

# Report

Report to: **Executive Committee**  
Date of Meeting: **24 January 2024**  
Report by: **Chief Executive**

Subject: **Capital Budget 2023/2024 and Monitoring for Period 9 -  
1 April 2023 to 1 December 2023**

## 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 1 December 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 9 position (ended 1 December 2023) of the General Fund Capital Programme detailed in appendices 2 to 4 and the Housing Capital Programme at Appendix 5, 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 1 December 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 22 November 2023 was £78.901 million. A revised programme of £71.696 million is now anticipated, a reduction of £7.205 million from the previously approved position.

4.2. This revised programme of £71.696 million reflects proposed adjustments to the programme, totalling a net decrease of £1.140 million, which are detailed in Appendix 1.

4.3. These adjustments reflect a delay in the Vacant and Derelict Land funded project at Langlands West Industrial Development Site, East Kilbride as the remediation works

at the site are unable to commence until the contractor at Greenhills Road has finalised their outstanding works (£0.500 million) and the community-led project at Carluke High Mill Community Facility (£0.501 million), where the delay in receiving Regeneration Capital Grant funding has impacted project timescales. Finally, due to project timescales, both the Community Bus Fund grant (£0.303 million) and SPT funding on Lanark Interchange cannot be utilised this financial year. The Community Bus Fund grant will be utilised in 2024/2025 instead.

- 4.4. The decrease in the programme above is partially offset by budget increases with developer's contributions identified to implement infrastructure improvements at Calderglen Country Park, East Kilbride (£0.043m), additional funding received from Cycling Scotland for cycle shelters at schools (£0.095m) and the Shared Prosperity Fund (£0.026m) for energy efficiency investment in business infrastructure.
- 4.5. A further proposed exception on the Glasgow City Region City Deal – Greenhills Road project is included in a separate report to this Committee for members' consideration. If this exception is approved, the Capital Programme will be updated as part of the next capital budget monitoring update to this Committee.
- 4.6. **Transfers to Revenue:** In addition to the adjustments noted at Sections 4.2 and 4.3, the revised programme of £71.696 million also reflects a transfer to revenue of £1 million for the Private Housing Scheme of Assistance project. The original capital budget for 2023/2024 included an allocation of £1.000 million for Private Housing Scheme of Assistance. Following a review of the spend, it has been identified that it cannot be classed as Capital. Therefore, it is proposed that budget of £1.000 million will be transferred to Housing and Technical Resource's Revenue budget.
- 4.7. Capital expenditure can be funded by Revenue monies, however, Revenue spend cannot be paid for from Capital funding. The Council's Capital programme includes funding that can be used for Revenue spend, such as contributions from the Revenue budget. We are, therefore, able to move funding between the Capital and Revenue Programmes and deliver the project as planned. This is an accounting transaction only.
- 4.8. Since the last report to this Committee, there has also been a change to the funding package, and this is detailed in sections 4.9 and 4.10.
- 4.9. **General Capital Grant:** In December 2023, the Scottish Government revised our 2023/2024 General Capital Grant allocation to £29.947 million. This is a decrease of £4.883 million and reflects the removal of the previously expected 2023/2024 Free School Meals allocation of £5.065 million. The Capital Programme had originally included a 2023/2024 allocation of £5.065 million for this project, based on information received from the Scottish Government. However, no Capital funds have been distributed to the Council this year for free school meals. It has, therefore, been removed from the Programme.
- 4.10. This grant reduction has been offset by an increase of £0.182 million in the overall general Capital Grant allocation. Given the late notification of this additional funding, this additional allocation of £0.182 million will be used to fund the existing Capital Programme and reduce the Council's level of borrowing in 2023/2024. The overall benefit of this additional funding will be considered as part of the 2024/2025 Capital Programme report.
- 4.11. The revised Programme, including the movement from the last report, is detailed in Appendix 2.

