



Council Offices, Almada Street  
Hamilton, ML3 0AA

Tuesday, 03 October 2023

Dear Councillor

## **Executive Committee**

The Members listed below are requested to attend a meeting of the above Committee to be held as follows:-

**Date:** Wednesday, 11 October 2023  
**Time:** 10:00  
**Venue:** Hybrid - Committee Room 1, Council Offices, Almada Street, Hamilton, ML3 0AA

The business to be considered at the meeting is listed overleaf.

Yours sincerely

**Cleland Sneddon**  
**Chief Executive**

### **Members**

Joe Fagan (Chair/ex officio), Gerry Convery (Depute Chair), Alex Allison, John Anderson, Robert Brown, Andy Carmichael, Maureen Chalmers, Ross Clark, Margaret Cooper, Andrea Cowan, Maureen Devlin, Gladys Ferguson-Miller, Lynsey Hamilton, Mark Horsham, Eileen Logan, Katy Loudon, Hugh Macdonald, Ian McAllan, Catherine McClymont, Kenny McCreary, Lesley McDonald, Mark McGeever, Davie McLachlan, Richard Nelson, Mo Razzaq, Kirsten Robb, John Ross, David Shearer, Margaret B Walker

### **Substitutes**

John Bradley, Walter Brogan, Poppy Corbett, Margaret Cowie, Elise Frame, Graeme Horne, Martin Hose, Susan Kerr, Ross Lambie, Elaine McDougall, Norman Rae, Graham Scott, David Watson

## BUSINESS

### 1 Declaration of Interests

- 2 Minutes of Previous Meeting** 5 - 12  
Minutes of the meeting of the Executive Committee held on 13 September 2023 submitted for approval as a correct record. (Copy attached)

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#### Monitoring Item(s)

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- 3 Revenue Budget Monitoring for the Period 1 April to 8 September 2023** 13 - 18  
Report dated 22 September 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 4 Capital Budget 2023/2024 and Monitoring for Period 6 - 1 April 2023 to 8 September 2023** 19 - 26  
Report dated 20 September 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)
- 5 Additional Funding from Scottish Government and Other External Sources** 27 - 30  
Report dated 20 September 2023 by the Executive Director (Finance and Corporate Resources). (Copy attached)

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#### Item(s) for Decision

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- 6 Recommendations Referred by the Finance and Corporate Resources Committee - Treasury Management Activity Report 2022/2023, Prudential Code Indicators and Annual Investment Report** 31 - 34  
Report dated 27 September 2023 by the Chief Executive. (Copy attached)
- 7 Religious Representation on the Education Resources Committee** 35 - 38  
Joint report dated 26 September 2023 by the Executive Directors (Finance and Corporate Resources) and (Education Resources). (Copy attached)

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#### Item(s) for Noting

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- 8 Revision of Costs and Increase in Funding to Extend, Adapt and Modernise Our Lady of Lourdes Primary School, East Kilbride/Glasgow City Region City Deal - East Kilbride Community Growth Area Business Case** 39 - 50  
Report dated 27 September 2023 by the Executive Director (Education Resources). (Copy attached)

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#### Urgent Business

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- 9 Urgent Business**  
Any other items of business which the Chair decides are urgent.

***For further information, please contact:-***

Clerk Name:	Pauline MacRae
Clerk Telephone:	07385 370044
Clerk Email:	pauline.macrae@southlanarkshire.gov.uk



## EXECUTIVE COMMITTEE

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Minutes of meeting held via Confero and in Committee Room 1, Council Offices, Almada Street, Hamilton on 13 September 2023

### **Chair:**

Councillor Joe Fagan (ex officio)

### **Councillors Present:**

Councillor Alex Allison, Councillor John Anderson, Councillor Robert Brown, Councillor Andy Carmichael, Councillor Maureen Chalmers, Councillor Ross Clark, Councillor Gerry Convery, Councillor Margaret Cooper, Councillor Andrea Cowan, Councillor Margaret Cowie (*substitute for Councillor Mo Razzaq*), Councillor Maureen Devlin, Councillor Lynsey Hamilton, Councillor Mark Horsham, Councillor Eileen Logan, Councillor Katy Loudon, Councillor Hugh Macdonald, Councillor Ian McAllan, Councillor Catherine McClymont, Councillor Kenny McCreary, Councillor Lesley McDonald, Councillor Elaine McDougall (*substitute for Councillor Gladys Ferguson-Miller*), Councillor Mark McGeever, Councillor Davie McLachlan, Councillor Richard Nelson, Councillor John Ross, Councillor David Shearer, Councillor Margaret B Walker

### **Councillors' Apologies:**

Councillor Gladys Ferguson-Miller, Councillor Mo Razzaq, Councillor Kirsten Robb

### **Attending:**

#### **Chief Executive's Service**

C Sneddon, Chief Executive

#### **Community and Enterprise Resources**

D Booth, Executive Director; A Brown, Head of Enterprise and Sustainable Development; S Laird, Engineering Manager

#### **Education Resources**

C McKenzie, Executive Director

#### **Finance and Corporate Resources**

P Manning, Executive Director; T Little, Head of Communications and Strategy; G McCann, Head of Administration and Legal Services; P MacRae, Administration Adviser; K McLeod, Administration Assistant; M Milne, Head of Personnel Services

#### **Housing and Technical Resources**

S Gibson, Executive Director

#### **Health and Social Care/Social Work Resources**

S Sengupta, Director, Health and Social Care; L Purdie, Head of Children and Justice Services

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### **1 Declaration of Interests**

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No interests were declared.

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### **2 Minutes of Previous Meeting**

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The minutes of the meeting of the Executive Committee held on 16 August 2023 were submitted for approval as a correct record.

#### **The Committee decided:**

that the minutes be approved as a correct record.

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### **3 Revenue Budget Monitoring for Period 1 April to 11 August 2023**

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A report dated 23 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April to 11 August 2023.

At 11 August 2023, the position on the General Fund Revenue Account was breakeven. Details were given on:-

- ◆ budget pressures within Children and Families Services
- ◆ the position within the Adult and Older People Service following the outcome of the job evaluation exercise for home carers
- ◆ maintenance of teacher and pupil support numbers

The Housing Revenue Account showed a breakeven position at 11 August 2023, as detailed in Appendix 2 of the report.

There followed a discussion during which:-

- ◆ officers responded to members' questions on various aspects of the report
- ◆ members expressed concern regarding the position taken by the Scottish Government to hold back funding for the maintenance of teacher numbers until after the 2023 Census details were received and until councils provided assurance that they had maintained teacher and pupil support numbers at the 2022 level. Their concerns related to the fact that the 2022 Census reflected an inflated level of teacher/support staff who were in place because of temporary funding invested by the Council and not because of Government baselined funding

#### **The Committee decided:**

- (1) that the break-even position on the General Fund Revenue Account at 11 August 2023, as detailed in section 4 and Appendix 1 of the report, be noted; and
- (2) that the break-even position on the Housing Revenue Account at 11 August 2023, as detailed in section 5 and Appendix 2 of the report, be noted.

*[Reference: Minutes of 16 August 2023 (Paragraph 3)]*

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### **4 Capital Programme 2023/2024 and Monitoring for Period 5 – 1 April to 11 August 2023**

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A report dated 23 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on progress of the General Fund Capital Programme and the Housing Capital Programme for the period 1 April to 11 August 2023.

At its meeting on 16 August 2023, the Committee had approved a General Fund Capital Programme for 2023/2024 totalling £83.322 million. A revised programme of £80.262 million was now anticipated which included proposed adjustments to the programme totalling a net decrease of £3.060 million. Those were detailed in Appendix 1 of the report. The main reason for the reduction was the profiling adjustment, proposed by Community and Enterprise Resources, reflecting a review of the anticipated timing of spend on the Glasgow City Region City Deal Project at Stewartfield Way, East Kilbride, the park and ride project at Hairmyres Station, East Kilbride and the Glasgow City Region City Deal signalisation project at Lanark Road, Larkhall.

At 11 August 2023, £14.654 million had been spent on the General Fund Capital Programme, against a budget for the period of £15.161 million, resulting in spending being behind programme in the sum of £0.507 million. Actual funding received to 11 August 2023 totalled £42.661 million. The programme spend and funding for the General Fund for the period was detailed in appendices 2 and 3 of the report.

The Housing Capital Programme 2023/2024, approved by the Executive Committee at its meeting on 16 August 2023, totalled £69.596 million. Details of the position of the programme at 11 August 2023 were provided in Appendix 4 of the report.

At 11 August 2023, expenditure on the Housing Capital Programme amounted to £15.580 million against a budget for the period of £16.115 million and actual funding received to 11 August 2023 totalled £15.580 million. This resulted in the Housing Programme being £0.535 million behind programme which, at this stage, reflected a timing issue.

Officers responded to members' questions on various aspects of the report.

#### **The Committee decided:**

- (1) that the adjustments to the General Fund programme, as detailed in Appendix 1 of the report, be approved;
- (2) that the period 5 position, at 11 August 2023, of the General Fund Capital Programme, as detailed in appendices 2 and 3 of the report and the Housing Capital Programme, as detailed in Appendix 4 of the report, be noted; and
- (3) that the revised programmes be monitored by the Financial Resources Scrutiny Forum.

*[Reference: Minutes of 16 August 2023 (Paragraph 4)]*

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## **5 Additional Funding from Scottish Government and Other External Sources**

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A report dated 23 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on additional funding, totalling £6.331 million, which had been made available to the Council by the Scottish Government and other external sources.

