

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	8 August 2019
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2018/2019 - General Fund Capital Programme
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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 2018 to 31 March 2019.

2. Recommendation(s)

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

- (1) that the final outturn position on the 2018/2019 General Fund Capital Programme be noted.

3. Background

- 3.1. The Capital reports attached provide detail on the position as at 31 March 2019 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 2019/20 will be picked up as part of the new year monitoring report.

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. The General Services Capital Programme for 2018/19 totalled £66.819 million. This reflects the programme agreed by the Executive Committee on 27 June 2018 and the subsequent amendments made through regular monitoring reports to Committee throughout 2018/19.
- 5.2. Appendix A shows the total expenditure of £61.321 million on the General Fund capital programme for year 2018/19.
- 5.3. The difference between the revised programme of £66.819 million and the actual spend of £61.321 million is £5.498 million.
- 5.4. For projects spending less than budget this year, this reflects the timing of spend and is not affecting operational delivery. The budget for this capital spend requires to be carried forward in to next financial year to complete projects, and the main projects which make up

the £5.498 million carry forward are detailed in Appendix B, along with their anticipated completion dates.

- 5.5. **Accounting Adjustments:** 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 Clyde Gateway spend) or where spend must be classed as revenue. There is no physical impact for projects from this adjustment – it is an accounting entry only.
- 5.6. £5.408 million of capital spend is required to be recorded as revenue spend. Conversely, £1.867 million of revenue spend should be recorded as capital. The transfers above mean that for the purpose of publishing our Annual Accounts only, there is capital spend of £57.780 million. This position is also noted in Appendix A.
- 5.7. **Carry Forward to 2019/20:** As detailed at section 5.3, budget of £5.498 million will carry forward into 2019/20 to conclude projects.
- 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.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.
- 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)

16 July 2019

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- Executive Committee, 27 June 2018
- Executive Committee, 29 May 2019

List of Background Papers

- Capital Ledger prints to 31 March 2019

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:- Jackie Taylor, Head of Finance (Strategy)

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APPENDIX A

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018/19
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 31 MARCH 2019

Resource Name	Annual Budget £000	2017/18 C/F £000	Previous Slippage /Adjs £000	Total Original Budget £000	Proposed Adjs £000	Proposed Slippage £000	Total Budget £000	Estimate to Date £000	Actual £000
<u>Community & Enterprise Resources</u>									
Fleet &	0	133	0	133	52	(52)	133	133	89
Environmental Facs / Waste / Grounds	2,506	2,765	(1,900)	3,371	976	(1,741)	2,606	2,606	1,611
Planning & Econ Development	8,785	2,251	(2,170)	8,866	359	(2,450)	6,775	6,775	6,923
Roads	33,124	3,004	(11,191)	24,937	1,988	(620)	26,305	26,305	23,713
Resource Total	44,415	8,153	(15,261)	37,307	3,375	(4,863)	35,819	35,819	32,336
<u>Education Resources</u>									
Primary Schools Modernisation	10,744	7,561	(1,000)	17,305	100	(1,200)	16,205	16,205	15,485
Education Other	2,693	234	(1,226)	1,701	0	0	1,701	1,701	3,089
ICT Developments	1,901	2,220	0	4,121	6,115	(6,725)	3,511	3,511	1,619
Resource Total	15,338	10,015	(2,226)	23,127	6,215	(7,925)	21,417	21,417	20,193
<u>Finance & Corporate Resources</u>									
Finance Services	70	(47)	0	23	70	70	93	93	109
IT Services	748	727	0	1,475	100	(100)	1,475	1,475	1,308
Personnel Services	0	24	0	24	0	0	24	24	19
Resource Total	818	704	0	1,522	170	(100)	1,592	1,592	1,436
<u>H & T Resources</u>									
Office Accom	7,491	1,010	(550)	7,951	(1,249)	0	6,702	6,702	6,495
Private Housing Scheme of Assistance	1,000	0	(1,000)	0	0	0	0	0	0
Other Housing	307	391	(300)	398	251	0	649	649	400
Resource Total	8,798	1,401	(1,850)	8,349	(998)	0	7,351	7,351	6,895
<u>Social Work Resources</u>									
Social Work	5,000	320	(5,000)	320	320	0	640	640	461
Resource Total	5,000	320	(5,000)	320	320	0	640	640	461

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APPENDIX A

EXPENDITURE

	2018-19 REVISED BUDGET	2018-19 ACTUAL to 31/03/19
	£m	£m
GENERAL FUND PROGRAMME	66.819	61.321
Less: Transfers to Revenue		(5.408)
Add: Transfers to Capital		<u>1.867</u>
2018/19 Final Outturn Position	<u>66.819</u>	<u>57.780</u>

INCOME

	Actual to 31/03/19 £m
Prudential Borrowing	22.833
Heritage Lottery/ Sportscotland Grant	0.049
Developers Contributions	0.495
Partners (Including Strathclyde Partnership for Transport, Sustrans and Scottish Environment Protection Agency)	1.534
Scottish Government:	
- Capital Grant	27.607
- Cycling, Walking and Safer Streets	0.432
- Vacant and Derelict Land	0.233
- Early Years 1,140 Hours	0.629
Glasgow City Region City Deal	3.126
Specific Reserves	0.719
Capital Financed from Current Revenue	0.123
TOTAL INCOME	57.780

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018-19
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 31 MARCH 2019

APPENDIX B

Projects with Underspends in 2018/19		
Project Name	Project Type	Completion Date
Community and Enterprise Resources		
Avondale Community Wing (Replaced old Ballgreen Hall)	Fit out	November 2019
Extension / Improvement of Cemeteries	Infrastructure	September 2019
Bin Storage Areas	Infrastructure	May 2019
Demolition Programme	Demolition	August 2019
Upgrades to Community Infrastructure	Infrastructure	July 2019
Vacant and Derelict Land – Milton Brick Works, Carluke	Regeneration	December 2019
Vacant and Derelict Land – Millburn Colliery Site, Larkhall	Regeneration	December 2019
Vacant and Derelict Land – Glen Esk, East Kilbride	Regeneration	December 2019
Roads Investment Programme – Rutherglen and Cambuslang Area	Infrastructure	Through 2019/20
Roads Investment Programme – East Kilbride Area	Infrastructure	Through 2019/20
Roads Investment Programme – Clydesdale Area	Infrastructure	Through 2019/20
Greenhills Road	Infrastructure	June 2020
Lanark Park and Ride	Infrastructure	March 2020
Hamilton Information Technology Park – University Infrastructure work	Infrastructure	June 2019
Education Resources		
St Athanasius' Primary School – Nursery Adaptations	Infrastructure	August 2019
Education Information Communication Technology	ICT	Through 2019/20
Ridgepark School, Lanark – Demolition	Demolition	July 2019
Black Mount Primary School (previously Walston Primary School)	Infrastructure	August 2019
Finance and Corporate Resources		
Mobile Working	ICT	August 2019
Housing and Technical Resources		
Civic Centre Fabric Upgrade – Main Works	Refurbishment	September 2019
Headquarters Fabric Upgrade	Refurbishment	March 2020
Social Work Resources		
Replacement Care Facilities	Infrastructure	March 2021