



Report

Report to:	Executive Committee
Date of Meeting:	28 March 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring for Period 12 - 1 April 2017 to 2 February 2018
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ consolidate the capital budget monitoring to give a Council-wide summary of the 2017/2018 Capital Programme including 2016/2017 carry forward and adjustments. It includes information on two programmes: the General Fund Programme and the Housing Investment Programme.
- ◆ update the Executive Committee of progress on the Capital Programme for the period 1 April 2017 to 2 February 2018.

2. Recommendation(s)

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

- (1) that the Period 12 position (ended 2 February 2018) of the General Fund Capital Programme itemised at Appendices 1 to 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund programme listed at Appendix 2, be approved;
- (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 2 February 2018. Spending has been split into two separate sections:

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 5.1)
- ◆ Housing Capital Programme (Section 5.2)

4. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund

5.1.1. 2017/2018 Budget

The budget agreed at Executive Committee on 28 February 2018 was £78.317 million. A revised budget of £78.242 million is presented in Appendix 1. This takes into account the proposed adjustments listed in Appendix 2.

5.1.2. 2017/2018 Outturn

Current estimates from Housing and Technical Resources suggest a 2017/2018 outturn of £62.137 million. This is an underspend of £16.105 million and the main reason for this relates to the Primary Schools' Modernisation Programme within Education Resources. This reflects the expected timing of project spend and funding will carry forward into next financial year.

5.1.3. Period 12 Position

The programme spend and funding for the General Fund is summarised in Appendices 1 and 2. This totals £78.242 million for 2017/2018.

5.1.4. Budget for the period is £50.264 million and spend to the 2 February 2018 is £44.605 million (57.01%). This represents expenditure of £5.659 million behind profile. This is mainly due to timing of spend on the Council's Primary Schools' Modernisation Programme.

5.1.5 During the construction phase of various projects in the Primary Schools Modernisation Programme there have been technical issues encountered which have delayed work programmes and have led to a reduction in spend in the current financial year. These projects are progressing in line with the completion dates agreed with Education Resources. The timing of receipt of external funding in relation to schools has also contributed to the requirement to carry funds forward.

5.1.6. Actual funding received to 2 February 2018 is £67.816 million (86.67%). Relevant officers will continue to closely monitor the generation of all income including receipts.

5.2. Housing Programme

5.2.1. Appendix 3 summarises the position on the Housing programme as at 2 February 2018. The revised capital programme for the year is £40.581 million. Programmed funding for the year totals £40.581 million.

5.2.2. 2017/2018 Outturn

In terms of the Housing Capital Programme work has been ongoing to clarify the predicted spend position for this financial year and current estimates from Housing and Technical Resources suggest an outturn of £38.080 million. This is an underspend of £2.501 million and reflects the anticipated timing of spend in relation to the Urban Park Development of the former Blairbeth Golf Course site and the continued work of the Housing Investment Programme. Funding for these projects will also carry forward into next financial year.

5.2.3. Period 12 Position

Budget for the period is £28.130 million and spend to 2 February 2018 amounts to £27.165 million (66.94%). This represents expenditure of £0.965 million behind profile and reflects the timing of spend on Blairbeth Golf Course and the Housing Investment Programme.

5.2.4. As at 2 February 2018, £27.165 million of funding had been received.

5.2.5. Regular monitoring of both the General Fund Programme and the Housing Programme is carried out in detail by the Financial Resources Scrutiny Forum and reported on a regular basis to this Committee.

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.

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)

21 February 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 28 February 2018

List of Background Papers

- ◆ Capital Ledger prints to 2 February 2018

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 2017/18
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2017 TO 2 FEBRUARY 2018

APPENDIX 1

£m £m

Total 2017/18 Budget Approved **112.839**
(Council, 16 February 2017)

Net Slippage from Previous Years 8.649

Transfers to Revenue:

- Private Housing Scheme of Assistance	(1.000)	
- Planned Maintenance	<u>(4.301)</u>	(5.301)

Carry Forward Adjustment from 2016/17 Outturn 0.039

Reduction in Primary School Modernisation Programme requirement (5.500)

Reduction in Street Lighting requirement:

- LED's	(2.395)	
- Columns	<u>(1.048)</u>	(3.443)

Reduction in Glasgow City Region City Deal requirement (16.531)

Total Original 2017/18 Budget including Carry Forward **90.752**

Previously Approved Adjustments (12.435)

Proposed Adjustments (0.075)

