



# Report

Report to:	<b>Financial Resources Scrutiny Forum</b>
Date of Meeting:	<b>1 July 2021</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Budget Monitoring 2020/2021 - General Fund Capital Programme</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ update members of the Financial Resources Scrutiny Forum on the final outturn position of the Council's General Fund Capital Programme for the period covering 1 April 2020 to 31 March 2021.

## 2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation:

- (1) that the final outturn position on the 2020/2021 General Fund Capital Programme be noted.

## 3. Background

- 3.1. The Capital reports attached provide detail on the position as at 31 March 2021 from a financial perspective.
- 3.2. Appendix A shows the financial position of the General Fund Capital Programme. Any physical progress update for projects carried forward into financial year 2021/22 will be picked up as part of the new year monitoring report.

## 4. General Fund Capital Programme Final Outturn 2020/2021

- 4.1. The General Services Capital Programme for 2020/2021 totalled £80.648 million, which included budget of £7.891 million for Covid-19. This reflects the programme agreed by Executive Committee on 23 September 2020 and the subsequent amendments made through regular monitoring reports throughout 2020/2021. As agreed at the recent Executive Committee (April 2021), the Covid-19 budget of £7.891m will now be available for the 2021/22 Capital Programme.
- 4.2. The total spend on Capital of £69.548 million is shown in Appendix A. The 2020/2021 Capital spend incurred by Resources totals £59.766m. This is a reduction of £3.3 million in the outturn shown at period 12 (£63.100m). The main reasons for the movement include the timing of spend on projects which will now spend in 2021/22, including play parks (£0.250m), Town Centre Regeneration Fund (£0.440m), City Deal Community Growth Areas (£0.630m), Greenhills Road (£0.500m), Roads Carriageways (£1.020m) and Caird Data Centre (£0.410m) Appendix A also shows the funding sources for capital this spend.

- 4.3. Overall, the main projects that have underspent this year are detailed in Appendix B. The underspend reflects a variation from the expected timing of project spend in 2020/2021. Funding will carry forward into next financial year. The overall level of spend on the 2021/2022 Capital Programme will be discussed in a separate report to this Forum.
- 4.4. **Year End and Accounting Adjustments:** Included within the total spend for the year of £69.548 million is £9.782 million on a project accelerated from the 2021/22 capital programme for Spend to Save on previously leased assets. Funding for this project has also been brought forward from 2020/21. This has been accounted for in 2020/21 to allow the full years saving to be made in 2021/22. There may be the potential to generate further revenue savings in 2022/23 by purchasing further assets - this will be dependent on availability of capital funding and assets which are due to be replaced.
- 4.5. 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 (for example expenditure on Shawfield Industrial Estate) 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.
- 4.6. From reviewing the Council's Revenue and Capital spend, £0.983 million of Capital spend is required to be recorded as Revenue spend. Conversely, £1.957 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 £70.522 million.
- 4.7. **Carry Forward to 2021/2022:** Reflecting the spend made in 2020/21 and the requirement for the balance of budget available to be carried forwards to undertake approved projects £11.100 million will carry forward into financial year 2021/22.
- 4.8. The overall base programme for 2021/2022 including this carry forward of £11.100 million will be discussed in a separate report to this Forum. This separate report reviews the programme for the coming year detailing the overall level of spend achievable.
- 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 contained in section 4 of this report.
- 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 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 existing policy, function or strategy and therefore no impact assessment is required.
- 9.2. 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)**

15 June 2021

### **Link(s) to Council Values/Ambitions/Objectives**

- Accountable, Effective and Efficient and Transparent

### **Previous References**

- Executive Committee, 23 September 2020
- Executive Committee, 28 April 2021
- Executive Committee, 23 June 2021

### **List of Background Papers**

- Capital Ledger prints 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**  
**GENERAL FUND PROGRAMME**  
**FOR PERIOD 1 APRIL 2020 TO 31 MARCH 2021**