The funding had been allocated as follows:-

### **Revenue Funding**

<b>Resource</b>	<b>2023/2024 (£m)</b>
<b>Finance and Corporate</b>	4.857
<b>Total</b>	<b>4.857</b>

### **Capital Funding**

<b>Resource</b>	<b>2023/2024 (£m)</b>	<b>2024/2025 (£m)</b>
<b>Community and Enterprise</b>	0.989	0.485
<b>Total</b>	<b>0.989</b>	<b>0.485</b>

<b>Overall Total</b>	<b>6.331</b>
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**The Committee decided:** that the report be noted.

*[Reference: Minutes of 16 August 2023 (Paragraph 5)]*

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## **6 East Kilbride Town Centre Masterplan**

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A report dated 30 August 2023 by the Executive Director (Community and Enterprise Resources) was submitted:-

- ◆ providing an update on the work undertaken to prepare a masterplan for East Kilbride Town Centre
- ◆ seeking approval for the East Kilbride Town Centre masterplan to form the basis for the future strategic approach to investment

Out of town retail centres and the emergence of online shopping, together with the broadening food store offer, had led to a number of empty shops in town centres. Over the course of the past 5 years, East Kilbride had lost many national retailers and leisure operators, with those losses having been accelerated as a result of Covid-19. Those challenges had resulted in East Kilbride Town Centre being put into administration on 16 November 2022.

A masterplan had been developed to form the basis of future disposal and investment in the Centre. The vision for the Town Centre was to create a high quality, high density mixed use development. It set the context for public and private sector investment over the next 10 years or more. Details were given on the key components of the masterplan exercise which were as follows:-

- ◆ analysis of market potential
- ◆ analysis of council strategies
- ◆ land use strategy
- ◆ demolition and site clearance
- ◆ neighbouring uses
- ◆ sustainable place making/urban design
- ◆ creation of a development prospectus

A summary of the masterplan was attached as Appendix 1 to the report.

A series of strategic interventions was proposed which would improve the retail and visitor experience and create new opportunities for the Town Centre as follows:-

- ◆ Centre West - removal of Centre West and creation of a development site for town centre residential living
- ◆ Olympia Mall - redevelopment of a section of Olympia Mall leading up from Plaza Mall to the leisure hub at the ice rink to create a new public space around which public services could be situated
- ◆ Olympia Car Park - vacant space at the eastern end of the malls, combined with a reconfiguration of car parking would allow a development site to be created which could allow a food operator requirement to be met
- ◆ adjacent sites - proposals for adjacent sites were being progressed by third parties, in parallel to the masterplan

Elected members, MSPs and the MP for the area had been briefed on the masterplan proposals. Presentation of the masterplan to the wider community, tenants, investors and interest groups would take place between 11 and 29 September with council officers, members of the design team, Scoop Asset Management and Savills all in attendance to answer questions.



There followed a full discussion during which officers responded to members' questions on various aspects of the report.

**The Committee decided:**

- (1) that the work undertaken in the preparation of the East Kilbride Town Centre masterplan be noted;
- (2) that it be noted that the masterplan set the strategic approach for the future of East Kilbride Town Centre and informed the investment and policy position of the Council moving forward;
- (3) that officers be authorised to progress the relevant statutory and legal processes within the context of the masterplan, as detailed Appendix 1 to the report; and
- (4) that further reports be provided to relevant committees in due course setting out the delivery structure, funding model and programme of activity.

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## **7 Parking – Penalty Charge Notices (PCNs)**

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A report dated 24 August 2023 by the Executive Director (Community and Enterprise Resources) was submitted on the proposed revised range of maximum amounts payable by a motorist issued with a Penalty Charge Notice (PCN).

The Council, which operated a Decriminalised Parking Enforcement (DPE) regime, had the power, under civil law, to issue a Penalty Charge Notice (PCN) in respect of a vehicle which contravened restrictions in place. Currently, a penalty charge of £60 was issued, which was reduced by 50% if payment was made within 14 days from the date of issue. If payment was made after a Service of Charge Certificate was issued, the charge rose to £90.

Earlier this year, the Scottish Ministers had issued revised guidance to local authorities in Scotland with a DPE regime notifying them of the revised level of the maximums that could be charged for PCNs. From 1 April 2023, the lower and higher maximum amounts payable by a motorist issued with a PCN were as follows:-

Level of PCN	Paid within 14 days	Paid between 15 days and Notice to Owner	Paid between Notice to Owner and Charge Certificate	Paid After Service of Charge Certificate
Current	£30.00	£60.00	£60.00	£90.00
Lower	£40.00	£80.00	£80.00	£120.00
Higher	£50.00	£100.00	£100.00	£150.00

It was proposed to set PCN levels at the higher limit to ensure that restrictions were enforced appropriately and that, as a deterrent, PCNs were sufficient to ensure continued operation of the enforcement regime in line with emerging guidance and legislation.

Other councils which operated a DPE regime had already implemented or planned to implement the higher level of revised charges.

There followed a discussion during which officers responded to members' questions on various aspects of the report, including parking availability and enforcement issues.

**The Committee decided:** that the revised amounts payable at the higher level be approved and introduced as soon as practicably possible.

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## 8 Council Complaints Report: SPSO Annual Review

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A report dated 18 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted providing details on:-

- ◆ the Council's performance in handling complaints received during the period 1 April 2022 to 31 March 2023 against the Scottish Public Services Ombudsman's (SPSO) national indicators
- ◆ improvement activity to be undertaken as a result of the analysis of complaints
- ◆ customer feedback on complaints handling

Performance against the 4 SPSO indicators was detailed in the report.

Good practice examples from Resources were highlighted on a quarterly basis and those were detailed in Appendix 1 of the report.

Customer satisfaction feedback had been gathered from customers who had been through the complaints process. The feedback for 2022/2023 was summarised in Appendix 2 of the report.

**The Committee decided:** that the Council's complaints handling performance for the period 1 April 2022 to 31 March 2023 and areas highlighted for improvement be noted.

*[Reference: Minutes of 21 September 2022 (Paragraph 13)]*

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## 9 Item of Urgent Business – Request to Scottish Government for Immediate Emergency Funding Packages for Local Authorities

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In terms of Standing Order No 4(c) of the Council's Standing Orders on Procedures, the Chair decided that consideration be given to the following item of business as a matter of urgency.

Councillor Walker, seconded by Councillor Logan, moved that the Committee, on a cross party basis, instruct the Chief Executive to write to the Scottish Government requesting that it immediately allocate emergency funding packages to local authorities to allow them to protect services in their respective areas, keep residents safe and ensure that they were able to access the life saving services they required.

In moving her motion, Councillor Walker:-

- ◆ referred to the dire financial situation outlined in the recently held budget session, citing the 9% reduction in the Council's budget since 2013/2014 and the Council's funding gap of £70 million in 2024/2025
- ◆ advised of a report recently circulated outlining the position faced in terms of the Integration Joint Board (IJB) which was facing a funding gap in the next 2 to 3 years of £37 million and of the impact which the funding gap would have on residents of South Lanarkshire, particularly older people dependent on lifeline services
- ◆ intimated that the Scottish Government had Covid reserves which had been clawed back from IJBs in the sum of around £300 million, £18 million of which had been clawed back from South Lanarkshire IJB

Councillor Logan, in seconding the motion, echoed the views expressed by Councillor Walker. Councillors Allison, Brown and Fagan intimated support for the motion.

Councillor Fagan also referred to the Covid reserves held by the Scottish Government and indicated that those funds had been intended to support health and social care services through Covid, that a new strain of Covid was emerging, that health and social care currently remained under pressure and that the winter months were still to be faced. He further indicated that, in terms of the job evaluation of home carers, the work of those key workers had fundamentally changed and Covid had changed the way in which this was appraised and understood.

**The Committee decided:**

that the terms of the motion be approved and that the Chief Executive:-

- ◆ write to the Scottish Government requesting that it immediately allocate emergency funding packages to local authorities to allow them to protect health and social care services in their respective areas, keep residents safe and ensure that they were able to access the life saving services they required
- ◆ refer in his letter to the financial position faced by the IJBs
- ◆ refer in his letter to the Covid reserves clawed back from IJBs which could be used to continue to support services through Covid



# Report

3

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>11 October 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Revenue Budget Monitoring for Period 1 April 2023 to 8 September 2023</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ advise the Committee of the overall financial position of the Council's General Fund Revenue Account and Housing Revenue Account for the period 1 April 2023 to 8 September 2023

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):

- (1) that the break-even position on the General Fund Revenue Account at 8 September 2023 (section 4 and Appendix 1) be noted; and
- (2) that the break-even position on the Housing Revenue Account at 8 September 2023 (section 5 and Appendix 2) be noted.

## 3. Background

3.1. This overview report will summarise the actual expenditure and income to 8 September 2023 compared with the budget for the same period for both the Council's General Fund (section 4) and for the Housing Revenue Account (section 5).

## 4. 2023/2024 General Services

### 4.1. General Services Current Position as at 8 September

As at 8 September, the position on the General Services budget is break-even. The position across Resources is detailed in Appendix 1.

4.2. **Children and Families:** As detailed previously, budget pressures within Children and Families are continuing into 2023/2024 in relation to residential placements, fostering and kinship care, some of which is a legacy from the pandemic.

4.3. As previously advised to Social Work Committee (28 June 2023 and 27 September 2023), there is one-off funding identified totalling £9.2 million and this is available this financial year to contribute towards these residual Children and Families' pressures.

4.4. The Social Work Resources position as at 8 September 2023 assumes funding will be available and will be drawn down later in the financial year, as required. The Resource is working towards managing the overall budget pressure in Children and Families by 2024/2025.

