



Report

Report to:	Executive Committee
Date of Meeting:	26 September 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2018/2019 and Monitoring for Period 6 - 1 April to 17 August 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 2018/2019 Capital Programme including 2017/2018 carry forward. It includes information on two programmes: the General Fund Programme (being Education, Social Work, Roads and Transportation and General Services) and the Housing Investment Programme, which covers all investment in relation to the Council's Housing stock.
- ◆ update the Executive Committee of progress on the Capital Programme for the period 1 April to 17 August 2018.

2. Recommendation(s)

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

- (1) that the Period 6 position (ended 17 August 2018) of the General Fund Capital Programme itemised at Appendices 1 – 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the outcome of the review of the Schools Modernisation Programme and the Growth and Capacities Programme, detailed in Section 5.2 be noted;
- (3) that the adjustments to the General Fund programme listed at Appendix 2, be approved;
- (4) 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 17 August 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 6)

4. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund

5.1.1. 2018/19 Budget

The budget agreed at Executive Committee on 15 August 2018 was £72.720 million. A revised budget of £73.343 million is presented in Appendix 1. This revised programme consists of the base budget plus carry forward projects, previously approved adjustments and adjustments to the programme which are proposed in this report at Appendix 2.

5.1.2. The programme spend and funding for the General Fund is summarised in Appendices 1 and 2. Total funding of £73.343 million is available in year.

5.1.3. 2018/19 Monitoring

Budget for the period is £16.085 million and spend to the 17 August 2018 is £15.466 million (21.09%). This represents expenditure of £0.619 million behind profile. This is mainly due to the timing of spend within the Primary Schools Modernisation Programme being less than anticipated at this time. It is expected that full programme spend will be made this year.

5.1.4. Actual funding received to 17 August 2018 is £54.161 million (73.85%). Funding of £6.871 million has been received for Early Years 1,140 Hours. Of this, £2.500 million is required in the current year and is included in the programme funding total of £73.343 million. The remainder (£4.371 million) will be carried forward for use in future years.

5.2 Schools Modernisation Programme / Growth and Capacities

5.2.1 The Schools Modernisation Programme in its existing format ends in 2019. In addition, the Council has a Growth and Capacities budget within the overall Capital Programme. An exercise has been undertaken to review the budget needed to complete the approved school projects. Based on current predictions, it is anticipated that a saving of £3.000 million against a remaining programme budget of £21.420 million, will be realised in 2019/2020.

5.2.2 The total budget available (£3.000 million) will form part of a separate report to this Executive Committee.

6 Housing Programme

6.1 2018/2019 Budget

6.2 Appendix 4 also shows the position on the Housing programme as at 17 August 2018. The revised capital programme for the year is £53.664 million. Programmed funding for the year totals £53.664 million.

6.3 2018/2019 Monitoring

6.4 Budget for the period is £17.015 million and spend to 17 August 2018 amounts to £17.000 million (31.68%). This represents expenditure of £0.015 million behind profile.

6.5 As at 17 August 2018, actual funding of £17.000 million had been received.

6.6 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.

7. Other Implications

- 7.1 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.

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.
- 8.2. 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)

27 August 2018

Link(s) to Council Values/Ambitions/Objectives

- ♦ Accountable, Effective, Efficient and Transparent

Previous References

- ♦ Executive Committee, 15 August 2017

List of Background Papers

- ♦ Capital Ledger prints to 17 August 2018

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

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018/19
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 17 AUGUST 2018

APPENDIX 1

	£m	£m
Original 2018/19 Base Budget including Carry Forward		72.720
Proposed Adjustments – Period 6		0.623
Total Revised Budget including Carry Forward		73.343

<u>Resource</u>	<u>Base 2018/19 Budget</u>	<u>Period 6 Proposed Adjustments</u>	<u>Revised 2018/19 Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	38.134	0.010	38.144
Education	24.657	0.000	24.657
Finance & Corporate	1.522	0.070	1.592
Housing & Technical	8.087	0.543	8.630
Social Work	0.320	0.000	0.320
Total	72.720	0.623	73.343

Proposed Adjustments**Community and Enterprise Resources****Sustrans – School Cycle and Scooter Parking**

£0.010m

Approval is sought to increase the 2018/19 Capital programme by £0.010m to enable the supply and installation of cycle and scooter parking facilities at 4 schools within South Lanarkshire (Crawforddyke Primary School, High Blantyre Primary School, Hunter Primary School and Cathkin High School). This will be funded by an award from Sustrans of £0.010m and will be matched with monies from Cycling, Walking and Safer Streets.

