

Report

Report to:	Executive Committee
Date of Meeting:	24 August 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Programme 2022/2023 Update and Monitoring for Period 4 – 1 April to 15 July 2022
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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 to 15 July 2022

2. Recommendation(s)

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

- (1) that the Period 4 position (ended 15 July 2022) of the General Fund Capital Programme itemised at appendices 1 – 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund programme listed at Appendix 1, and the Housing programme listed at Sections 5.1 and 5.2, be approved; and
- (3) 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 15 July 2022. 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. **2022/2023 Budget:** The budget agreed at the Executive Committee on 29 June 2022 was £99.534 million. A revised programme of £98.093 million is now anticipated, which includes adjustments to the programme totalling a net decrease of £1.441 million, which are proposed in Appendix 1. The main reason for this reduction is the profiling adjustment, proposed by Social Work Resources, to reflect the timing of spend on the SWIS Plus project.

4.2. The programme includes a budget allocation for 3 significant projects where the level of spend in year has still to be confirmed – Clyde Bridge, Larkhall Leisure Centre and the Levelling Up Fund match funding. An update will be provided to a future meeting

of this Committee when the actual expected spend on these projects is known. It is unlikely that all of these funds will be spent this year.

- 4.3. **Period 4 Position:** The programme spend and funding for the General Fund is summarised in appendices 2 and 3. As noted in 4.1, the total capital spending programme for the year is £98.093 million.
- 4.4. Budget for the period is £8.096 million and spend to the 15 July 2022 is £8.176 million, a slight overspend of £0.080 million.
- 4.5. Actual funding received to 15 July 2022 is £71.677 million.
- 4.6. Relevant officers will continue to closely monitor the generation of all income including receipts.

5. Housing Capital Programme

- 5.1. **2022/2023 Budget:** Appendix 4 summarises the position on the Housing programme as at 15 July 2022. The original budget for the year was £52.230 million, as approved by the Executive Committee on 29 June 2022. The Final Outturn report for financial year 2021/2022 noted a carry forward of £11.434 million into future years. Further analysis of this budget confirms that £6.820 million is required in 2022/2023, with the remainder being carried forward into future years.
- 5.2. In addition, it is proposed that the 2022/2023 Capital Programme be increased by a further £7.311 million to reflect the expenditure on new build homes at East Whitlawburn, which are being built on behalf of West Whitlawburn Housing Association.
- 5.3. As a result of these adjustments noted at sections 5.1 and 5.2, a revised programme of £66.361 million is presented for approval. Programmed funding for the year also totals £66.361 million. The funding sources are also detailed in Appendix 4.
- 5.4. Progress on the Housing Capital Programme will continue to be monitored and updates will be provided to future meetings.
- 5.5. **Period 4 Position:** Budget for the period is £11.339 million and spend to 15 July 2022 amounts to £11.339 million.
- 5.6. As at 15 July 2022, £11.339 million of funding had been received.
- 5.7. 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 financial implications are contained in sections 4 and 5 of the report for the General Services and Housing capital programmes respectively.

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. There are detailed project management plans prepared and the risk of overspend on each project is monitored through four weekly investment management meetings.
- 9.2. The Council continues to experience material shortages, longer lead times and extraordinary inflationary price increases and it is anticipated that this will continue to impact the supply chain for the foreseeable future. The impact of this will continue to be monitored through the four weekly investment management meetings. Further updates will be reported in the coming months with any significant increases in contract values being brought to members' attention.

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.

Paul Manning

Executive Director (Finance and Corporate Resources)

3 August 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Executive Committee, 29 June 2022

List of Background Papers

- ◆ Capital Ledger prints to 15 July 2022

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 2022/2023
GENERAL SERVICES PROGRAMME
FOR PERIOD 1 APRIL 2022 TO 15 JULY 2022

Proposed Adjustments

Community and Enterprise Resources

Country Parks - Horseshoe Bridge, Calderglen

The project to replace the Horseshoe Bridge at Calderglen Country Park was scheduled to be undertaken during the summer months. However, due to contractual issues it is now planned to commence this project in early Spring 2023. Approval is sought to slip £0.174m into financial year 2023/2024. (£0.174m)

Education Resources

Kirklandpark Primary School - Adaptations

Approval is sought to increase the 2022/2023 Capital Programme to reflect £0.040m of Developer Contributions already received from the development at Lethame Road, Strathaven. This funding will be utilised to convert general purpose space into a permanent classroom at Kirklandpark Primary School, Strathaven. £0.040m

In order to reflect the anticipated timescales for this project, £0.005m will be required to undertake design works in 2022/2023 with the balance of £0.035m required in 2023/2024 to carry out the works during the 2023 Easter school holidays. (£0.035m)