- 4.12. Programmed funding for the year also totals £71.696 million. The funding available to support the overall 2023/2024 Capital Programme is detailed in Appendix 3.
- 4.13. **2023/2024 Outturn:** Work has been ongoing to clarify the predicted spend position for the General Services Capital Programme for this financial year and this is detailed in sections 4.14 to 4.16.
- 4.14. Current estimates from Resources suggest an outturn of around £65.4 million. Against the revised budget of £71.696 million, this outturn means a net underspend across Resources of £6.3 million. This is made up of project underspends totalling £8.5 million offset by projects with greater than anticipated spend of £2.2 million.
- 4.15. The majority of the variance is due to the timing of spend, resulting in budget required in 2024/2025 rather than 2023/2024. The progression of a number of projects has been impacted by protracted negotiations with external organisations (primarily the Place Based Investment Programme and Rural Development Centre projects). As a result, confirmation of final outturn figures is awaited. For some other projects (Prioritised Urgent Investment), the spend is demand led and final levels of spend will only be determined as we approach the end of the year and all commitments have been identified.
- 4.16. These underspends have been partially offset by a few projects where there are budget overspends predicted this financial year. For these projects, again, this is a timing issue only with funding for the overall spend already identified into the next financial year.
- 4.17. A list of the main projects which are responsible for the underspend of £6.3 million and which will now complete in 2024/2025 is included in Appendix 4.
- 4.18. **General Fund – Period 9 Position:** As noted in section 4.1, the total capital spending programme for the year is £71.696 million.
- 4.19. Appendix 3 shows budget for the period of £31.992 million and spend to the 1 December 2023 of £31.999 million. The spend is, therefore, slightly ahead of programme by £0.007 million and this mainly reflects the timing of project spend in relation to the adaptation works at Uddingston Grammar School (£0.442 million), where the funding requirement for this project had originally been anticipated for 2024/2025. This overspend has been partially offset by an underspend on the First Steps Community Nursery Extension, Hamilton project (£0.129 million) due to the timing of spend. It has also been partially offset by project spend on the Prioritised Urgent Investment Programme (£0.239 million) within Housing and Technical Resources, being less than anticipated at this time.
- 4.20. Actual funding received to 1 December 2023 is £53.928 million. This is also detailed in Appendix 3.
- 4.21. Relevant officers will continue to closely monitor the generation of all income.
- 5. Housing Capital Programme**
- 5.1. **2023/24 Budget:** Appendix 5 summarises the position on the Housing programme as at 1 December 2023. The revised capital programme for the year is £67.443 million, as approved by the Executive Committee on 22 November 2023.

- 5.2. Programmed funding for the year also totals £67.443 million. The funding sources are detailed in Appendix 5.
- 5.3. **2023/2024 Outturn:** Current estimates from Housing and Technical Resources suggest an outturn of £67.443 million. Progress on the Housing Capital Programme will continue to be monitored and updates will be provided to future meetings of this Committee.
- 5.4. **Period 9 Position:** Budget for the period is £33.315 million and spend to 1 December 2023 amounts to £33.973 million. This results in the Housing Programme being £0.658 million ahead of programme. This is due to the number of buy backs, through the open market purchase scheme, which have been progressed earlier than anticipated.
- 5.5. As at 1 December 2023, £33.973 million of funding had been received.
- 5.5 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 the Executive Committee.
- 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 Programme Programmes and their spend position to 1 December 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**  
**Chief Executive**

10 January 2024

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

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ Executive Committee, 22 November 2023