<u>Resource Name</u>	<u>Annual Budget £000</u>	<u>2019/20 C/F £000</u>	<u>Previous Slippage /Adjs £000</u>	<u>Total Original Budget £000</u>	<u>2020/21 Adjs £000</u>	<u>2020/21 Slippage £000</u>	<u>Total Budget £000</u>	<u>Estimate to Date £000</u>	<u>Actual £000</u>
<b><u>Community &amp; Enterprise</u></b>									
Fleet & Environmental	-	36	-	36	90	-	126	126	528
Facs/Waste/Grounds	3,885	1,366	(3,648)	1,603	495	(266)	1,832	1,832	926
Planning & Economic Development	13,061	(835)	(7,283)	4,943	1,902	-	6,845	6,845	2,385
Roads	26,014	4,673	(1,868)	28,819	-	-	28,819	28,819	26,357
<b>Resource Total</b>	<b>42,960</b>	<b>5,240</b>	<b>(12,799)</b>	<b>35,401</b>	<b>2,487</b>	<b>(266)</b>	<b>37,622</b>	<b>37,622</b>	<b>30,196</b>
<b><u>Education</u></b>									
Primary Schools Modernisation	120	468	(171)	417	-	-	417	417	163
ICT Developments	3,680	924	(1,104)	3,500	1,953	-	5,453	5,453	3,586
1,140 Hours	18,350	2,263	(7,734)	12,879	425	-	13,304	13,304	14,777
Other	7,906	1,289	(4,538)	4,657	649	-	5,306	5,306	4,115
<b>Resource Total</b>	<b>30,056</b>	<b>4,944</b>	<b>(13,547)</b>	<b>21,453</b>	<b>3,027</b>	<b>-</b>	<b>24,480</b>	<b>24,480</b>	<b>22,641</b>
<b><u>Finance &amp; Corporate</u></b>									
IT Services	5,036	213	(500)	4,749	(362)	(1,105)	3,282	3,282	2,038
<b>Resource Total</b>	<b>5,036</b>	<b>213</b>	<b>(500)</b>	<b>4,749</b>	<b>(362)</b>	<b>(1,105)</b>	<b>3,282</b>	<b>3,282</b>	<b>2,038</b>
<b><u>Housing and Technical</u></b>									
Office Accom	8,489	2,308	(1,128)	9,669	(2,867)	(1,042)	5,760	5,760	3,658
Private Housing Scheme of Assistance	1,000	-	(250)	750	(750)	-	-	-	-
Other Housing	-	670	(424)	246	523	-	769	769	704
<b>Resource Total</b>	<b>9,489</b>	<b>2,978</b>	<b>(1,802)</b>	<b>10,665</b>	<b>(3,094)</b>	<b>(1,042)</b>	<b>6,529</b>	<b>6,529</b>	<b>4,362</b>
<b><u>Social Work</u></b>									
Care Facilities	3,251	2,166	(4,673)	744	-	-	744	744	529
Other	400	-	(300)	100	-	-	100	100	0
<b>Resource Total</b>	<b>3,651</b>	<b>2,166</b>	<b>(4,973)</b>	<b>844</b>	<b>-</b>	<b>-</b>	<b>844</b>	<b>844</b>	<b>529</b>
<b>Covid-19 Additional Costs / Overheads (section 4.1)</b>	<b>-</b>	<b>-</b>	<b>7,891</b>	<b>7,891</b>	<b>-</b>	<b>-</b>	<b>7,891</b>	<b>7,891</b>	<b>-</b>
<b>Spend to Save (section 4.4)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,782</b>
<b>Overall Total</b>	<b>91,192</b>	<b>15,541</b>	<b>(25,730)</b>	<b>81,003</b>	<b>2,058</b>	<b>(2,413)</b>	<b>80,648</b>	<b>80,648</b>	<b>69,548</b>

**APPENDIX A  
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SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2020/21  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2020 TO 31 MARCH 2021