- 4.5. A paper has been prepared by the Head of Service for the Director of Health and Social Care to identify options in relation to emergency expenditure only requirements to address the current financial challenges within the Service.
- 4.6. **Adults and Older People:** A previously advised, within Adults and Older People, the outcome of the Job Evaluation exercise for Home Carers will result in recurring costs of approximately £7 million from 2023/2024. These costs are not included in the IJB budget set for 2023/2024. As at 8 September, costs of £3.0 million have been incurred in relation to the cost of the grade changes. These costs are incurred through the IJB budget. As a consequence of the reporting requirements for these integrated authorities, these costs also appear within the figures included in Appendix 1. This does not show as an overspend in Appendix 1 as there is sufficient budget available at this stage in the financial year to cover the additional costs incurred to date.
- 4.7. Officers within the IJB have been looking to identify recurring funding solutions. A budget recovery plan, presented to the IJB on 19 September, was not agreed. To manage the spend position this year, work will be required by the IJB Chief Officer and Chief Financial Officer, in conjunction with the Council's officers, to address this. This is likely to be achieved, in the short term, through management controls pending further decisions to be taken by the IJB to balance the in-year budget.
- 4.8. **Teacher Numbers:** As previously reported, the Cabinet Secretary has held back £45.5 million of funding nationally for the maintenance of Teacher Numbers, until after the 2023 Census details are received by the Government, and until councils provide assurance that they have maintained teacher numbers and pupil support numbers at the 2022 level. For the Council, this amounts to £2.934 million.
- 5. Housing Revenue Account Position as at 8 September 2023**
- 5.1. As at 8 September 2023, Appendix 2 shows a break-even position against the phased budget on the Housing Revenue Account.
- 6. Employee Implications**
- 6.1. None.
- 7. Financial Implications**
- 7.1. As detailed in sections 4 to 5 of the report.
- 8. Climate Change, Sustainability and Environmental Implications**
- 8.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.
- 9. Other Implications**
- 9.1. The main risk associated with the Council's Revenue Budget is that there is an overspend. The risk has been assessed as low given the detailed budget management applied across the Resources. The risk is managed through four weekly Budget Monitoring Meetings at which any variance is analysed. In addition, the probable outturn exercise ensures early warning for corrective action to be taken, where appropriate.
- 10. Equality Impact Assessment and Consultation Arrangements**
- 10.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

10.2. There is also no requirement to undertake any consultation in terms of the information contained in this report.

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

22 September 2023

**Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ None

**List of Background Papers**

- ◆ Financial Ledger and budget monitoring results to 8 September 2023.

**Contact for Further Information**

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

Lorraine O'Hagan, Finance Manager (Strategy)

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E-mail: [lorraine.o'hagan@southlanarkshire.gov.uk](mailto:lorraine.o'hagan@southlanarkshire.gov.uk)

## SOUTH LANARKSHIRE COUNCIL

## Revenue Budget Monitoring Report

Period Ended 8 September 2023 (No.6)

Resource / Committee

## Departments:

**Community and Enterprise Resources**

Facilities, Waste and Grounds

Leisure and Culture

Planning and Regulatory

Environmental and Sustainable Development

Roads, Transportation and Fleet

**Education Resources**

Education

**Finance and Corporate Resources**

Finance Services - Strategy

Finance Services - Transactions

Audit and Compliance Services

Information Technology Services

Communications and Strategy Services

Administration and Licensing Services

Personnel Services

**Housing and Technical Resources**

Housing Services

Property Services

**Social Work Resources**

Performance and Support Services

Children and Families

Adults and Older People

Justice and Substance Misuse

**Joint Boards**

<u>Resource / Committee</u>	<b>Annual Budget</b>	<b>Annual Forecast</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion to 08/09/23</b>	<b>Actual to 08/09/23</b>	<b>Variance to 08/09/23</b>	
	£m	£m	£m	£m	£m	£m	
<b>Departments:</b>							
<b>Community and Enterprise Resources</b>	<b>129.375</b>	<b>129.375</b>	<b>0.000</b>	<b>47.670</b>	<b>47.670</b>	<b>0.000</b>	
Facilities, Waste and Grounds	77.569	77.569	0.000	29.680	29.471	0.209	under
Leisure and Culture	23.227	23.227	0.000	11.204	11.210	(0.006)	over
Planning and Regulatory	4.966	4.966	0.000	2.027	1.862	0.165	under
Environmental and Sustainable Development	4.732	4.732	0.000	0.016	(0.070)	0.086	under
Roads, Transportation and Fleet	18.881	18.881	0.000	4.743	5.197	(0.454)	over
<b>Education Resources</b>	<b>417.789</b>	<b>417.789</b>	<b>0.000</b>	<b>150.947</b>	<b>150.947</b>	<b>0.000</b>	
Education	417.789	417.789	0.000	150.947	150.947	0.000	
<b>Finance and Corporate Resources</b>	<b>41.663</b>	<b>41.663</b>	<b>0.000</b>	<b>20.968</b>	<b>20.968</b>	<b>0.000</b>	
Finance Services - Strategy	2.118	2.118	0.000	1.148	1.116	0.032	under
Finance Services - Transactions	18.448	18.448	0.000	7.025	6.824	0.201	under
Audit and Compliance Services	0.374	0.374	0.000	0.225	0.251	(0.026)	over
Information Technology Services	5.226	5.226	0.000	6.572	6.604	(0.032)	over
Communications and Strategy Services	2.910	2.910	0.000	1.444	1.436	0.008	under
Administration and Licensing Services	4.279	4.279	0.000	2.134	2.237	(0.103)	over
Personnel Services	8.308	8.308	0.000	2.420	2.500	(0.080)	over
<b>Housing and Technical Resources</b>	<b>14.176</b>	<b>14.176</b>	<b>0.000</b>	<b>13.845</b>	<b>13.845</b>	<b>0.000</b>	
Housing Services	8.464	8.464	0.000	3.374	3.374	0.000	
Property Services	5.712	5.712	0.000	10.471	10.471	0.000	
<b>Social Work Resources</b>	<b>214.719</b>	<b>214.719</b>	<b>0.000</b>	<b>113.056</b>	<b>113.056</b>	<b>0.000</b>	
Performance and Support Services	6.358	6.358	0.000	2.643	2.481	0.162	under
Children and Families	37.215	37.215	0.000	18.129	18.375	(0.246)	over
Adults and Older People	170.058	170.058	0.000	91.234	91.234	0.000	
Justice and Substance Misuse	1.088	1.088	0.000	1.050	0.966	0.084	under
<b>Joint Boards</b>	<b>2.053</b>	<b>2.053</b>	<b>0.000</b>	<b>0.948</b>	<b>0.948</b>	<b>0.000</b>	
	<b>819.775</b>	<b>819.775</b>	<b>0.000</b>	<b>347.434</b>	<b>347.434</b>	<b>0.000</b>	

Summary

Service Departments Total

CFCR

Loan Charges

Corporate Items

Corporate Items (Strategy)

2023/24 Investments – Transfers to Reserves

**Total Expenditure**

Council Tax

Less: Council Tax Reduction Scheme

Net Council Tax

General Revenue Grant

Non-Domestic Rates

Transfer from Reserves

**Total Income****Net Expenditure / (Income)**

	<b>Annual Budget</b>	<b>Annual Forecast</b>	<b>Annual Forecast Variance</b>	<b>Budget Proportion to 08/09/23</b>	<b>Actual to 08/09/23</b>	<b>Variance to 08/09/23</b>	
	£m	£m	£m	£m	£m	£m	
Service Departments Total	819.775	819.775	0.000	347.434	347.434	0.000	
CFCR	0.352	0.352	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	2.074	2.074	0.000	0.051	0.051	0.000	
Corporate Items (Strategy)	15.211	15.211	0.000	0.000	0.000	0.000	
2023/24 Investments – Transfers to Reserves	3.276	3.276	0.000	0.000	0.000	0.000	
<b>Total Expenditure</b>	<b>864.357</b>	<b>864.357</b>	<b>0.000</b>	<b>347.485</b>	<b>347.485</b>	<b>0.000</b>	
Council Tax	178.602	178.602	0.000	82.432	82.432	0.000	
Less: Council Tax Reduction Scheme	(23.278)	(23.278)	0.000	(10.744)	(10.744)	0.000	
Net Council Tax	155.324	155.324	0.000	71.688	71.688	0.000	
General Revenue Grant	319.941	319.941	0.000	147.665	147.665	0.000	
Non-Domestic Rates	341.536	341.536	0.000	157.632	157.632	0.000	
Transfer from Reserves	47.556	47.556	0.000	47.556	47.556	0.000	
<b>Total Income</b>	<b>864.357</b>	<b>864.357</b>	<b>0.000</b>	<b>424.541</b>	<b>424.541</b>	<b>0.000</b>	
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(77.056)</b>	<b>(77.056)</b>	<b>0.000</b>	



