

Report

Report to:	Education Resources Committee
Date of Meeting:	31 August 2021
Report by:	Executive Director (Finance and Corporate Resources) Executive Director (Education Resources)

Subject:	Capital Budget Monitoring 2020/2021 - Education Resources
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1. Purpose of Report

1.1. The purpose of the report is to:

- ♦ provide information on the progress of the capital programme for Education Resources for the period 1 April 2020 to 31 March 2021.

2. Recommendation(s)

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

- (1) that the Education Resources capital programme of £24.480 million, and expenditure for the year of £22.641 million, be noted.

3. Background

3.1. This is the final capital monitoring report presented to the Education Resources Committee for the financial year 2020/2021.

3.2. As noted in the last report to this Committee (1 June 2021), the budget for Education Resources for financial year 2020/2021 was £24.480 million. There have been no other changes to this budget allocation since that meeting.

3.3. The report details the financial position for Education Resources in Appendix A.

4. 2020/21 Final Position

4.1. The total capital programme for Education Resources for 2020/2021 was £24.480 million.

4.2. Total expenditure to 31 March 2021 was £22.641 million, a difference of £1.839 million on the programme of £24.480 million.

4.3. The final expenditure position of £22.641 million is slightly higher than the projected outturn of £22.561 million reported to this Committee previously (1 June 2021). The projected outturn position as at period 12 was an underspend of £1.919 million and that mainly reflected the anticipated timing of spend on a number of projects including the Information Communication Technology refresh programme, St Charles' Primary School Extension, Kilbride Early Learning Centre, Lightburn Early Learning Centre, the extension at St Mark's Primary School, Hamilton, the construction of the new building at Auchingramont Road and some smaller projects in relation to minor

alterations / ASN adaptations. These underspends had been offset by more spend than originally anticipated in relation to the Early Years 1,140 Hours programme.

- 4.4. The reduction in the underspend at the year-end, in comparison to the period 12 outturn, totals £0.080 million and is mainly due to good progress on the Early Years 1,140 hours programme. Again, this is a timing issue only, with funding for the overall spend on this programme already identified.
- 4.5. The progression of a number of projects has been impacted by the ongoing lockdowns due to Covid-19. Any underspend on these projects, along with the funding, will carry forward into next financial year as required. An update on the 2021/2022 programme is detailed in a separate report to this Committee.
- 4.6. **Year End and Accounting Adjustments:** While sections 4.1 to 4.5 detail the position on the Capital Programme as set, Accounting Regulations mean that adjustments are required to report spend correctly as either Capital or Revenue for the purposes of publishing our Annual Accounts. This includes where spend from the Capital Programme is on assets that are not owned by the Council or where spend must be classed as Revenue due to the nature of the spend. This adjustment has no physical impact on projects – it is an accounting entry only.
- 4.7. From reviewing the Council's Revenue and Capital spend for Education Resources, £0.056 million of Capital spend is required to be recorded as Revenue spend. Conversely, £0.520 million of Revenue spend should be recorded as Capital. These transfers mean that, for the purpose of publishing our Annual Accounts only, there is Capital spend of £23.105 million.

5. Employee Implications

- 5.1. There are no employee implications as a result of this report.

6. Financial Implications

- 6.1. The financial implications are detailed in section 4.

7. Climate Change, Sustainability and Environmental Implications

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

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 an overspend is managed through four weekly Investment Management Meetings.

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

Paul Manning

Executive Director (Finance and Corporate Resources)

Tony McDaid
Executive Director (Education Resources)

11 August 2021

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- Education Resources Committee, 1 June 2021

List of Background Papers

- Financial ledger to 31 March 2021

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 2020-21
Education Resources Programme
For Period 1 April 2020 – 31 March 2021**

<u>Education Resources</u>	Base Budget £000	Budget Adjustments £000	Slippage/ Acceleration £000	Total Budget £000	Actual Expenditure £000
Primary School Modernisation Programme	417	0	0	417	163
ICT Developments	3,500	1,953	0	5,453	3,856
Early Years 1,140 Hours	12,879	425	0	13,304	14,777
Other	4,657	649	0	5,306	3,845
TOTAL	21,453	3,027	0	24,480	22,641

Accounting Adjustments:

Less: Transfers to Revenue	(56)
Add: Transfers to Capital from Revenue	520
2020/21 Outturn Position (Accounting Basis Only)	23,105