**List of Background Papers**

- ◆ Capital Ledger prints to 1 December 2023

**Contact for Further Information**

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

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<b><u>Proposed Adjustments</u></b>	
<b><u>Community and Enterprise Resources</u></b>	
<p><b><u>Calderglen Country Park – One Way System &amp; Improved Infrastructure</u></b>            Approval is sought to increase the 2023/2024 Capital Programme by £0.043 million to upgrade and enhance the road infrastructure within Calderglen Country Park. This includes the introduction of a one-way traffic management system and improvements to the existing road infrastructure which will resolve ongoing flooding and parking issues.</p> <p>This will be funded by developers' contributions already received from the East Kilbride area.</p>	£0.043m
<p><b><u>SLC Industrial Infrastructure - Energy Efficiency</u></b>            As reported to the Community and Enterprise Committee (29 August 2023), to facilitate energy efficiency investment in business infrastructure, an allocation of £0.909 million has been made available from the Council's Shared Prosperity Fund allocation. Feasibility work on Cathcart Place Industrial Development will commence during 2023/2024, with the main improvement works scheduled to start in 2024/2025.</p> <p>Approval is sought to increase the 2023/2024 Capital Programme by £0.026 million, with the remaining £0.883 million being added to the budget in 2024/2025 when required.</p>	£0.026m
<p><b><u>Vacant and Derelict Land – Langlands West Strategic Industrial Development Site, East Kilbride</u></b>            The 2023/2024 Capital Programme includes £0.500 million for improvement works at Langlands West, which would commence following the completion of the City Deal funded project at Greenhills Road.            Reinstatement works to the area used as a contractor's site are still ongoing. The remediation works cannot start until this has been concluded.</p> <p>Approval is sought to slip £0.500 million into financial year 2024/2025 to reflect the revised timescales.</p>	(£0.500m)
<p><b><u>Carluke High Mill Community Facility – Phase 1</u></b>            This funding of £1.199 million (£0.714m in 2023/2024, £0.485m in 2024/2025) was secured from the Scottish Government's Regeneration Capital Grant Fund (RCGF) towards the community-led project to refurbish and repurpose Carluke High Mill into a multi-purpose community facility. The community group have also been awarded Heritage Lottery and Historic Environment Scotland funding for this project.</p> <p>Following a delay in the award of Regeneration Capital Grant funding, along with a slight delay in the main contract being agreed, the Community Group have now advised that the project timescales have been reviewed and anticipated spend in 2023/2024 is now expected to be £0.213 million, with the balance of £0.986 million required in financial year 2024/2025. Therefore, approval is sought to slip £0.501 million into financial year 2024/2025 to reflect the revised timescales.</p>	(£0.501m)

<p><u>Cycle Shelters at Schools</u></p> <p>Cycling Scotland has provided specific grant funding of up to £0.095 million in financial year 2023/2024 for the supply and installation of cycle and scooter parking facilities at the following establishments: St Mark's Primary School, Hamilton; Newton Farm Primary School, Woodpark Primary School, Muiredge Primary School, Hunter Primary School, Netherburn Primary School and Duncanrig Secondary School.</p> <p>Approval is sought to increase the 2023/2024 Capital Programme by £0.095 million.</p>	£0.095m
<p><u>Community Bus Fund</u></p> <p>The Scottish Government have provided specific grant funding of £0.303 million to improve connectivity, integration between modes, or innovative transport solutions in rural areas of deprivation. This funding will be combined with grant funding awarded by Strathclyde Partnership for Transport (SPT) to redevelop Lanark Interchange.</p> <p>The project is currently being tendered and will be awarded early in 2024, with works continuing into financial year 2024/2025. Community and Enterprise Resources have, therefore, confirmed that they are unable to spend both of the Community Bus Funds and SPT funding streams this financial year. The SPT funding will be maximised in 2023/2024 with the funding from the Community Bus Fund utilised in 2024/2025. Approval is sought to slip £0.303 million into financial year 2024/2025 to reflect the revised timescales.</p>	(£0.303m)
Minor Adjustments	-
<b>TOTAL ADJUSTMENTS</b>	<b>(£1.140m)</b>

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2023/2024  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2023 TO 1 DECEMBER 2023

£m

<b>Total Base Budget</b> (including carry forward from 2022/2023)	<b>78.901</b>
Proposed Adjustments – Period 9 (Sections 4.3 – 4.4 & Appendix 1)	(1.140)
Transfer to Revenue (Sections 4.6 - 4.8)	(1.000)
Free School Meals (Section 4.9)	(5.065)
<b>Total Revised Budget</b>	<b>71.696</b>

	<u>2023/24</u> <u>Budget</u>	<u>Period 9</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	39.717	(1.140)	38.577
Education	19.333	(5.065)	14.268
Finance & Corporate	5.333	-	5.333
Housing & Technical	12.488	(1.000)	11.488
Social Work	2.030	-	2.030
Other Match Funding	-	-	-
<b>TOTAL CAPITAL PROGRAMME</b>	<b>78.901</b>	<b>(7.205)</b>	<b>71.696</b>