Total Revised Budget including Carry Forward **78.242**

<u>Resource</u>	<u>Approved 2017/18 Budget £m</u>	<u>C/F From 2016/17 £m</u>	<u>Previous Year Adj'ments £m</u>	<u>Total Original 2017/18 Budget £m</u>	<u>Previous Period Approved Adj'ment £m</u>	<u>Period 12 Proposed Adj'ments £m</u>	<u>Revised 2017/18 Budget £m</u>
Community & Enterprise	52.174	1.059	(16.404)	36.829	(5.904)	(0.075)	30.850
Education	40.349	(1.519)	(1.969)	36.861	3.556	0.000	40.417
Finance & Corporate	1.026	(0.102)	0.680	1.604	0.355	0.000	1.959
Housing & Technical	7.994	0.492	(4.433)	4.053	0.558	0.000	4.611
Social Work	11.296	0.109	0.000	11.405	(11.000)	0.000	0.405
Total	112.839	0.039	(22.126)	90.752	(12.435)	(0.075)	78.242

APPENDIX 2

Proposed Adjustments

Community and Enterprise Resources

Springhall Regeneration Project

Confirmation has been received from the Scottish Government of a funding award of £0.300m from the Regeneration Capital Grants Fund towards Springhall Community Hub. This project involves redeveloping Springhall Community Hall in consultation with the community. £0.300m

This £0.300m will be added to £0.075m of Council match funding from Regeneration Services Capital programme in 2017/18, giving a total allocation in 2017/18 of £0.375m. In order to reflect the timescales for this project to commence on site, approval is sought to slip the £0.375m into 2018/19. (£0.375m)

In addition, the Community Hub project has a second match allocation of £0.075m from the Prioritised Urgent Investment Fund in 2018/19. This will result in a total project budget of £0.450m in 2018/19.

The Executive Committee on 28 February 2018 approved £0.307m of additional 2018/19 capital funding for 2018/19 be allocated to the Springhall Regeneration Project. This is already included in the 2018/19 Capital Programme. Therefore there will be £0.757m of capital funding available in 2018/19.

Finally, in relation to Springhall Regeneration Project and The Cage specifically, Healthy and Happy have led a bid to the Big Lottery Fund (£0.465m). The outcome of this bid is expected in June 2018.

Minor Adjustments

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Total Adjustments (£0.075m)

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2017/18
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2017 TO 2 FEBRUARY 2018

APPENDIX 3

	<u>2017/18</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u> £m	<u>2017/18</u> <u>Revised</u> <u>Budget</u> £m	<u>2017/18</u> <u>Budget to</u> <u>02/02/18</u> £m	<u>2017/18</u> <u>Actual to</u> <u>02/02/18</u> £m
Expenditure				
General Fund Programme	90.752	78.242	50.264	44.605
Income				
	<u>2017/18</u> <u>Budget</u> £m	<u>2017/18</u> <u>Revised</u> <u>Budget</u> £m		<u>2017/18</u> <u>Actual</u> <u>To</u> <u>02/02/18</u> £m
Prudential Borrowing	53.461	33.357		33.357
Heritage Lottery / Sportscotland Grant	0.032	0.302		0.276
Developers Contributions	2.716	2.924		2.529
Partners (Including SPT, Sustrans, Viridor and Renewable Energy Fund)	0.808	3.188		1.436
Scottish Government:				
- Capital Grant	30.331	30.331		25.278
- Cycling, Walking and Safer Streets	0.433	0.433		0.000
- Vacant and Derelict Land	1.637	1.637		1.367
- Scotland's Energy Efficiency Programme (SEEP)	0.076	0.076		0.071
- Gaelic Education Hub	0.476	0.476		0.476
- Early Years 1,140 Hours	0.000	1.743		1.743
- Schools for the Future	0.000	2.492		0.000
Specific Reserves	0.511	1.012		1.012
Capital Receipts	0.000	0.000		0.000
Capital Financed from Current Revenue	0.271	0.271		0.271
TOTAL FUNDING	90.752	78.242		67.816

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2017/18
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2017 TO 2 FEBRUARY 2018

APPENDIX 4

	<u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Revised</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Budget to</u> <u>02/02/18</u> <u>£m</u>	<u>2017/18</u> <u>Actual to</u> <u>02/02/18</u> <u>£m</u>
Expenditure				
2017/18 Budget incl carry forward from 2016/17	39.709	40.581	28.130	27.165
Income				
	<u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Revised</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Actual to</u> <u>02/02/18</u> <u>£m</u>	
Capital Receipts – House Sales	5.872	5.872	6.138	
Capital Receipts – Land Sales	0.000	0.000	0.063	
Capital Funded from Current Revenue	18.997	19.520	19.520	
Prudential Borrowing	9.890	9.890	1.333	
Specific Grant				
- Scottish Government – New Council Houses	4.830	4.830	0.000	
- Scottish Government – Mortgage to Rent	0.120	0.120	0.050	
- Scottish Natural Heritage	0.000	0.349	0.000	
- Home Energy Efficiency Programme (HEEP)	0.000	0.000	0.061	
	39.709	40.581	27.165	