein; and
- (ii) agree to allow a degree of flexibility within the Plan, subject to prudential indicators being adhered to during the year, if required in the light of updated information relating to the time critical Neilston Learning Campus project.

Further information is available from:

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KEY WORDS

General Fund Capital Plan 2021/22 to 2030/31, capital receipts, Capital Reserve.

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10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
A. PROPERTY - SCHOOLS	88,792	42,635	9,803	18,066	10,378	1,510	1,100	1,100	1,100	1,100	1,100	900
B. PROPERTY - CULTURE & LEISURE TRUST	65,729	529	5,041	24,641	29,084	5,739	195	100	100	100	100	100
C. PROPERTY - OTHER	43,159	13,918	6,976	2,462	5,010	8,260	1,733	960	960	960	960	960
D. OPEN SPACES	12,645	2,138	3,599	768	1,110	1,940	1,640	290	290	290	290	290
E. ROADS	52,821	10,926	6,391	12,300	9,142	6,262	1,300	1,300	1,300	1,300	1,300	1,300
F. ICT	41,434	10,131	7,678	4,227	2,292	2,430	2,765	2,212	2,331	2,430	2,765	2,173
G. FLEET	16,719	3,245	1,612	922	1,902	1,474	941	1,384	922	1,937	1,509	871
H. MISCELLANEOUS	993	199	186	0	0	277	0	54	0	0	277	0
TOTAL	322,292	83,721	41,286	63,386	58,918	27,892	9,674	7,400	7,003	8,117	8,301	6,594
RESOURCES	238,845		41,286	63,386	58,918	27,892	9,674	7,574	7,003	8,117	8,301	6,694
SHORTFALL/(SURPLUS)	(274)		0	0	0	0	0	(174)	0	0	0	(100)

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

B. PROPERTY - CULTURE & LEISURE TRUST

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
EASTWOOD PARK LEISURE - REFURBISHMENT	55,000	300	4,000	24,000	24,000	2,700	0	0	0	0	0	0
NEILSTON LEISURE	8,500	24	217	441	4,884	2,839	95	0	0	0	0	0
ERCLT GENERAL BUILDING IMPROVEMENT FUND	1,800	200	400	200	200	200	100	100	100	100	100	100
EASTWOOD HS SPORTS CENTRE CHANGING ROOMS/DISABLED FACILITIES	429	5	424	0	0	0	0	0	0	0	0	0
TOTAL	65,729	529	5,041	24,641	29,084	5,739	195	100	100	100	100	100

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C. PROPERTY - OTHER

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
PROPERTY MAINTENANCE (SEE ANNEX 2)	12,363	883	3,290	910	910	910	910	910	910	910	910	910
EASTWOOD PARK CAMPUS IMPROVEMENTS	522	310	212	0	0	0	0	0	0	0	0	0
OFFICE ACCOMMODATION	2,200	231	1,969	0	0	0	0	0	0	0	0	0
CAPITAL INVESTMENT IN ENERGY EFFICIENCY MEASURES (NDEE INITIATIVE)	1,754	1,594	160	0	0	0	0	0	0	0	0	0
VACANT (SURPLUS) PROPERTY DEMOLITION	276	190	86	0	0	0	0	0	0	0	0	0
TOTAL	43,159	13,918	6,976	2,462	5,010	8,260	1,733	960	960	960	960	960

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D. OPEN SPACES

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1. REGENERATION												
COUNTRY PARK - TOURISM INFRASTRUCTURE AND ECONOMIC ACTIVITY PROJECTS	235	52	183	0	0	0	0	0	0	0	0	0
WHITE CART TRIBUTARIES ENVIRONMENTAL IMPROVEMENTS	1,264	245	1,019	0	0	0	0	0	0	0	0	0
TOWN CENTRE FUND	1,334	723	611	0	0	0	0	0	0	0	0	0
GIFFNOCK TOWN CENTRE IMPROVEMENTS	10	0	10	0	0	0	0	0	0	0	0	0
CLARKSTON TOWN CENTRE ACTION AND TRAFFIC MANAGEMENT IMPROVEMENTS	217	186	31	0	0	0	0	0	0	0	0	0
OTHER PUBLIC REALM	20	3	17	0	0	0	0	0	0	0	0	0
NEILSTON REGENERATION	3,500	0	100	200	500	1,350	1,350	0	0	0	0	0
REGENERATION PROJECTS (TO BE IDENTIFIED)	2,511	100	183	228	250	250	250	250	250	250	250	250
2. ENVIRONMENT - OTHER PROJECTS												
ENVIRONMENTAL TASK FORCE	260	35	45	20	20	20	20	20	20	20	20	20
TOWN CENTRE ACTION	298	79	39	20	20	20	20	20	20	20	20	20
PARKS, CEMETERIES & PITCH INVESTMENT	1,762	562	300	300	300	300	0	0	0	0	0	0
COWAN PARK	815	9	806	0	0	0	0	0	0	0	0	0
LAND AND PROPERTY ACQUISITIONS	399	144	255	0	0	0	0	0	0	0	0	0
BRAIDBAR QUARRIES	20	0	0	0	20	0	0	0	0	0	0	0

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

D. OPEN SPACES

E'000												
Project	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
TOTAL	12,645	2,138	3,599	768	1,110	1,940	1,640	290	290	290	290	290