**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 8 September 2023 (No.6)**

**Budget Category****Service Departments:****Expenditure**

	Annual Budget £m	Annual Forecast £m	Annual Forecast Variance £m	Budget Proportion to 08/09/23 £m	Actual to 08/09/23 £m	Variance to 08/09/23 £m	
Employee Cost	614.892	614.892	0.000	258.809	258.609	0.200	under
Property Costs	61.695	61.695	0.000	16.847	17.295	(0.448)	over
Supplies and Services	60.812	60.812	0.000	22.161	22.527	(0.366)	over
Transport Costs	45.880	45.880	0.000	23.265	25.067	(1.802)	over
Administration Costs	15.589	15.589	0.000	4.703	4.761	(0.058)	over
Payments to Other Bodies	78.082	78.082	0.000	32.542	32.296	0.246	under
Payments to Contractors	242.856	242.856	0.000	99.473	96.363	3.110	under
Transfer Payments	6.255	6.255	0.000	4.440	4.278	0.162	under
Housing Benefits	65.650	65.650	0.000	24.527	24.527	0.000	
Financing Charges (controllable)	2.341	2.341	0.000	0.458	0.454	0.004	under
<b>Total</b>	<b>1,194.052</b>	<b>1,194.052</b>	<b>0.000</b>	<b>487.225</b>	<b>486.177</b>	<b>1.048</b>	<b>under</b>
Service Departments Total	1,194.052	1,194.052	0.000	487.225	486.177	1.048	under
CFCR	0.352	0.352	0.000	0.000	0.000	0.000	
Loan Charges	23.669	23.669	0.000	0.000	0.000	0.000	
Corporate Items	2.074	2.074	0.000	0.051	0.051	0.000	
Corporate Items (Strategy)	15.211	15.211	0.000	0.000	0.000	0.000	
2023/24 Investments – Transfers to Reserves	3.276	3.276	0.000	0.000	0.000	0.000	
<b>Total Expenditure</b>	<b>1,238.634</b>	<b>1,238.634</b>	<b>0.000</b>	<b>487.276</b>	<b>486.228</b>	<b>1.048</b>	<b>under</b>
<b>Income</b>							
Housing Benefit Subsidy	60.258	60.258	0.000	23.351	23.351	0.000	
Other Income	314.019	314.019	0.000	116.440	115.392	(1.048)	under rec.
Council Tax (Net of Council Tax Reduction Scheme)	155.324	155.324	0.000	71.688	71.688	0.000	
General Revenue Grant	319.941	319.941	0.000	147.665	147.665	0.000	
Non-Domestic Rates	341.536	341.536	0.000	157.632	157.632	0.000	
Transfer from Reserves	47.556	47.556	0.000	47.556	47.556	0.000	
<b>Total Income</b>	<b>1,238.634</b>	<b>1,238.634</b>	<b>0.000</b>	<b>564.332</b>	<b>563.284</b>	<b>(1.048)</b>	<b>under rec.</b>
<b>Net Expenditure / (Income)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(77.056)</b>	<b>(77.056)</b>	<b>0.000</b>	

**SOUTH LANARKSHIRE COUNCIL**  
**Revenue Budget Monitoring Report**  
**Period Ended 8 September 2023 (No.6)**  
**Housing Revenue Account**

	Annual Budget £m	Forecast for Year £m	Annual Forecast Variance £m	Budget Proportion to 08/09/23 £m	Actual to 08/09/23 £m	Variance to 08/09/23 £m		%	Note
Employee Costs	14.253	14.253	0.000	5.975	6.033	(0.058)	over	(1.0%)	
Property Costs	50.929	50.929	0.000	19.749	20.339	(0.590)	over	(3.0%)	1
Supplies & Services	0.433	0.433	0.000	0.095	0.091	0.004	under	4.2%	
Transport & Plant	0.196	0.196	0.000	0.075	0.058	0.017	under	22.7%	
Administration Costs	5.570	5.570	0.000	0.219	0.206	0.013	under	5.9%	
Payments to Other Bodies	2.974	2.974	0.000	0.935	0.998	(0.063)	over	(6.7%)	
Payments to Contractors	0.100	0.100	0.000	0.042	0.042	0.000	-	0.0%	
Transfer Payments	0.000	0.000	0.000	0.000	0.000	0.000	-	0.0%	
Financing Charges	27.162	27.162	0.000	8.385	8.404	(0.019)	over	(0.2%)	
Total Controllable Expenditure	101.617	101.617	0.000	35.475	36.171	(0.696)	over	(2.0%)	
Total Controllable Income	(115.940)	(115.940)	0.000	(42.746)	(42.913)	0.167	over recovered	0.4%	2
Transfer to/(from) Balance Sheet	(4.907)	(4.907)	0.000	(2.265)	(2.794)	0.529	over recovered	23.4%	3
Net Controllable Expenditure	(19.230)	(19.230)	0.000	(9.536)	(9.536)	0.000	-	0.0%	
Add: Non Controllable Budgets									
Financing Charges	19.230	19.230	0.000	0.000	0.000	0.000	-	0.0%	
Total Budget	0.000	0.000	0.000	(9.536)	(9.536)	0.000	-	0.0%	

**Variance Explanations**

1. The net overspend reflects the volume and cost of repairs and maintenance, including additional costs for the internal contractor. There is also an overspend in relation to cleaning charges.
2. The additional income is due to the favourable timing of new build and purchased council housing units being available to rent.
3. The timing impact of the net overspend requires a higher than budgeted transfer from reserves at this time.

**Virements**

None.

# Report

4

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>11 October 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Budget 2023/2024 and Monitoring for Period 6 - 1 April 2023 to 8 September 2023</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update the Executive Committee of progress on the General Fund Capital Programme and the Housing Capital Programme for the period 1 April 2023 to 8 September 2023

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the adjustments to the General Fund programme, listed at Appendix 1, be approved;
- (2) that the period 6 position (ended 8 September 2023) of the General Fund Capital Programme detailed in Appendices 2 to 3 and the Housing Capital Programme at Appendix 4, be noted; and
- (3) that the revised programmes be monitored by the Financial Resources Scrutiny Forum.

## 3. Background

3.1. The attached statements to this report provide a summarised monitoring position as at 8 September 2023. Spending has been split into two separate sections:-

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 4).
- ◆ Housing Capital Programme (Section 5).

## 4. General Fund Capital Programme

4.1. **2023/2024 Budget:** The budget agreed at Executive Committee on 13 September 2023 was £80.262 million. A revised programme of £80.356 million is now anticipated, which includes an adjustment to the programme totalling an increase of £0.094 million. The adjustment reflects additional funding received to install floodlights at Douglas Primary School. This proposal is detailed in Appendix 1.

4.2. The funding available to support the overall 2023/2024 Capital Programme also totals £80.356 million.

- 4.3. **General Fund – Period 6 Position:** As noted in section 4.1, the total capital spending programme for the year is £80.356 million. The detailed programme and spend for the General Fund are shown in Appendices 2 and 3.
- 4.4. Appendix 3 also shows budget for the period of £17.884 million and spend to the 8 September 2023 of £17.898 million. The General Services Programme is, therefore, slightly ahead of programme by £0.014 million, and this reflects the timing of spend incurred to date.
- 4.5. Actual funding received to 8 September 2023 is £48.282 million. Relevant officers will continue to closely monitor the generation of all income, including receipts.
- 5. Housing Capital Programme**
- 5.1. **2023/24 Budget:** Appendix 4 summarises the position on the Housing programme as at 8 September 2023. The revised capital programme for the year is £69.596 million, as approved by the Executive Committee on 16 August 2023.
- 5.2. Programmed funding for the year also totals £69.596 million. The funding sources are detailed in Appendix 4.
- 5.3. **Period 6 Position:** Budget for the period is £21.298 million and spend to 8 September 2023 amounts to £19.378 million. This results in the Housing Programme being £1.920 million behind programme. This is due to a number of external fabrics projects being re-programmed to take account of new, more effective, procurement routes and delays experienced to allow further consideration of technical options for some works.
- 5.4. As at 8 September 2023, £19.378 million of funding had been received.
- 6. Employee Implications**
- 6.1. There are no employee implications as a result of this report.
- 7. Financial Implications**
- 7.1. The General Services and Housing Programmes and their spend position to 8 September 2023 are detailed in sections 4 and 5 respectively.
- 7.2. Regular monitoring of both the General Fund Programme and the Housing Programme will be carried out in detail by the Financial Resources Scrutiny Forum and reported on a regular basis to this Committee.
- 8. Other Implications**
- 8.1. 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.
- 9. Climate Change, Sustainability and Environmental Implications**
- 9.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.
- 10. Equality Impact Assessment and Consultation Arrangements**
- 10.1. 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.

10.2. 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)**

20 September 2023

**Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ Executive Committee, 13 September 2023

**List of Background Papers**

- ◆ Capital Ledger prints to 8 September 2023

**Contact for Further Information**

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

Lorraine O'Hagan, Finance Manager (Strategy)

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E-mail: [lorraine.o'hagan@southlanarkshire.gov.uk](mailto:lorraine.o'hagan@southlanarkshire.gov.uk)

**Proposed Adjustments****Community and Enterprise Resources****Douglas Primary School – Floodlights**

Glenbuck and Douglas Football Academy have been awarded £0.094m from Clyde Windfarm and the Renewable Energy Fund to install floodlights at Douglas Primary School, following the completion of the feasibility and design report in financial year 2022/2023. Approval is sought to increase the 2023/2024 Capital Programme by £0.094m to allow these works to progress.