<b>Expenditure</b>	<b><u>2020/21 Revised Budget</u> £m</b>	<b><u>2020/21 Actual to 31/03/21</u> £m</b>
<b>General Fund Programme</b> (From Appendix A - page 1)	80.648	69.548
<u>Accounting Adjustments</u> (Section 4.4 - 4.6):		
Less: Transfers to Revenue		(0.983)
Add: Year End Transfers to Capital		1.957
<b>2020/2021 Outturn Position</b> (Accounting Basis only)	<b><u>80.648</u></b>	<b><u>70.522</u></b>
<b>Income</b>		<b><u>2020/21 Actual to 31/03/21</u> £m</b>
Prudential Borrowing		4.452
Developers Contributions		1.483
Partners (Including Strathclyde Partnership for Transport, Sustrans, Transport Scotland and Strategic Timber Transport Scheme)		4.121
Scottish Government:		
- Capital Grant		21.373
- Cycling, Walking and Safer Streets		0.989
- Vacant and Derelict Land		0.266
- Early Years 1,140 Hours		13.180
- Regeneration Capital Grant		0.253
- Town Centre Regeneration Fund		0.191
- Travelling People's Sites		0.025
- Digital Inclusion		1.256
- COVID-19 Mitigation for School Transport		0.016
- Calderglen Gaelic Adaptations		0.074
Glasgow City Region City Deal		18.109
Specific Reserves		1.379
Revenue Contribution		3.355
<b>TOTAL FUNDING</b>		<b>70.522</b>

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2020/2021  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2020 TO 31 MARCH 2021

<b>Projects with Underspends in 2020/21</b>		
<b>Project Name</b>	<b>Project Type</b>	<b>Completion Date</b>
<b>Community and Enterprise Resources:</b>		
Play Parks (Abington, Carstairs Village and Wooddean)	Infrastructure	April 2021
Town Centre Regeneration Fund	Regeneration	September 2021
Hamilton HUB - New Cross Shopping Centre	Regeneration	March 2022
Abington Campus for Enterprise	Regeneration	December 2021
Extension of Cemeteries	Land Purchase	Throughout 2021/22
Memorial Headstones	Remedial works	Throughout 2021/22
Springhall Community Centre Upgrade	External Works	Spring 2021
Glengowan Primary School Extension (Glasgow City Region City Deal Programme)	Extension / Adaptations	Late Spring / Summer 2022
Calderside Academy (Glasgow City Region City Deal Programme)	Extension / Adaptations	December 2023
Roads Investment Programme	Roads	Throughout 2021/22
Cycling Walking & Safer Routes	Roads	July 2021
Sustrans - Various	Roads	May 2021
Stewartfield Way (Glasgow City Region City Deal Programme)	Roads	March 2025
<b>Education Resources:</b>		
St Charles Primary School - Additional Classroom	Extension	April 2021
St Mark's Primary School, Hamilton – Extension	Extension	June 2022
Millburn ELC (previously Newton Brae Nursery)	New Build –	August 2021
Kirkstyle ELC (previously Crawforddyke Nursery)	New Build	May 2021
Woodhill ELC (previously Blackwood/ Kirkmuirhill Nursery)	New Build	July 2021
Roof Top Nursery (previously East Kilbride - Shopping Centre Nursery)	Car park lining only	July 2021
Springlaw ELC (previously Springhall Nursery Centre)	New Build	July 2021
Education Information Communication Technology	ICT	Throughout 2021/22
Auchingramont Road	New Build	June 2021
Small Scale Adaptations	Adaptations	Throughout 2021/22

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CAPITAL EXPENDITURE 2020/2021  
GENERAL FUND PROGRAMME  
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<b>Projects with Underspends in 2020/21 (cont'd)</b>		
<b>Project Name</b>	<b>Project Type</b>	<b>Completion Date</b>
<b>Finance and Corporate Resources:</b>		
IT Infrastructure Refresh	Infrastructure	May 2021
Caird Data Centre	Infrastructure	December 2021
Climate Change / Digital Transformation Fund	Infrastructure	March 2022
<b>Housing and Technical Resources:</b>		
Prioritised Urgent Investment	Refurbishment	Throughout 2021/22
Essential Services Fabric Upgrade	Refurbishment	Throughout 2021/22
Civic Centre Fabric Upgrade	Refurbishment	Throughout 2021/22
Gypsy Traveller Sites – Swinhill	Refurbishment	Throughout 2021/22
Central Energy Efficiency Fund 2020/21 Programme	Refurbishment	Throughout 2021/22
<b>Social Work Resources</b>		
Care Home Replacement – Blantyre	New Build	May 2022
Community Alarms	Infrastructure	June 2022