

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>29 May 2019</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Budget Monitoring Final Outturn – 2018/2019</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Advise Committee of the outturn position of the General Services and Housing Capital Programmes for the year ended 31 March 2019

## 2. Recommendation(s)

2.1. The Executive Committee is asked to approve the following recommendations:-

- (1) that the outturn on the 2018/2019 General Services and Housing Capital Programmes (Section 5.1 and 5.6), be noted; and
- (2) that the carry forward of projects from the 2018/2019 Capital Programme into the 2019/2020 Capital Programme for General Services and Housing (sections 5.5 and 5.8), be approved.

## 3. Background

- 3.1. The General Services Capital Programme for 2018/2019 totalled £66.819 million. This reflects the programme agreed by Executive Committee on 27 June 2018 and the subsequent amendments made through regular monitoring reports throughout 2018/2019.
- 3.2. The Housing Capital Programme for 2018/2019 totalled £53.664 million. This revised programme was approved by Executive Committee on 27 June 2018.

## 4. Employee Implications

4.1. None

## 5. Financial Implications

- 5.1. **General Services:** Appendix 1 shows the total expenditure of £61.321 million on the General Fund Capital Programme for year 2018/2019 along with the funding sources for this spend.
- 5.2. For projects spending less than budget this year, this reflects the timing of spend and is not affecting operational delivery. The budget for this capital spend requires to be carried forward in to next financial year to complete projects, and the main projects which make up the £5.498 million carry forward are detailed in Appendix 2, along with their anticipated completion dates.

- 5.3. **Accounting Adjustments:** Accounting Regulations mean that adjustments are required to report spend correctly as either capital or revenue for the purposes of publishing our Annual Accounts. This includes where spend from the capital programme is on assets that are not owned by the Council (for example Clyde Gateway spend) or where spend must be classed as revenue. There is no physical impact for projects from this adjustment – it is an accounting entry only.
- 5.4. £5.408 million of capital spend is required to be recorded as revenue spend. Conversely, £1.867 million of revenue spend should be recorded as capital. The transfers above mean that for the purpose of publishing our Annual Accounts only, there is capital spend of £57.780 million.
- 5.5. **Carry Forward to 2019/2020:** As detailed at section 5.2, budget of £5.498 million will carry forward into 2019/2020 to conclude projects. The overall base programme for 2019/2020 including this carry forward of £5.498 million is noted in a separate report to this meeting.
- 5.6. **Housing Programme** Appendix 3 summarises actual expenditure of £53.962 million which is £0.298 million higher than budget due to good progress on projects.
- 5.7. Housing and Technical Resources have also received additional one-off income of £5.018 million in 2018/2019 which will be added to the overall programme.
- 5.8. Taking into account the additional funding of £5.018 million and the year end spend position, there is a net £4.720 million of additional budget to carry forward to contribute to future years Housing programmes. To reflect the profile of spend expected on the Housing Investment programme the 2019/2020 programme will be reduced by £0.110 million, and the 2020/2021 allocation increased by £4.830 million. The overall programme for 2019/2020 will be noted in a separate report to this meeting.
- 6. Other Implications**
- 6.1. The main risk associated with the Council's Capital Programme is an overspend. The risk has been assessed as low given the detailed project management plans prepared and monitored for each project. The risk of overspend is managed through four weekly Investment management meetings and the outturn report shows an underspend at financial year end.
- 7. Equality Impact Assessment and Consultation Arrangements**
- 7.1 This report does not introduce a new policy, function or strategy or recommend a change to existing policy, function or strategy and therefore no impact assessment is required.
- 7.2. There was also no requirement to undertake any consultation in terms of the information contained in this report.