£0.094m

Minor Adjustments

-

**TOTAL ADJUSTMENTS****£0.094m**

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2023/24  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2023 TO 8 SEPTEMBER 2023

£m

**Total Base Budget** (including carry forward from 2022/2023) **80.262**

Proposed Adjustments – Period 6 0.094

**Total Revised Budget** **80.356**

	<u>2023/24</u> <u>Budget</u>	<u>Period 6</u> <u>Proposed</u> <u>Adjustments</u>	<u>Revised</u> <u>2023/24</u> <u>Budget</u>
<u>Resource</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	39.508	0.094	39.602
Education	19.333	-	19.333
Finance & Corporate	5.333	-	5.333
Housing & Technical	12.258	-	12.258
Social Work	2.030	-	2.030
Other Match Funding	1.800	-	1.800
<b>TOTAL CAPITAL PROGRAMME</b>	<b>80.262</b>	<b>0.094</b>	<b>80.356</b>

## Appendix 3

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2023/24  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2023 TO 8 SEPTEMBER 2023

	<u>2023/24</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u>	<u>2023/24</u> <u>Revised</u> <u>Budget</u>	<u>2023/24</u> <u>Budget to</u> <u>08/09/23</u>	<u>2023/24</u> <u>Actual to</u> <u>08/09/23</u>
<b>Expenditure</b>	£m	£m	£m	£m
<b>General Fund Programme</b>	77.849	80.356	17.884	17.898
<b>Income</b>	<u>2023/24</u> <u>Budget</u>	<u>2023/24</u> <u>Revised</u> <u>Budget</u>		<u>2023/24</u> <u>Actual</u> <u>To</u> <u>08/09/23</u>
	£m	£m		£m
Prudential Borrowing	24.959	28.525		28.525
Developers Contributions	7.658	0.906		0.000
Partners (Including SPT, Clyde Windfarm and Transport Scotland)	2.157	3.393		0.549
Scottish Government:				
- Capital Grant	33.985	34.527		12.594
- Cycling, Walking and Safer Routes	1.632	2.284		0.232
- Road Safety Improvement	0.000	0.475		0.000
- Vacant and Derelict Land	2.019	2.019		1.334
- Regeneration Capital Grant	0.737	1.726		0.745
- Place Based Investment	1.510	2.723		2.723
Programme				
-Inspiring School Age Childcare	0.000	0.234		0.000
Spaces Programme				
Glasgow City Region City Deal	0.000	0.000		0.000
Capital Receipts	2.000	2.000		0.036
Specific Reserves	1.192	1.192		1.192
Revenue Contribution	0.000	0.352		0.352
<b>TOTAL FUNDING</b>	<b>77.849</b>	<b>80.356</b>		<b>48.282</b>



SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2023/24  
HOUSING PROGRAMME  
FOR PERIOD 1 APRIL 2023 TO 8 SEPTEMBER 2023

	<u>2023/24</u> <u>Original</u> <u>Budget</u> £m	<u>2023/24</u> <u>Revised</u> <u>Budget</u> £m	<u>2023/24</u> <u>Budget to</u> <u>08/09/23</u> £m	<u>2023/24</u> <u>Actual to</u> <u>08/09/23</u> £m
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**Expenditure**

2023/24 Budget	63.916	69.596	21.298	19.378
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	<u>2023/24</u> <u>Original</u> <u>Budget</u> £m	<u>2023/24</u> <u>Revised</u> <u>Budget</u> £m	<u>2023/24</u> <u>Actual to</u> <u>08/09/23</u> £m
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**Income**

Capital Receipts	0.000	1.683	1.901
Capital Receipts – Land Sales	0.000	0.000	0.016
Capital Funded from Current Revenue	27.162	27.162	11.500
Prudential Borrowing	17.302	23.331	0.000
Scottish Government Specific Grant:			
- New Build	16.632	12.036	5.830
- Open Market Purchase Scheme	2.700	5.264	0.000
- Mortgage to Rent	<u>0.120</u>	<u>0.120</u>	<u>0.131</u>
	<u>63.916</u>	<u>69.596</u>	<u>19.378</u>



# Report

5

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>11 October 2023</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Additional Funding from Scottish Government and Other External Sources</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ advise Members of additional funding that has been made available to the Council by the Scottish Government and other external sources since the last report to this Committee (13 September 2023)

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):

- (1) that the additional funding totalling £1.373 million, detailed in Appendix 1, be noted.

## 3. Background

3.1. The Council is periodically advised of additional funding which is made available from the Scottish Government and other sources to enable various initiatives to be undertaken.

3.2. Additional funding may either be paid through the General Revenue Grant mechanism or by the completion of appropriate grant claims.

3.3. Details of the additional funding are attached in Appendix 1 of the report. The report details additional funding that has been reported by Resources as part of the additional resources notification process, as well as any additional funding that has increased the Council's budget by more than £0.100 million.

## 4. Employee Implications

4.1. None.

## 5. Financial Implications

5.1. Additional Revenue funding of £1.373 million has been identified for 2023/2024. This is detailed in Appendix 1.

5.2. The total additional funding is, therefore, £1.373 million and Resource budgets will be updated to reflect this additional funding as required, where appropriate, details of spending plans will be presented to Resource Committees for approval.

## **6. Climate Change, Sustainability and Environmental Implications**

- 6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## **7. Other Implications**

- 7.1. There are no other implications in terms of the information contained in this report.

## **8. Equality Impact Assessment and Consultation Arrangements**

- 8.1. 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)**

20 September 2023

### **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, Effective, Efficient and Transparent

### **Previous References**

- ◆ Executive Committee, 13 September 2023

### **List of Background Papers**

- ◆ Additional Funding Reports 24 August to 16 September 2023

### **Contact for Further Information**

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

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: [lorraine.o'hagan@southlanarkshire.gov.uk](mailto:lorraine.o'hagan@southlanarkshire.gov.uk)

Additional Revenue Funding

Resource	Description	2023/2024 £m	2024/2025 £m	Total £m	Method
Housing and Technical Resources	Ukrainian Resettlement  Allocation from £30 million national (Scotland) fund to support displaced people from Ukraine – General Revenue Grant.	1.373	-	<b>1.373</b>	Scottish Government
	<b>TOTAL REVENUE FUNDING</b>	<b>1.373</b>	<b>-</b>	<b>1.373</b>	



# Report

6

Report to: **Executive Committee**  
 Date of Meeting: **11 October 2023**  
 Report by: **Chief Executive**

Subject: **Recommendations Referred by Finance and Corporate Resources Committee - Treasury Management Activity Report 2022/2023, Prudential Code Indicators and Annual Investment Report 2022/2023**

## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ request approval of the following recommendations referred to this Committee by the Finance and Corporate Resources Committee of 27 September 2023:-
  - ◆ that the Treasury Management Activity Report for 2022/2023 and the 2022/2023 Treasury Management and Prudential Code Indicators be noted
  - ◆ that the Council's Annual Investment Report for 2022/2023 be endorsed and referred to the Council for formal approval

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the recommendation of the Finance and Corporate Resources Committee of 27 September 2023 in relation to the Treasury Management Activity Report for 2022/2023 and the 2022/2023 Treasury Management and Prudential Code Indicators be noted; and
- (2) that the recommendation of the Finance and Corporate Resources Committee of 27 September 2023 in relation to the Annual Investment Report for 2022/2023 be endorsed and referred to the Council for formal approval.

## 3. Recommendations Referred by Finance and Corporate Resources Committee of 27 September 2023 – Treasury Management Activity for 2022/2023 and 2022/2023 Treasury Management and Prudential Code Indicators and Annual Investment Report 2022/2023 – Extract of Minute

A report dated 29 August 2023 by the Executive Director (Finance and Corporate Resources) was submitted on the:-

- ◆ Treasury Management Activity and Prudential Code indicators for 2022/2023
- ◆ proposed Annual Investment Report for 2022/2023

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Treasury Management required the Council to prepare an annual report

on its Treasury Management activities. The CIPFA Prudential Code required councils to prepare a series of financial indicators that demonstrated affordability, prudence and sustainability with regard to capital financing decisions.

The Council's Capital Programme included, within its funding package, planned borrowing. The Prudential Code provided a framework to assist the management of the financial implications and helped to demonstrate that borrowing was both affordable and prudent.

The Council's Treasury Management Activity Report for 2022/2023 and the Treasury Management and Prudential Code Indicators for 2022/2023 were attached as appendices 1 and 2, respectively, to the report.

In terms of the Local Government Investments (Scotland) Regulations 2010, the Council was required to prepare an Annual Investment Strategy prior to the start of each financial year and an Annual Investment Report after the financial year end. Both documents required to be approved by the Council.

The Annual Investment Strategy for 2022/2023 had covered the following areas:-

- ◆ permitted investments
- ◆ risk management
- ◆ borrowing in advance

The Annual Investment Report, attached as Appendix 3 to the report, detailed the Council's activity in each of those 3 areas for 2022/2023 and Appendix 4 detailed the permitted investments that the Council had approved for the financial year 2022/2023.

No borrowing in advance was taken during 2022/2023.

**The Committee decided:**

- (1) that the Treasury Management Activity Report for 2022/2023 and the 2022/2023 Treasury Management and Prudential Code Indicators be noted and referred to the Executive Committee for noting; and
- (2) that the 2022/2023 Annual Investment Report be endorsed and referred to the Executive Committee for endorsement prior to submission to the Council for formal approval in line with The Local Government Investments (Scotland) Regulations 2010.

**4. Employee Implications**

- 4.1. All employee implications were highlighted as part of the original reports to Resource Committee.

**5. Financial Implications**

- 5.1. All financial implications were highlighted as part of the original reports to Resource Committee.

**6. Climate Change, Sustainability and Environmental Implications**

- 6.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.



## **7. Other Implications**

- 7.1. Any risks or other implications were highlighted as part of the original reports to the Resource Committee.

## **8. Equality Impact Assessment and Consultation Arrangements**

- 8.1. Equality impact assessment and consultation arrangements were highlighted as part of the original reports to the Resource Committees.
- 8.2. There is no requirement to carry out an Equality Impact Assessment or consultation in terms of the proposals contained in this report.