Housing and Technical Resources

Prioritised Urgent Investment - Robertson Hall

Approval is sought to increase the 2022/2023 Capital Programme by £0.188m reflecting additional contributions from Clyde Windfarm (£0.094m) and the Renewable Energy Fund (£0.094m) towards the cost of the essential works undertaken at Robertson Hall. £0.188m

Social Work Resources

Replacement Care Facility – Blantyre

Approval is sought to increase the 2022/2023 Capital Programme to reflect a £0.040m contribution from NHS Lanarkshire towards the cost of the rehabilitation gym within the new care facility at Blantyre. £0.040m

SWIS Plus Replacement

Approval is sought to slip £1.500m into the 2023/2024 Capital Programme to reflect the revised completion schedule for the new SWIS Plus Replacement system. This project is slightly behind schedule, whilst the final details of the contract are being negotiated. The revised timescales reflect the contract commencing on 1 August 2022, instead of 1 July 2022, with an 18-month implementation period reflected in the profile of payments to the contractor. (£1.500m)

TOTAL ADJUSTMENTS (£1.441m)

APPENDIX 2

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2022/2023
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2022 TO 15 JULY 2022

£m

Total Budget (Executive Committee – 29 June 2022) **99.534**

Proposed Adjustments – Period 4 (1.441)

Total Revised Budget 98.093

	<u>2022/23</u> <u>Budget</u>	<u>Period 4</u> <u>Proposed</u> <u>Adjustments</u>	<u>Revised</u> <u>2022/23</u> <u>Budget</u>
<u>Resource</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	64.423	(0.174)	64.249
Education	16.128	0.005	16.133
Finance & Corporate	3.695	-	3.695
Housing & Technical	8.125	0.188	8.313
Social Work	5.363	(1.460)	3.903
Other Match Funding	1.800	-	1.800
TOTAL CAPITAL PROGRAMME	99.534	(1.441)	98.093

APPENDIX 3

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2022/2023 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2022 TO 15 JULY 2022

	<u>2022/23</u> <u>Original</u> <u>Budget</u> £m	<u>2022/23</u> <u>Revised</u> <u>Budget</u> £m	<u>2022/23</u> <u>Budget to</u> <u>15/07/22</u> £m	<u>2022/23</u> <u>Actual to</u> <u>15/07/22</u> £m
Expenditure				
General Fund Programme	95.232	98.093	8.096	8.176
Income				
	<u>2022/23</u> <u>Original</u> <u>Budget</u> £m	<u>2022/23</u> <u>Revised</u> <u>Budget</u> £m		<u>2022/23</u> <u>Actual</u> <u>To</u> <u>15/07/22</u> £m
Prudential Borrowing	55.416	51.335		51.335
Developers Contributions	6.552	7.347		5.696
Partners (Including High Blantyre Construction, SPT, Sustrans, and CARES)	1.745	3.758		1.414
Scottish Government:				
- Capital Grant	22.424	22.908		5.680
- Cycling, Walking and Safer Routes	2.154	2.887		0.000
- Vacant and Derelict Land	1.820	1.820		0.969
- Regeneration Capital Grant	1.720	2.020		0.807
- Town Centre Regeneration Fund	0.101	0.101		0.101
- Place Based Investment Programme	1.617	3.357		3.357
- Electric Vehicle Charging Infrastructure	0.118	0.118		0.089
- NSS Tec	0.000	0.040		0.040
Glasgow City Region City Deal	0.000	0.000		0.000
Capital Receipts	1.000	1.000		0.787
Specific Reserves	0.534	1.034		1.034
Revenue Contribution	0.031	0.368		0.368
TOTAL FUNDING	95.232	98.093		71.677

APPENDIX 4

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2022/2023
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2022 TO 15 JULY 2022

	<u>2022/23</u> <u>Original</u> <u>Budget</u> £m	<u>2022/23</u> <u>Revised</u> <u>Budget</u> £m	<u>2022/23</u> <u>Budget to</u> <u>15/07/22</u> £m	<u>2022/23</u> <u>Actual to</u> <u>15/07/22</u> £m
Expenditure				
2021/22 Budget Incl. adjustment from 2020/21	52.230	66.361	11.339	11.339

	<u>2022/23</u> <u>Original</u> <u>Budget</u> £m	<u>2022/23</u> <u>Revised</u> <u>Budget</u> £m	<u>2022/23</u> <u>Actual to</u> <u>15/07/22</u> £m
INCOME			
Capital Receipts	0.000	7.311	0.000
Capital Receipts – Land Sales	0.000	0.000	0.007
Capital Funded from Current Revenue	26.050	26.050	11.332
Prudential Borrowing	22.018	26.462	0.000
Scottish Government Specific Grant:			
- New Build	2.242	4.048	0.000
- Open Market Purchase Scheme	1.800	2.370	0.000
- Mortgage to Rent	0.120	0.120	0.000
	52.230	66.361	11.339