

Report

Report to:	Executive Committee
Date of Meeting:	12 August 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Programme 2020/2021 Update and Monitoring for Period 3 – 1 April 2020 to 19 June 2020
----------	--

1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Provide an update on the Council's 2020/2021 Capital Programmes, and the spend position to 19 June 2020. This includes information on two programmes: the General Fund Programme and the Housing Investment Programme.

2. Recommendation(s)

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

- (1) that the Period 3 position (ended 19 June 2020) of the General Fund Capital Programme itemised at Appendix 1 and the Housing Capital Programme at Appendix 2, be noted and
- (2) that the revised programmes be monitored by the Financial Resources Scrutiny Forum.

3. Background

- 3.1. As noted in the last report to this Committee, the 2020/21 General Fund Capital Programme was presented to the Council on 25 March 2020. This totalled £91.192 million and included agreed movements from 2019/20. In addition, the 2019/2020 Final Outturn report, noted that a carry forward total of £15.541 million is available into financial year 2020/2021.
- 3.2. The Council also approved a total Housing Capital Programme budget for 2020/21 of £97.303 million on 26 February 2020.
- 3.3. The progress in delivery of these new year programmes has been affected by the lockdown due to COVID-19. The ongoing implications of this, including the closure of construction sites in advance of the financial year end, has had an impact on the level of capital spend achieved in 2019/2020 and will continue to impact on the 2020/2021 Capital Programmes.
- 3.4. This report provides an update position on both the General Services (Section 5.1) and Housing Capital Programmes (Section 5.2) following the delays associated with COVID-19, and also gives a spend to date position as at period 3 (19 June 2020).

4. Employee Implications

None

5. Financial Implications

5.1. General Fund - 2020/2021 Capital Programme Update

5.1.1. As noted in section 3.1, the Council approved a new programme of £91.192 million for 2020/2021 and a carry forward of £15.541 million is available in financial year 2020/2021. This original programme and its funding sources are detailed in Appendix 1.

5.1.2. Section 3.3 notes that the delivery of the 2020/2021 Capital Programme has been affected by the lockdown due to COVID-19. Since the lockdown occurred, little progress has been made in terms of construction work, with sites being temporarily closed down.

5.1.3. As lockdown eases, the review of the General Services Capital Programme continues, with a view to providing a realistic estimate of anticipated spend levels for 2020/2021. The estimates will reflect the initial lockdown delay, along with the ongoing implications of the requirements of social distancing, as sites get back up and running. A separate report detailing the overall level of spend achievable for 2020/2021 will be presented to a future meeting of this Committee for approval.

5.1.4. Period 3 Position

Spend to 19 June 2020 amounts to £3.947 million.

5.1.5. As at 19 June 2020, £21.685 million of funding had been received.

5.2. Housing Programme - 2020/21 Capital Programme Update

5.2.1 Section 3.2 notes that the Council approved a total Housing Capital Programme budget of £97.303 million for 2020/2021. This programme and its funding sources are detailed at Appendix 2.

5.2.2. As with the General Services Programme, the overall Housing Capital Programme for 2020/2021 is being considered. As lockdown eases, timescales and the impact of revised systems of working can be more accurately established. Thereafter, a revised position will be presented to a future meeting of this Committee for approval.

5.2.3. Period 3 Position

Spend as at 19 June 2020 amounts to £3.357 million.

5.2.4. As at 19 June 2020, £3.357 million of funding had been received.

5.2.5. 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. 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)

10 July 2020

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- South Lanarkshire Council, 26 February 2020
- South Lanarkshire Council, 25 March 2020

List of Background Papers

- None

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 2020/21
GENERAL SERVICES PROGRAMME
FOR PERIOD 1 APRIL 2020 TO 19 JUNE 2020

	2020/21 Annual Budget	2020/21 Actual to 19 June 2020
	£m	£m
EXPENDITURE		
2020/21 Original Budget	106.733	3.947

	2020/21 Annual Budget	2020/21 Actual to 19 June 2020
	£m	£m
FUNDING		
Prudential Borrowing	42.056	0.000
Heritage Lottery / Sportscotland Grant	0.174	0.000
Developers Contributions	8.170	0.000
Partners (Including SPT, Sustrans, Blantyre Construction Ltd, Transport Scotland and Renewable Energy Fund)	1.995	0.193
Scottish Government:		
- Capital Grant	21.373	5.343
- Cycling, Walking and Safer Streets	1.497	0.000
- Vacant and Derelict Land	1.182	0.485
- Early Years 1,140 Hours	15.109	10.409
- Regeneration Capital Grant	1.283	0.807
-Town Centre Regeneration Fund	2.454	2.454
Glasgow City Region City Deal	4.057	0.000
Specific Reserves	1.994	1.994
Capital Financed from Current Revenue	5.389	0.000
Total Funding	106.733	21.685

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2020/21
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2020 TO 19 JUNE 2020

	2020/21 Annual Budget	2020/21 Actual to 19 June 2020
	£m	£m
EXPENDITURE		
2020/21 Original Budget	97.303	3.357

	2020/21 Annual Budget	2020/21 Actual to 19 June 2020
	£m	£m
FUNDING		
Capital Funded from Current Revenue	19.448	3.357
Prudential Borrowing	53.089	0.000
Specific Grant		0.000
- Scottish Government – New Council House	24.646	0.000
- Scottish Government – Mortgage to Rent	0.120	0.000
Total Funding	97.303	3.357