

Report

Report to:	Executive Committee
Date of Meeting:	20 March 2024
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2023/2024 and Monitoring for Period 11 - 1 April 2023 to 26 January 2024
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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 26 January 2024

2. Recommendation(s)

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

- (1) that the period 11 position (ended 26 January 2024) of the General Fund Capital Programme detailed in Appendices 1 to 3 and the Housing Capital Programme at Appendix 4, be noted; and
- (2) 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 26 January 2024. 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 21 February 2024 was £78.296 million. There are no adjustments proposed in this report so the revised budget remains at £78.296 million.

4.2. The revised budget is detailed across Resources in Appendix 1.

4.3. Programmed funding for the year also totals £78.296 million. The funding available to support the overall 2023/2024 Capital Programme is detailed in Appendix 2.

4.4. **2023/2024 Outturn:** As reported previously, estimates from Resources suggest an outturn of around £72 million against the revised budget of £78.296 million. This outturn means a net underspend across Resources of £6.3 million and reflects project

underspends totalling £8.5 million offset by projects with greater than anticipated spend of £2.2 million.

- 4.5. The majority of the variance is due to the timing of spend, resulting in budget required in 2024/2025 rather than 2023/2024. 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 in the next financial year.
- 4.6. As at 26 January 2024, work continues to clarify the predicted spend position for the General Services Capital Programme for the remainder of this financial year. Funding for projects remaining underspent at the financial year-end will be carried forward to allow the projects to be completed in 2024/2025. Officers will continue to work to maximise spend in 2023/2024.
- 4.7. A list of the main projects which are responsible for the underspend of £8.5 million, as detailed in section 4.4, and which will now complete in 2024/2025 is included in Appendix 3, along with their anticipated completion dates.
- 4.8. **General Fund – Period 11 Position:** As noted in section 4.1, the total capital spending programme for the year is £78.296 million.
- 4.9. Appendix 2 shows budget for the period of £37.171 million and spend to the 26 January 2024 of £36.695 million. The spend is, therefore, behind programme by £0.476 million and this mainly reflects the timing of spend on a number of projects.
- 4.10. Within Community and Enterprise Resources, recharges for works completed to date on the Roads Carriageway Programme (£0.273m) have still to be processed.
- 4.11. Within Education Resources, spend on the First Steps Community Nursery Extension, Hamilton (£0.163 million) and the Wooddean Early Learning Centre, Bothwell (£0.272 million) are behind schedule due to delays experienced in the programmes of work, and the Free School Meals Expansion programme is behind (£0.216 million) mainly due to delays in receiving kitchen equipment for St. John the Baptist Primary School. These have been partially offset by adaptation works at Uddingston Grammar School (£0.443 million), where the funding requirement for this project had originally been anticipated for 2024/2025.
- 4.12. Finally, spend on the Prioritised Urgent Investment Programme (£0.305 million) within Housing and Technical Resources, is demand led and less than anticipated at this time.
- 4.13. Actual funding received to 26 January 2024 is £66.450 million. This is also detailed in Appendix 2.
- 4.14. Relevant officers will continue to closely monitor the generation of all income.

5. Housing Capital Programme

- 5.1. **2023/24 Budget:** Appendix 4 summarises the position on the Housing programme as at 26 January 2024. The revised capital programme for the year is £67.443 million, as approved by the Executive Committee on 21 February 2023.
- 5.2. Programmed funding for the year also totals £67.443 million. The funding sources are detailed in Appendix 4.

- 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 11 Position:** Budget for the period is £43.225 million and spend to 26 January 2024 amounts to £45.478 million. This results in the Housing Programme being £2.253 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 26 January 2024, £45.478 million of funding had been received.
- 5.6. 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 26 January 2024 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. 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 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.
- 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.

Jackie Taylor
Executive Director (Finance and Corporate Resources)

11 March 2024

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 21 February 2024

List of Background Papers

- ◆ Capital Ledger prints to 26 January 2024

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 2023/24
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2023 TO 26 JANUARY 2024

£m

Total Budget - Approved by Executive Committee, 21 February 2024 **78.296**

Proposed Adjustments – Period 11 -

Total Revised Budget **78.296**

	<u>2023/24</u> <u>Budget</u>	<u>Period 11</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	45.177	-	45.177
Education	14.268	-	14.268
Finance & Corporate	5.333	-	5.333
Housing & Technical	11.488	-	11.488
Social Work	2.030	-	2.030
Other Match Funding	-	-	-
TOTAL CAPITAL PROGRAMME	78.296	-	78.296

Appendix 2

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2023/24
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2023 TO 26 JANUARY 2024

	<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>26/01/24</u>	<u>2023/24</u> <u>Actual to</u> <u>26/01/24</u>
Expenditure	£m	£m	£m	£m
General Fund Programme	77.849	78.296	37.171	36.695
Income	<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>26/01/24</u>
	£m	£m		£m
Prudential Borrowing	32.075	30.106		30.106
Developers Contributions	0.542	3.219		2.270
Partners (Including SPT, Clyde Windfarm and Transport Scotland)	2.157	3.764		0.634
Scottish Government:				
- Capital Grant	33.985	29.947		25.128
- 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		0.889
- Place Based Investment	1.510	2.723		2.723
Programme				
-Inspiring School Age Childcare Spaces Programme	0.000	0.234		0.000
Glasgow City Region City Deal	0.000	0.000		0.000
Capital Receipts	2.000	1.340		1.017
Specific Reserves	1.192	1.422		1.422
Revenue Contribution	0.000	0.038		0.038
TOTAL FUNDING	77.849	78.296		66.450

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2023/24
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2023 TO 26 JANUARY 2024

Projects with Anticipated Underspends in 2023/2024, which will carry forward into 2024/2025		
Project Name	Project Type	Completion Date
Community and Enterprise Resources		
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	June 2024 (ongoing discussions on funding)
Education Resources		
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	April 2024
Free School Meals Expansion	Adaptations	Throughout 2024/25 and beyond
Finance and Corporate Resources		
IT Infrastructure	Infrastructure	Throughout 2024/25

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2023/24
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2023 TO 26 JANUARY 2024

Projects with Anticipated Underspends in 2023/2024, which will carry forward into 2024/2025		
Project Name	Project Type	Completion Date
Housing and Technical Resources		
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

Appendix 4

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2023/24 HOUSING PROGRAMME FOR PERIOD 1 APRIL 2023 TO 26 JANUARY 2024

	<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>26/01/24</u> £m	<u>2023/24</u> <u>Actual to</u> <u>26/01/24</u> £m
Expenditure				
2023/24 Budget	63.916	67.443	43.225	45.478
	<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>26/01/24</u> £m
Income				
Capital Receipts	0.000	1.683		1.905
Capital Receipts – Land Sales	0.000	0.000		0.018
Capital Funded from Current Revenue	27.162	27.162		27.162
Prudential Borrowing	17.302	23.166		8.419
Scottish Government Specific Grant:				
- New Build	16.632	10.048		7.843
- 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>45.478</u>