

Report

Report to:	Executive Committee
Date of Meeting:	25 September 2019
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2019/2020 and Monitoring for Period 5 - 1 April to 16 August 2019
----------	---

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 2019/20 Capital Programme including 2018/19 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 2019 to 16 August 2019

2. Recommendation(s)

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

- (1) that the Period 5 position (ended 16 August 2019) of the General Fund Capital Programme itemised at Appendices 1 and 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund programme listed at Appendix 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 16 August 2019. 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 5.2)

4. Employee Implications

None.

5. Financial Implications

5.1. General Fund

5.1.1. 2019/2020 Budget

The budget agreed at Executive Committee on 28 August 2019 was £79.982 million. A revised budget of £80.513 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 totalling a net increase of £0.531 million which are proposed in this report at Appendix 2.

5.1.2. Period 5 Position

The programme spend and funding for the General Fund is summarised in Appendix 2. As noted in 5.1.1., the total capital spending programme for the year is £80.513 million.

5.1.3. Budget for the period is £16.876 million and spend to the 16 August 2019 is £16.684 million. This represents expenditure of £0.192 million behind profile and this mainly reflects the timescales for the new Early Learning Unit project, which is now complete.

5.1.4. Actual funding received to 16 August 2019 is £45.596 million.

5.2. Housing Programme

5.2.1. 2019/2020 Budget

Appendix 4 summarises the position on the Housing programme as at 16 August 2019. The revised capital programme for the year, including carry forward, is £61.835 million. Programmed funding for the year also totals £61.835 million.

5.2.2. Period 5 Position

Budget for the period is £15.836 million and spend to 16 August 2019 amounts to £15.772 million.

5.2.3. As at 16 August 2019, £15.772 million of funding had been received.

5.2.4. 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)

26 August 2019

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 28 August 2019

List of Background Papers

- ◆ Capital Ledger prints to 16 August 2019

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: 845 2601 (Tel: 01698 452601)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2019/20
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2019 TO 16 AUGUST 2019

APPENDIX 1

£m

Total Revised Budget – Period 4	79.982
Proposed Adjustments (Period 5)	0.531
Total Revised Budget	80.513

	<u>2019/20 Budget (from Period 4)</u>	<u>Period 5 Proposed Adjustments</u>	<u>Revised 2019/20 Budget</u>
<u>Resource</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	44.016	0.531	44.547
Education	24.934	0.000	24.934
Finance & Corporate	0.993	0.000	0.993
Housing & Technical	7.310	0.000	7.310
Social Work	2.729	0.000	2.729
Total	79.982	0.531	80.513

Proposed Adjustments (Periods 5)**Community and Enterprise Resources**

<u>Strathaven Heritage Fund</u>	£0.054m
---------------------------------	---------

The Capital Programme will be increased by £0.054m to reflect a specific contribution of £0.035m from a developer towards the installation of a war memorial. The terms of this specific contribution requires agreement from the developer which has been confirmed. Match funding of £0.019m towards the project has also been confirmed from the Renewable Energy Fund.

Springhall Urban Greenspace Development (Springhall Cage)

The Springhall Community Resource Group have been successful in securing funding of £0.465m from the Big Lottery Fund for the redevelopment of Springhall Cage. Approval is sought to increase the 2019/20 Capital Programme by £0.465m to reflect this contribution.	£0.465m
---	---------

Minor Adjustments	£0.012m
-------------------	---------

TOTAL ADJUSTMENTS	£0.531m
--------------------------	----------------

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2019/20
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2019 TO 16 AUGUST 2019

APPENDIX 3

Expenditure	<u>2019/20</u> <u>Original</u> <u>Estimate</u> <u>inc C/F</u> £m	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £m	<u>2019/20</u> <u>Budget to</u> <u>16/08/19</u> £m	<u>2019/20</u> <u>Actual to</u> <u>16/08/19</u> £m
General Fund Programme	78.429	80.513	16.876	16.684
Income	<u>2019/20</u> <u>Original</u> <u>Budget</u> £m	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £m		<u>2019/20</u> <u>Actual</u> <u>To</u> <u>16/08/19</u> £m
Prudential Borrowing	23.863	21.588		21.588
Developers Contributions	3.124	2.278		0.755
Lottery	0.000	0.465		0.000
Partners (Including SPT, High Blantyre Construction Ltd, Transport Scotland and Renewable Energy Fund)	1.331	3.926		0.704
Scottish Government:				
- Capital Grant	33.029	33.029		11.010
- Cycling, Walking and Safer Streets	0.520	0.520		0.000
- Vacant and Derelict Land	2.023	2.023		0.903
- Early Years 1,140 Hours	5.344	5.344		5.344
- Regeneration Capital Grant	1.100	1.190		1.107
-Town Centre Regeneration Fund	2.506	2.506		1.253
Glasgow City Region City Deal	1.940	4.430		0.000
Specific Reserves	2.149	2.914		2.914
Capital Receipts	1.500	0.300		0.018
TOTAL FUNDING	78.429	80.513		45.596

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2019/20
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2019 TO 16 AUGUST 2019

APPENDIX 4

	<u>2019/20</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2019/20</u> <u>Estimate</u> <u>to</u> <u>16/08/19</u> <u>£m</u>	<u>2019/20</u> <u>Actual to</u> <u>16/08/19</u> <u>£m</u>
EXPENDITURE			
2019/20 Budget incl carry forward from 2018/19	61.835	15.836	15.772
	<u>2019/20</u> <u>Annual</u> <u>Budget</u> <u>£m</u>		<u>2019/20</u> <u>Actual to</u> <u>16/08/19</u> <u>£m</u>
INCOME			
Capital Receipts – Land Sales	0.000		0.022
Capital Funded from Current Revenue	20.589		15.750
Prudential Borrowing	28.715		0.000
Specific Grant			
- Scottish Government – New Build	10.611		0.000
- Scottish Government – Open Market	1.800		0.000
Purchase Scheme			
- Scottish Government – Mortgage to Rent	0.120		0.000
	61.835		15.772