## Appendix 3

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2023/2024  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2023 TO 1 DECEMBER 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>01/12/23</u>	<u>2023/24</u> <u>Actual to</u> <u>01/12/23</u>
<b>Expenditure</b>	£m	£m	£m	£m
<b>General Fund Programme</b>	77.849	71.696	31.992	31.999
<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>01/12/23</u>
	£m	£m		£m
Prudential Borrowing	24.959	25.776		25.776
Developers Contributions	7.658	0.949		0.000
Partners (Including SPT, Clyde Windfarm and Transport Scotland)	2.157	3.764		0.634
Scottish Government:				
- Capital Grant	33.985	29.947		20.126
- Cycling, Walking and Safer Routes	1.632	2.284		0.704
- Road Safety Improvement	0.000	0.475		0.000
- Vacant and Derelict Land	2.019	1.519		1.519
- Regeneration Capital Grant	0.737	1.225		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	1.340		0.241
Specific Reserves	1.192	1.422		1.422
Revenue Contribution	0.000	0.038		0.038
<b>TOTAL FUNDING</b>	<b>77.849</b>	<b>71.696</b>		<b>53.928</b>

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2023/2024  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2023 TO 1 DECEMBER 2023

<b>Projects with Anticipated Underspends in 2023/2024, which will carry forward into 2024/2025</b>		
<b>Project Name</b>	<b>Project Type</b>	<b>Completion Date</b>
<b>Community and Enterprise Resources</b>		
Phillipshill Cemetery - Extension	Infrastructure	May 2024
Play Parks - Various	Infrastructure	Throughout 2024/25 and beyond
White Bridge Replacement, Chatelherault Country Park - Design	Infrastructure	April 2024
Larkhall Leisure Centre - Design	New Build	January 2025
TACT Hall – Heating Replacement	Refurbishment	May 2024
Priory Changing Pavilion, Blantyre	Refurbishment	September 2024
Rural Development Centre - Lanark	New Build	September 2024
2023/2024 Place Based Investment Programme - Various	Regeneration	September 2024
Vacant & Derelict Land - Cuningar Allotments	Regeneration	May 2024
City Deal Community Growth Areas - Woodfoot Road / Wellhall Road, Hamilton	Infrastructure	March 2025
Lanark Interchange	Infrastructure	July 2024
<b>Education Resources</b>		
Woodside Primary School - Adaptations	Adaptations	August 2024
Uddingston Nursery Expansion	Adaptations	August 2024
Crawforddyke Primary School - Toilet Adaptations	Adaptations	April 2024
Wooddean Early Learning Centre (formerly Clyde Terrace Nursery)	New Build	May 2024
Free School Meals Expansion	Adaptations	Throughout 2024/25 and beyond
Education ICT (current contract)	Infrastructure	October 2024
<b>Finance and Corporate Resources</b>		
IT Infrastructure	Infrastructure	Throughout 2024/25
<b>Housing and Technical Resources</b>		
Prioritised Urgent Investment	Refurbishment	Throughout 2024/25
Lifecycle Replacement Schools	Refurbishment	Throughout 2024/25
Communities Facilities Fund	Refurbishment	Throughout 2024/25
Council Offices – Brandon Gate	Adaptations	June 2024
CEEF 2023/24 Programme	Refurbishment	June 2024

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2023/2024  
HOUSING PROGRAMME  
FOR PERIOD 1 APRIL 2023 TO 1 DECEMBER 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>01/12/23</u> £m	<u>2023/24</u> <u>Actual to</u> <u>01/12/23</u> £m
<b>Expenditure</b>				
2023/2024 Budget	63.916	67.443	33.315	33.973

	<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>01/12/23</u> £m
<b>Income</b>			
Capital Receipts	0.000	1.683	1.901
Capital Receipts – Land Sales	0.000	0.000	0.018
Capital Funded from Current Revenue	27.162	27.162	24.385
Prudential Borrowing	17.302	23.166	0.000
Scottish Government Specific Grant:			
- New Build	16.632	10.048	7.538
- 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>67.443</u>	<u>33.973</u>