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

E. ROADS

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1. CITY DEAL												
NEW LINK ROAD FROM JUNCTION 5 TO BARRHEAD	20,707	2,183	720	8,000	4,842	4,962	0	0	0	0	0	0
2. ERC ROADS												
LIGHTING 5TH CORE CABLE	1,920	320	160	160	160	160	160	160	160	160	160	160
BRIDGES REFURBISHMENT	638	108	53	53	53	53	53	53	53	53	53	53
PRINCIPAL INSPECTIONS GROUP 1-6	266	56	21	21	21	21	21	21	21	21	21	21
TRAFFIC CALMING STUDIES	300	50	25	25	25	25	25	25	25	25	25	25
ROAD SAFETY MEASURES/EQUIPMENT AT SCHOOLS	240	40	20	20	20	20	20	20	20	20	20	20
SAFE ROUTES TO SCHOOL	243	43	20	20	20	20	20	20	20	20	20	20
B771 PAISLEY ROAD RECONSTRUCTION	301	0	0	0	181	120	0	0	0	0	0	0
A736 KELBURN STREET/LOCHLIBO ROAD RECONSTRUCTION	372	110	0	0	0	141	121	0	0	0	0	0
A77 AYR ROAD RECONSTRUCTION	805	415	40	110	0	110	130	0	0	0	0	0
PEDESTRIAN CROSSINGS	25	0	0	25	0	0	0	0	0	0	0	0
B767 CLARKSTON ROAD RECONSTRUCTION	164	54	110	0	0	0	0	0	0	0	0	0
B769 STEWARTON RD (RURAL) RECONSTRUCTION	637	355	32	0	120	0	130	0	0	0	0	0
B767 EAGLESHAM ROAD RECONSTRUCTION	804	444	120	0	120	0	120	0	0	0	0	0

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F. ICT

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
PCI DSS	135	40	95	0	0	0	0	0	0	0	0	0
PUBLIC WIFI NETWORK	265	0	265	0	0	0	0	0	0	0	0	0
SAFETY NET TECHNOLOGY	180	0	180	0	0	0	0	0	0	0	0	0
SOCIAL WORK CASE MANAGEMENT SYSTEM	110	0	110	0	0	0	0	0	0	0	0	0
TELECARE SERVICE AND PERIPHERALS	1,150	35	590	525	0	0	0	0	0	0	0	0
THE DIGITAL WORKPLACE	600	279	321	0	0	0	0	0	0	0	0	0
FULL FIBRE DIGITAL TRANSFORMATION	2,700	0	1,350	1,350	0	0	0	0	0	0	0	0
TOTAL	41,434	10,131	7,678	4,227	2,292	2,430	2,765	2,212	2,331	2,430	2,765	2,173

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

G. FLEET

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
HSCP	1,164	288	0	150	288	0	0	0	150	288	0	0
EDUCATION	1,122	364	0	0	281	98	0	0	0	281	98	0
ENVIRONMENT	14,068	2,586	1,464	772	1,333	1,341	871	1,384	772	1,333	1,341	871
ENVIRONMENT GPRS SYSTEM	315	7	98	0	0	35	70	0	0	35	70	0
ROLLING ROAD TEST FACILITY	50	0	50	0	0	0	0	0	0	0	0	0
TOTAL	16,719	3,245	1,612	922	1,902	1,474	941	1,384	922	1,937	1,509	871

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

H. MISCELLANEOUS

Project	£'000											
	Total	Est Spent to 31.03.21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
1. PURCHASE OF ASSETS												
ERCLT - GYM EQUIPMENT (5 YEARS REPLACEMENT PROGRAMME)	831	198	79	0	0	277	0	0	0	0	277	0
ERCLT - THEATRE EQUIPMENT (5 YEARS REPLACEMENT PROGRAMME)	162	1	107	0	0	0	0	54	0	0	0	0
TOTAL	993	199	186	0	0	277	0	54	0	0	277	0

10 YEAR GENERAL FUND CAPITAL PLAN 2021/2022 - 2020/2031

	TOTAL £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
GRANTS											
GENERAL CAPITAL GRANT	53,360	5,336	5,336	5,336	5,336	5,336	5,336	5,336	5,336	5,336	5,336
CITY DEAL	9,614	607	2,873	2,759	2,602	773	0	0	0	0	0
SALIX/CENTRAL ENERGY EFFICIENCY FUND	930	255	75	75	75	75	75	75	75	75	75
SCOTTISH ENVIRONMENTAL PROTECTION AGENCY	1,019	1,019	0	0	0	0	0	0	0	0	0
TOWN CENTRE FUND	611	611	0	0	0	0	0	0	0	0	0
REGENERATION CAPITAL GRANT FUND	499	499	0	0	0	0	0	0	0	0	0
CYCLING WALKING SAFER STREETS	418	418	0	0	0	0	0	0	0	0	0
TOTAL GRANTS	66,451	8,745	8,284	8,170	8,013	6,184	5,411	5,411	5,411	5,411	5,411
DEVELOPERS CONTRIBUTIONS	4,345	954	906	724	724	724	313	0	0	0	0
BORROWING - ASSETS	18,979	2,587	1,134	2,272	2,220	1,745	1,650	1,292	2,406	2,590	1,083
BORROWING - INVESTMENT IN ENERGY EFFICIENCY	160	160	0	0	0	0	0	0	0	0	0
BORROWING - CITY DEAL	22,313	543	5,977	6,133	9,660	0	0	0	0	0	0
BORROWING - GENERAL	126,597	28,297	47,085	41,619	7,275	1,021	200	300	300	300	200
	238,845	41,286	63,386	58,918	27,892	9,674	7,574	7,003	8,117	8,301	6,694