**Paul Manning**  
**Executive Director (Finance and Corporate Resources)**

7 May 2019

**Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ Executive Committee, 27 June 2018
- ◆ Executive Committee, 1 May 2019

**List of Background Papers**

- ◆ Capital ledger prints for the period 1 April 2018 to 31 March 2019

**Contact for Further Information**

If you would like to inspect the background papers or want further information, please contact:-

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SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2018-2019  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2018 TO 31 MARCH 2019

**APPENDIX 1**

**EXPENDITURE**

	2018-19 REVISED BUDGET	2018-19 ACTUAL to 31/03/19
	£m	£m
<b>GENERAL FUND PROGRAMME</b>	<b>66.819</b>	<b>61.321</b>
<u>Accounting Adjustments:</u>		
Less: Transfers to Revenue		(5.408)
Add: Transfers to Capital		<u>1.867</u>
<b>2018/19 Outturn Position</b> (Accounting Basis only)	<b><u>66.819</u></b>	<b><u>57.780</u></b>

<b>INCOME</b>	<b>Actual to 31/03/19 £m</b>
Prudential Borrowing	22.833
Heritage Lottery/ Sportscotland Grant	0.049
Developers Contributions	0.495
Partners (Including Strathclyde Partnership for Transport, Sustrans and Scottish Environment Protection Agency)	1.534
Scottish Government:	
- Capital Grant	27.607
- Cycling, Walking and Safer Streets	0.432
- Vacant and Derelict Land	0.233
- Early Years 1,140 Hours	0.629
Glasgow City Region City Deal	3.126
Specific Reserves	0.719
Capital Financed from Current Revenue	0.123
<b>TOTAL INCOME</b>	<b>57.780</b>

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2018-19  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2018 TO 31 MARCH 2019

**APPENDIX 2**

<b>Projects with Underspends in 2018/19</b>		
<b>Project Name</b>	<b>Project Type</b>	<b>Completion Date</b>
<b>Community and Enterprise Resources</b>		
Avondale Community Wing (Replaced old Ballgreen Hall)	Fit out	November 2019
Extension / Improvement of Cemeteries	Infrastructure	September 2019
Bin Storage Areas	Infrastructure	May 2019
Demolition Programme	Demolition	August 2019
Upgrades to Community Infrastructure	Infrastructure	July 2019
Vacant and Derelict Land – Milton Brick Works, Carluke	Regeneration	December 2019
Vacant and Derelict Land – Millburn Colliery Site, Larkhall	Regeneration	December 2019
Vacant and Derelict Land – Glen Esk, East Kilbride	Regeneration	December 2019
Roads Investment Programme – Rutherglen and Cambuslang Area	Infrastructure	Through 2019/20
Roads Investment Programme – East Kilbride Area	Infrastructure	Through 2019/20
Roads Investment Programme – Clydesdale Area	Infrastructure	Through 2019/20
Greenhills Road	Infrastructure	June 2020
Lanark Park and Ride	Infrastructure	March 2020
Hamilton Information Technology Park – University Infrastructure work	Infrastructure	June 2019
<b>Education Resources</b>		
St Athanasius' Primary School – Nursery Adaptations	Infrastructure	August 2019
Education Information Communication Technology	ICT	Through 2019/20
Ridgepark School, Lanark – Demolition	Demolition	July 2019
Black Mount Primary School (previously Walston Primary School)	Infrastructure	August 2019
<b>Finance and Corporate Resources</b>		
Mobile Working	ICT	August 2019
<b>Housing and Technical Resources</b>		
Civic Centre Fabric Upgrade – Main Works	Refurbishment	September 2019
Headquarters Fabric Upgrade	Refurbishment	March 2020
<b>Social Work Resources</b>		
Replacement Care Facilities	Infrastructure	March 2021

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2018-19  
HOUSING PROGRAMME  
FOR PERIOD 1 APRIL 2018 TO 31 MARCH 2019

**EXPENDITURE**

2018-19 REVISED BUDGET	2018-19 ACTUAL to 31/03/19
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£m

£m

2018/19 Budget  
(including carry forward from 2017/18)

**53.664****53.962****INCOME**

**2018-19  
Actual  
to  
31/03/19  
£m**

House Sales

0.088

Land Sales

3.193

Capital Funded from Current Revenue

23.730

Prudential Borrowing

17.082

Specific Grant

7.680

Miscellaneous Income

2.189

**Total Income****53.962**