Finance and Corporate Resources**Customer Contact Centre**

The Education Resources Committee agreed (5 September 2017) that the capital costs of the Schools Online Payment System totalling £0.110m be funded through the Finance and Corporate Resources Capital Programme.

£0.070m of this is currently sitting within the Information Technology Development Fund and approval is sought to add this to the 2018/19 Capital Programme. The remaining £0.040m will be funded from the existing approved Finance and Corporate programme.

£0.070m

Housing and Technical Resources**Prioritised Urgent Investment Fund**

A project exists within the 2018/19 Capital Programme for Clyde Gateway. This project is fully funded from the Council's general capital programme funding allocation. There is also a specific reserve totalling £0.543m for Clyde Gateway. It is proposed that this reserve be used to fund the Clyde Gateway project in 2018. This will release £0.543m of general capital programme funding. Approval is sought to add this general capital programme funding (£0.543m) to the Prioritised Urgent Investment Fund which is established to meet urgent essential works needed on Council properties.

£0.543m

Minor Adjustments

£0.000m

Total Adjustments

£0.623m

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018/19
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 17 AUGUST 2018

APPENDIX 3

Expenditure	<u>2018/19</u>	<u>2018/19</u>	<u>2018/19</u>	<u>2018/19</u>
	<u>Original</u>	<u>Revised</u>	<u>Budget to</u>	<u>Actual to</u>
	<u>Estimate inc</u> <u>C/F</u> £m	<u>Budget</u> £m	<u>17/08/18</u> £m	<u>17/08/18</u> £m
General Fund Programme	70.625	73.343	16.085	15.466
Income	<u>2018/19</u>	<u>2018/19</u>	<u>2018/19</u>	
	<u>Budget</u>	<u>Revised</u>	<u>Actual</u>	
	£m	£m	<u>To</u>	
Prudential Borrowing	32.772	33.080	<u>17/08/18</u>	
Heritage Lottery / Sportscotland Grant	0.124	0.288	£m	
Developers Contributions	1.550	1.550	33.080	
Partners (Including SPT, Forestry Commission, Transport Scotland, Timber Income, and Renewable Energy Fund)	0.619	2.342	0.184	
Scottish Government:			1.535	
- Capital Grant	27.607	27.607	0.816	
- Cycling, Walking and Safer Streets	0.432	0.432	11.503	
- Vacant and Derelict Land	2.316	1.566	0.000	
- Early Years 1,140 Hours	0.970	2.500	1.415	
- Regeneration Capital Grant	0.850	0.850	2.500	
Specific Reserves	1.244	2.106	0.000	
Capital Receipts	0.500	0.500	2.106	
Capital Financed from Current Revenue	1.641	0.522	0.500	
TOTAL FUNDING	70.625	73.343	54.161	

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018/19
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 17 AUGUST 2018

APPENDIX 4

	<u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2018/19</u> <u>Estimate</u> <u>to</u> <u>17/08/18</u> <u>£m</u>	<u>2018/19</u> <u>Actual to</u> <u>17/08/18</u> <u>£m</u>
Expenditure			
2018/19 Budget incl carry forward from 2017/18	53.664	17.015	17.000
	<u>2018/19</u> <u>Annual</u> <u>Budget</u> <u>£m</u>		<u>2018/19</u> <u>Actual to</u> <u>17/08/18</u> <u>£m</u>
Income			
Capital Receipts – House Sales	0.000		0.088
Capital Receipts – Land Sales	2.000		2.305
Capital Funded from Current Revenue	23.730		14.607
Prudential Borrowing	21.602		0.000
Specific Grant			
- Scottish Government – New Council Houses	4.963		0.000
- Scottish Government – Buy Backs	0.900		0.000
- Scottish Government – Mortgage to Rent	0.120		0.000
- Scottish Natural Heritage	0.349		0.000
TOTAL FUNDING	53.664		17.000