**Cleland Sneddon**  
**Chief Executive**

27 September 2023

## **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, effective, efficient and transparent

## **Previous References**

- ◆ Finance and Corporate Resources Committee of 27 September 2023 (Paragraph 9)

## **List of Background Papers**

- ◆ Individual report to Resource Committee  
<..\\..\\Finance and Corporate Resources\\Finance and Corporate Resources Committee\\230927\\9. Prudential Indicators Treasury Management Activity and Annual Investment Report 20222023.doc>

## **Contact for Further Information**

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

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E-mail: [Pauline.macrae@southlanarkshire.gov.uk](mailto:Pauline.macrae@southlanarkshire.gov.uk)



# Report

7

Report to: **Executive Committee**  
 Date of Meeting: **11 October 2023**  
 Report by: **Executive Director (Finance and Corporate Resources)**  
**Executive Director (Education Resources)**

Subject: **Religious Representation on the Education Resources Committee**

## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide an update on the current position regarding the appointment of a third church/religious representative to serve on the Education Resources Committee

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that it be noted that it had not been possible to appoint a third church/religious representative to the Education Resources Committee; and
- (2) that the Committee continue to operate with the 2 confirmed religious representatives from the Church of Scotland and the Roman Catholic Church.

## 3. Background

3.1. A local authority, when establishing an Education Resources Committee, is required to invite representatives from Church organisations to act as religious representatives on the Education Resources Committee.

## 4 Church/Religious Representatives

4.1 In terms of the Local Government (Scotland) Act 1973, an education authority is required to appoint:-

- ♦ a representative from the Church of Scotland
- ♦ a representative of the Roman Catholic Church
- ♦ a third religious representative having regard to:-
  - ♦ representation from the churches referred to above
  - ♦ the comparative strength within their area of all the churches and denominational bodies having duly constituted charges or other regularly appointed places of worship there

4.2 Following the local government elections in May 2022, the Church of Scotland confirmed Mrs Gillian Coulter as a religious adviser on the Education Resources Committee and the Roman Catholic Church confirmed that it would wish Mr John Mulligan to serve as religious adviser on the Education Resources Committee. In June 2022, the Committee gave approval for appointments of some external

representatives, including the third church/religious representative, on the Education Resources Committee to be extended until new appointments were confirmed. However, this was as an interim measure and the third religious representative for the period 2017 to 2022 had intimated their intention to stand down from the position.

- 4.3 As there was no specified method detailed in the appropriate legislation for selecting a third religious representative to serve on the Education Resources Committee, an advertisement, as has been the case in previous years, was placed in local newspapers in July 2022 requesting nominations for a person interested in the promotion of religious and moral education. In response, 2 nominations were received, however, 1 nominee subsequently withdrew their nomination and the remaining nominee did not pursue their interest in the appointment. As a result, an advertisement was placed in local newspapers for the second time in August 2023 requesting expressions of interest to serve as the third religious representative on the Education Resources Committee. However, after the closing date, no nominations or expressions of interest had been received.
- 4.4 In the absence of interest from parties to serve as the third religious representative on the Committee and as the extension of the appointment of the representative for the period 2017 to 2022 was only ever intended as an interim measure until a new appointment was confirmed, following advice from Legal Services, it is proposed that the Committee continues to operate with the 2 confirmed religious/church representatives from the Church of Scotland and the Roman Catholic Church.

## **5 Employee Implications**

- 5.1 There are no employee implications as a result of the information contained in this report.

## **6 Financial Implications**

- 6.1 There are no financial implications as a result of the information contained in this report.

## **7 Climate Change, Sustainability and Environmental Implications**

- 7.1 There are no climate change, sustainability or environmental implications associated with this report.

## **8 Other Implications**

- 8.1 There are no other implications associated with this report.

## **9 Equality Impact Assessment and Consultation Arrangements**

- 9.1 This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and, therefore, no impact assessment is required.

**Paul Manning**

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

**Carol McKenzie**

**Executive Director (Education Resources)**

26 September 2023

**Link(s) to Council Values/Priorities/Outcomes**

- ◆ Accountable, effective, efficient, and transparent

**Previous References**

- ◆ Executive Committee – 29 June 2022

**List of Background Papers**

- ◆ None

**Contact for Further Information**

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

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# Report

8

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>11 October 2023</b>
Report by:	<b>Executive Director (Education Resources)</b>

Subject:	<b>Revision of Costs and Increase in Funding to Extend, Adapt and Modernise Our Lady of Lourdes Primary School, East Kilbride / Glasgow City Region City Deal – East Kilbride Community Growth Area Business case.</b>
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## 1. Purpose of Report

1.1 The purpose of the report is to: -

- ♦ update on the cost issues and funding solution associated with the Our Lady of Lourdes Project
- ♦ advise on action taken, in terms of Standing Order 37(c), because of the timescales involved and the urgent requirement to award tenders, by the Executive Director (Education Resources) in consultation with the Depute Chair and an ex officio member to grant permission to commence works

## 2. Recommendation(s)

2.1. The Committee is asked to approve the following recommendation(s):-

- (1) that the action taken, in terms of Standing Order 37(c), because of the timescales involved and the urgent requirement to award tenders, by the Executive Director (Education Resources) in consultation with the Depute Chair and an ex officio member to grant permission to commence works and to approve the Full Business case be noted.

## 3. Background

3.1. In January 2004, the Council entered a 20-year lease with Investec to provide a modular construction building to be utilised as a school building for Our Lady of Lourdes Primary School and Nursery Class. The lease term was to end on 30 January 2024. At its meeting on 19 January 2021, the Education Resources Committee approved the acquisition of the Our Lady of Lourdes building. The building has now been acquired and forms part of the Council's property portfolio. The building is now the oldest within the Council's school estate and the only school which was not modernised through the primary schools modernisation programme.

3.2. The school is also the only denominational primary school for the East Kilbride Community Growth Area. In order to accommodate increased number of pupils from this and other housing developments it will require additional educational accommodation.

3.3. At Executive Committee on 1 March 2023 approval was given to:-

- ◆ build 3 additional classrooms to accommodate pupil growth predicted from several housing developments in the school catchment area.
- ◆ complete a comprehensive internal and external upgrade of the existing building to include a new pitched roof, over cladding of the external walls, upgrading of the ventilation and heating systems, new windows and external doors and some additional general works to bring the school up to the high specification of the recently completed primary schools modernisation programme.
- ◆ reconfigure the school playground to assist with securing the playground and providing a visitor link direct to the school building entrance.

3.4. A funding package of £4.754m was approved by Executive Committee on 1 March 2023 to facilitate these works. The funding was identified from the following sources:

APPROVED FUNDING	£
Developer Contributions	£3.354m
City Deal Funding	£1.000m
Universal Free School Meals Funding	£0.400m
TOTAL	£4.754m

3.5. In order to allow the necessary works, Our Lady of Lourdes Primary School is currently decanted to the new Jackton Primary School which has sufficient capacity during the 2023/24 school year to accommodate both schools.

#### 4. Tender Position

4.1. Although all works will be co-ordinated through Building Services, the new build and refurbishment elements of the project have been designed and tendered as two separate but integrated projects, being Phase 1: New Build and Phase 2: Refurbishment.

4.2. **Phase 1: New Build** Tenders were returned for the new build element of the project on 7 June 2023 with the lowest competent bid being £1.798m (inclusive of all costs including design fees and City Deal monitoring costs). Prior to submission for City Deal funding approval, this contract requires Executive Committee prior to submission to City Deal. Subject to approval, the contract will be awarded by the end of October 2023. The extension project will now not complete for August 2024, but Housing and Technical Resources colleagues have advised work will be able to continue even if the main part of the school building is occupied.

4.3. **Phase 2: Refurbishment Costs** Tenders were returned on 3 July 2023 for this element of the project. Unfortunately, all elements of the tendered packages were significantly higher than expected and totalled £6.437m. The main reasons for this significant cost increase are primarily in connection with unprecedented construction inflation pressures and the volatile nature of the construction materials market at this time. This has occurred particularly in the following works packages:-

- ◆ Roofing and Cladding materials
- ◆ External windows and doors



- ◆ Costs associated with the forming new ground floor classroom doors to enhance outdoor learning opportunities
- ◆ Inclusion of Sustainable Technologies
- ◆ Mechanical and Electrical infrastructure costs
- ◆ Ground Works packages associated with the provision of additional carparking, improved playground security and forming a new entrance way to the school.
- ◆ Increased Transportation Costs

Examples include the cost of the external cladding materials which increased from the pre-tender stage by circa £0.7m; an overall 25% increase to mechanical and electrical works packages due to the volatility of the market conditions, windows by circa £0.3m due to the system to install windows into the portacabin structure, and transportation costs which increased from the pre-tender estimate by circa £0.1m.

- 4.4. A full tender review and value engineering exercise has been undertaken by colleagues in Housing and Technical Resources to reassess the specification to reduce costs but still maintain the level of accommodation associated with the council's primary school modernisation programme. The completion of this exercise has brought in significant cost reductions in the Phase 2 refurbishment project from £6.437m to £4.783m. Although this represents a significant saving on the initial tender submissions, the works would still bring the school up to a standard consistent with the rest of the primary school estate but would require the identification of additional funding.
- 4.5. A summary of the total financial position for Our Lady of Lourdes, extension and refurbishment, is outlined in the table below:

<b>Approved Budget March 2023</b>	<b>Tender Return Costs</b>	<b>Revised Estimated Costs</b>	<b>Shortfall In Approved Budget March 2023</b>
£4.754m	£8.235m	£6.581m	£1.827m

## 5. Financial Implications

- 5.1. The table below proposes solutions to fund the shortfall within the Our Lady of Lourdes project, with options on how the remaining balance could be addressed listed at the bottom of the table below.

<b>New Financial Position</b>	<b>£m</b>	<b>£m</b>
<b>New Estimated Project Cost</b>		<b><u>6.581</u></b>
<b>Revised Funding Proposals</b>		
1. Approved Budget March 2023		4.754
<u>2. Education Capital Programme:</u> Further Allocation from Universal Free Schools Meals 2022/23 Early Years 1140 Hours capital saving	0.100 0.300	0.400
<u>3. Developer Contributions.</u> Further work with finance colleagues has confirmed additional inflationary amounts have been received or are against housing developments which are almost complete,		1.000

so monies are available for use and can be applied to Our Lady of Lourdes.		
<b>^Remaining Shortfall in Funding</b>		<b>^0.427</b>
Total		<u>6.581</u>
<b><u>^ 4. Options to bridge the shortfall £0.427m:</u></b>		
○ Capital Bid into Scotland's Public Sector Heat Decarbonisation Fund	£0.427	

- 5.2 If the external funding is not successful, Education Resources may require to look to lifecycle capital budgets and reprioritise planned works.
- 5.3 Given the delay caused by reviewing the tenders and specification for the Our Lady of Lourdes refurbishment, it will be extremely challenging to complete the project to allow the school to re-occupy the building by August 2024. Housing and Technical Resources are currently reprofiling the works programme to try and accomplish an August 2024 completion but this may not now be possible. Jackton Primary School may not have the space to accommodate Our Lady of Lourdes Primary School during the 2024/25 school session (pupil enrolment will not be confirmed until late January 2024). If it were possible to accommodate both schools, additional transportation costs would be incurred at approximately £50,000 per month. There is no further funding identified for additional pupil transport costs at this time.
- 5.4 Urgent approval was sought to proceed with the projects using the additional funding identified to cover the increased costs. Any delay incurring continued decant transport costs would have to be identified from within the options proposed in section 4 of the table in paragraph 5.4.
- 5.5 Approval to bring the additional funding into the project was urgently required to allow the refurbishment construction contract to commence as soon as possible, minimise disruption to the school, and minimise additional pupil transportation costs.
- 6. City Deal Business Case Approval**
- 6.1. It should be noted that there is a requirement that the Our Lady of Lourdes Primary School Extension Full Business Case be approved, in line with the required governance arrangements of the City Deal. An appendix to this report (Appendix 1) outlines that business case. Grant funding will be obtained in accordance with City Deal grant distribution process outlined in the Assurance Framework in relation to the delivery of the project with the precise arrangements to be agreed by the City Deal Chief Executive's group and City Deal Cabinet
- 7. Employee Implications**
- 7.1. There are no employee implications associated with this report.
- 8. Climate Change, Sustainability and Environmental Implications**
- 8.1. There are no new climate change, sustainability or environmental implications arising from this proposal.
- 9. Other Implications**
- 9.1. There are no other implications associated with this report.

## **10. Equality Impact Assessment and Consultation Arrangements**

- 10.1. This report does not introduce a new policy, function, or strategy and therefore no separate impact assessment is required.
- 10.2. No formal consultation process was required in terms of the recommendation contained in this report.

**Carole McKenzie**  
**Executive Director (Education Resources)**

27 September 2023

### **Link(s) to Council Values/Priorities/Outcomes**

- ◆ Our children and young people thrive
- ◆ Inspiring learners, transforming learning, strengthening partnerships attainment
- ◆ Accountable, effective, efficient and transparent

### **Previous References**

- ◆ Education Committee 19 January 2021. Acquisition of Our Lady of Lourdes PS School Building
- ◆ Executive Committee 1 March 2023. Upgrading and Extension of Our Lady of Lourdes PS

### **List of Background Papers**

None

### **Contact for Further Information**

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

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## **Appendix – Final Business Case for City Deal – Our Lady of Lourdes**

### **1. Background**

- 1.1. The Council is one of eight local authorities who, with the UK and Scottish Governments, are signatories to the £1.13 billion Glasgow City Region City Deal.
- 1.2. The City Deal is made up of a list of 20 key infrastructure projects that are intended to collectively drive economic growth across the Glasgow City Region area.
- 1.3. The Community Growth Areas (CGA's) is one of four South Lanarkshire projects among the list of twenty. Larkhall Community Growth Area is one of the 4 CGAs that have been combined together to form the CGA project – the other CGA's being located in Newton, Hamilton and Larkhall.
- 1.4. The East Kilbride CGA comprises a number of individual education, transport and community infrastructure projects which will be delivered over a timeframe of up to 12 years which will in turn 'create' capacity to accommodate the increase in population from housebuilding of up to 2,600 new homes. The proposed Our Lady of Lourdes Primary School Extension is one of the projects to be brought forward to Full Business Case stage at Larkhall CGA.
- 1.5. Governance arrangements for the City Deal initiative are defined within the associated City Deal Assurance Framework. This sets out requirements for the development of Business Cases for individual projects. The first level of business case for the CGA's was the Strategic Business Case and this was approved by the Executive Committee on 26 August 2015 and the second level business case, the Outline Business Case, was approved by the Executive Committee on the 15 August 2018.
- 1.6. Full Business Cases for each project requires to be formally approved via:
  - ◆ The Member Authority Committee process
  - ◆ The City Deal approval procedures.
- 1.7. On 18 August 2015, the City Deal Cabinet approved Strategic Business Cases for all of the Council's City Deal Projects, including the CGA's, and on the 14 August 2018 the Outline Business Case for East Kilbride CGA was approved. This provides the basis to bring forward full business cases for each individual project. This is the second FBC for the East Kilbride CGA.

### **2. Current Proposal**

- 2.1. A Full Business Case (FBC) has now been produced for the Our Lady of Lourdes Primary School Extension element of the East Kilbride CGA project. The existing Our Lady of Lourdes PS is located 2 kilometres north east of East Kilbride CGA site. It currently has 13 classrooms, an early years facility, gym hall, dining hall, general purpose space, MUGA pitch and extensive grounds that facilitate outdoor learning.
- 2.2. The planned outputs for the Our Lady of Lourdes Primary School Extension project are:
  - ◆ A new 330 sq. m single-storey extension to the existing school.

- ◆ This delivers a total of 3 new primary school classrooms, 1 general purpose room with associated storage, toilet and circulation space giving additional capacity for up to 99 pupils.
- 2.3. This additional accommodation provided at Our Lady of Lourdes Primary School, East Kilbride is estimated to meet the need for additional pupil places as the CGA is developed. The additional space created by the extension is also expected to reduce the requirement for composite classes.
- 2.4. This FBC continues to make the case for East Kilbride CGA project in terms of:
- ◆ Strategic Fit
  - ◆ Commercial Case
  - ◆ Economic Case
  - ◆ Financial Case
  - ◆ Management Case

The Executive Summary of the FBC is contained at the end of this paper.

- 2.5. The critical success factors against which the Our Lady of Lourdes PS project will be judged are:
- ◆ provision of education and nursery infrastructure (Our Lady of Lourdes PS) to meet the needs of new residents without having an adverse impact on existing communities;
  - ◆ the integration of Our Lady of Lourdes PS extension into the existing school with its established administration and management team; and
  - ◆ the delivery of the construction contract on-time and within budget.

This project will deliver on these requirements.

- 2.6. The production of the Full Business Case provides the basis for full delivery and construction of the school extension.
- 2.7. The contractor to deliver this project has been identified and the approval of this Full Business Case is expected to release funding to allow construction work to be completed in autumn 2024.
- 2.8. On the basis that Committee approve the report, this will then be considered by the Glasgow City Region City Deal Programme Management Office who have delegated powers to confirm its approval under the Assurance Framework

### **3. Employee Implications**

- 3.1. There are no direct employee implications from this project as existing resources within Enterprise and Sustainable Development Services are currently tasked with the management and delivery of this City Deal project.

### **4. Financial Implications**

- 4.1. The project budget for the Our Lady of Lourdes Primary School Extension project is £1.798 million. It forms part of a refurbishment and extension proposal with a total value of £6.581m. Project costs includes professional fees, construction works, contingency and community benefit monitoring.

- 4.2. City Deal funding amounts to £1million with 86% (£0.860 million) provided from the Scottish and UK Government and the Council contributing the 14% balance (0.140 million).
- 4.3. The revenue implications of the primary school expansion will be managed by the Council as part of its revenue budget strategy.

## **5. Climate Change, Sustainability and Environmental Implications**

- 5.1. The new extension will meet all South Lanarkshire Council requirements in respect of Climate Change, Sustainability and Environmental implications. The processes associated with the approval of the East Kilbride CGA have considered the following sustainability agenda items and are subject to monitoring and review as detailed proposals for each phase of the development progress:-
- ◆ encourage energy efficiency through the orientation and design of buildings.
  - ◆ choice of materials and the use of low and net zero technologies.
  - ◆ support sustainable water resource management.
  - ◆ support sustainable waste management.
  - ◆ consider the lifecycle of the development.
  - ◆ encourage the use of sustainable and recycled materials in construction.
  - ◆ support habitat connectivity
  - ◆ consider active travel and sustainable transport links.

## **6. Other Implications**

- 6.1. Risk - The City Deal Cabinet has a Risk Management Strategy applied across all City Deal projects. The purpose of this Risk Management Strategy is to provide a systematic and effective method by which risks can be consistently managed. It adopts a best practice approach, describes the specific risk management techniques and standards to be applied and the responsibilities for achieving effective risk management.
- 8.2. The Council is required to apply this City Deal Risk Management Strategy across each of its City Deal projects to ensure consistency across all City Deal projects. This will be a key tool in mitigating project risks and thereby limiting our financial risk associated with the Council's 14% share of City Deal project costs. A robust monitoring system has also been put in place to ensure that 'early warnings' are provided and appropriate action taken.

## **7. Equality Impact Assessment and Consultation Arrangements**

- 7.1. This report does not introduce a new policy, function or strategy or recommend a significant change to an existing policy, function or strategy, and, therefore, no impact assessment is required. Consultation has taken place with relevant resources within the Council and the CGA developers. In addition, consultation was undertaken with the wider community through the planning process.

**David Booth**

**Executive Director (Community and Enterprise Resources)**

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

- ◆ Get it right for children and young people.
- ◆ Promote economic growth and tackle disadvantage.
- ◆ Improve the availability, quality and access of housing.

- ◆ Improve the road network, influence improvements in public transport and encourage active travel.
- ◆ Work with communities and partners
- ◆ Improve achievement and attainment.

### **Previous References**

- ◆ Executive Committee, 26 August 2015 – City Deal – South Lanarkshire Council, Community Growth Areas, Strategic Business Case
- ◆ Executive Committee, 15 August 2018 – Glasgow City Region City Deal –East Kilbride Community Growth Area, Outline Business Case

### **List of Background Papers**

- ◆ City Deal, East Kilbride Community Growth Area – Our Lady of Lourdes Primary School Extension, Full Business Case
- ◆ City Deal, East Kilbride Community Growth Area – Outline Business Case.

### **Contact for Further Information**

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

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## Executive Summary- Our Lady of Lourdes Primary School Extension FBC

- i. This Full Business Case (FBC2) is for £1m City Deal funding – £0.86m City Deal (86%) and £0.14m SLC (14%), £0.798m S75 developers contribution additional funding, providing a total package of £1.798m to enable construction of the extension (phase 1) of Our Lady of Lourdes Primary School (PS) at the East Kilbride Community Growth Area (CGA), accounting for Element 2 of the whole EKCGA project proposal.
- ii. The project has 2 elements - extension and refurbishment. City Deal funding will be used only in the extension works of the project. This FBC continues to build the case from the Strategic Business Case (SBC) which secured approval for £62.3m across South Lanarkshire's four CGAs and from the Outline Business Case (OBC) which secured approval for the initial sum of £11.608m City Deal funding to develop the East Kilbride CGA project, comprising off-site education, community and transport infrastructure.
- iii. The OBC has subsequently been supplemented by an approved change control virement of £1m and will be met via a re-allocation of project budget associated with the Hamilton CGA project at Calderside Academy. All spend associated with both projects will be managed within the overall Community Growth Areas budget of £60.3 million (reduced from £62.3m due to a requirement to vire funds to the Greenhills Road City Deal project). For this project £1m has been vired from Hamilton CGA schools' program (Calderside Academy) giving a new total City Deal contribution to EKCGA of £13.330m. The financial template will be updated from the OBC model at Full and Final business case where all adjustments will be made to reflect the final picture.
- iv. No City Deal funding will be used in the refurbishment element of the project.

### The Strategic Case

- v. As presented in the OBC, there is a critical need for investment in education infrastructure to allow the development of 2,644 new homes at EK CGA.
- vi. The strategic aim of the Our Lady of Lourdes Primary School extension project element is:  
  
***“To deliver the Our Lady of Lourdes Primary School extension in a manner than enables delivery of the residential development 7 years earlier than planned with associated economic, carbon reduction and social benefits.”***
- vii. Based on capacity planning (i.e. individual class make-up at the start of the school year) the actual working capacity at Our Lady of Lourdes Primary School extension at Sept 2022 is 362 pupils, with space for an additional 28 pupils. Delivery of the Our Lady of Lourdes Primary School extension, starting in late 2023, is a necessary pre-requisite project for delivery of the full CGA development and enable its completion 12 years earlier than planned. The school extension and refurbishment will be supported by the installation of air source heat pumps to reduce the carbon footprint.
- viii. The CGA is focused on development of family-style houses, for which provision of accessible education, in particular primary school, is a key selling point. The total estimated population at the new East Kilbride CGA is 8,213 and 623 are expected to be of primary school age with 226 nursery age. Historically 25% of these primary and nursery pupils will require denominational education facilities.
- ix. As reported in the OBC (and evidenced in the development profiles), the counterfactual arrangement is that the CGA development will be less attractive to purchasers and it will take until 2027/28 before there have been sufficient S75 payments to fund delivery of primary school infrastructure (i.e. from 1,400 market homes).

### The Economic Case

- x. The economic case presents and test a series of alternative options – including the counterfactual or ‘do nothing’ options, before a preferred solution that meets the identified needs and delivers Value for Money for the public sector.
- xi. The only viable options were identified as being around the activity of the project proposal i.e. either extend an existing or build a new stand-alone primary school. Through analysis of the local school portfolio and potential to accommodate an extension, Our Lady of Lourdes Primary School extension was



identified as the best option for the denominational school extension project, based on the current local area capacity and ability to extend on site. The estimated cost of delivering a new seven classroom primary school did not offer value for money and was therefore discounted.

### **The Commercial Case**

- xii. Delivery of additional capacity in the denominational primary school system is identified as a critical requirement in delivering the full CGA over 11 years by meeting the needs of the key partners – new and existing residents (by releasing capacity), SLC and City Deal partners (by delivering additional economic value) and housebuilders/ house purchasers (by creating a more attractive development proposition).
- xiii. City Deal funding has been identified as the only viable source for delivery of the critical off-site infrastructure works (schools/ roads) needed to bring forward the development earlier than planned.

### **The Financial Case**

- xiv. This Full Business Case (FBC2) is for £1m City Deal funding – £0.86m City Deal (86%) and £0.14m SLC (14%), £0.798m S75 developers additional funding etc, providing a total package of £1.798m to enable development of Our Lady of Lourdes Primary School (PS) at the East Kilbride Community Growth Area (CGA), accounting for element 2 of the whole CGA project proposal. Phasing of the full CGA project expenditure is presented in Appendix 6 of the OBC.
- xv. Following a procurement exercise, the City Deal cost of delivering element 1, Our Lady of Lourdes Primary School Extension is estimated at £1m, accounting for 7.72% of the total approved East Kilbride CGA City Deal allocation. This figure is based on the current OBC EIA and change controls and will be adjusted at the full and final FBC to reflect all changes in spend.
- xvi. SLC will take on the additional maintenance responsibilities at Our Lady of Lourdes Primary School extension in perpetuity, following completion of the extended school building. These costs will be funded from existing Council revenue and capital budgets, as the need arises.
- xvii. SLC has ultimate responsibility for cost over-runs beyond the level of financial budget/ approval for the CGAs. VAT has been treated as recoverable.

### **The Management Case**

- xviii. The management and delivery of the extension (element 1), Our Lady of Lourdes Primary School works will be contained within the remit of SLCs CGA Programme. East Kilbride CGA will be managed by SLC in accordance with the standards required by the City Deal governing principles. Project roles have been assigned to Senior Responsible Officer, Project Sponsor, Project Manager and an internal Project Team. Education Services within SLC will lead the delivery of the project, ensuring alignment against other SLC CGA and Education projects.
- xix. SLC Enterprise and Sustainable Development Services will have responsibility for the long-term monitoring and evaluation of the project benefits, including community benefits, in line with the Management & Evaluation Plan, using in-house resource and supplemented by external specialist consultants as required. The economic impact model developed to appraise the gross and net benefits of the alternative options, allows for the activities to be measured and performance tracked against the forecast profile.
- xx. The key objectives and critical success factors (as defined in the Strategic Case) have ensured that the development of the East Kilbride CGA is embedded in a holistic approach to sustainability – environmental, economic, social and community – and the financial appraisal confirms that the project is financially sustainable, albeit with a need for future (planned) investment by the private sector to deliver the new houses.
- xxi. In summary the City Deal East Kilbride investment generates the following results as per the OBC – Option 3 with this project (FBC2) contributing 7.72% of the results:

**Table 1: Project performance at OBC (Showing Our Lady of Lourdes PS 7.72% Share).**

<b>Project Performance</b>	<b>Counter - Factual</b>	<b>Option 1</b>	<b>Option 2</b>	<b>Option 3</b>
Total Units Delivered	109	109	109	204
Timetable to Complete	By 2036	By 2036	By 2036	By 2029
Net Direct Construction PYE'S (Scotland)	417	424	433	813
Net Direct Operational FTE's (Scotland)	13	15	18	27
Private Sector Resi Costs (Discounted)	£12.12m	£12.12	£12.35	£24.09m
Public Sector Infra Costs (SLC + CD) (Discounted)	0	£0.18m	£0.59m	£0.81m
Private Sector Infra Costs (£75) (Discounted)	£0.60m	£0.60m	£0.61m	£1.44m
Total Public/Private Capital Infra Costs (Discounted)	£0.60m	£0.76m	£1.28m	£2.22m
Total Public Sector Revenue Costs (Discounted)	£0.52m	£1.01m	£2.98m	£3.01m
Total Capital + Revenue Costs (Discounted)	£0.52m	£1.27m	£3.56m	£3.78m
Total Net Direct Benefits -GVA (Discounted)	£28.18m	£28.79m	£31.12m	£59.2m
Public Cost - Direct Benefit (Discounted)	£27.64m	£27.48m	£27.56m	£55.41m

Note- All results rounded to avoid 'spurious accuracy', benefits presented as net additional, financial as discounted net direct totals over 25 year flow.