

Report

Report to:	Executive Committee
Date of Meeting:	16 August 2023
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2023/2024 and Monitoring for Period 4 - 1 April 2023 to 14 July 2023
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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 2023 to 14 July 2023

2. Recommendation(s)

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

- (1) that the period 4 position (ended 14 July 2023) of the General Fund Capital Programme, detailed in Appendices 2 to 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 14 July 2023. 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. **2023/2024 Budget:** The budget agreed at Executive Committee on 21 June 2023 was £81.990 million. A revised programme of £83.322 million is now anticipated, which includes adjustments to the programme totalling a net increase of £1.332 million, which are proposed in Appendix 1. This increase mainly reflects additional funding from external bodies which are required to be spent on specific programmes of work.

4.2. **General Fund – Period 4 Position:** As noted in 4.1, the total capital spending programme for the year is £83.322 million. The detailed programme and spend for the General Fund are shown in Appendices 2 and 3.

4.3. Appendix 3 also shows budget for the period of £9.998 million and spend to the 14 July 2023 of £9.856 million, slightly behind programme by £0.142 million.

4.4. Actual funding received to 14 July 2023 is £41.715 million. Relevant officers will closely monitor the generation of all income, including receipts.

5. Housing Capital Programme

5.1. **2023/2024 Budget:** Appendix 4 summarises the position on the Housing programme as at 14 July 2023. The original budget for the year was £63.916 million, as approved by this Committee on 21 June 2023. The Final Outturn report for financial year 2022/2023 noted a carry forward of £8.081 million into future years. Further analysis of this budget confirms that £3.997 million is required in 2023/24, with the remainder being carried forward into future years.

5.2. In addition, it is proposed that the 2023/2024 Capital Programme be increased by a further £1.683 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 £69.596 million is presented for approval. Programmed funding for the year also totals £69.596 million. The funding sources are also detailed in Appendix 4.

5.4. **Period 4 Position:** Budget for the period is £13.250 million and spend to 14 July 2023 amounts to £12.469 million. This results in the Housing Programme being £0.781 million behind programme. This is a timing issue only at this stage.

5.5. As at 14 July 2023, £12.469 million of funding had been received.

6. Employee Implications

6.1. There are no employee implications as a result of this report.

7. Financial Implications

7.1. The General Services and Housing Programme Programmes and their spend position to 20 May 2022 are detailed in sections 4 and 5 respectively.

7.2. 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 this Committee.

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. 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.

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)

26 July 2023

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 21 June 2023

List of Background Papers

- ◆ Capital Ledger prints to 14 July 2023

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

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Proposed Adjustments

Community and Enterprise Resources

Electric Vehicle Expansion

Funding has been made available to develop a public electric vehicle charging network. Approval is sought to increase the 2023/24 Capital Programme by £0.048 million which will be funded by a contribution from Transport Scotland. This will fund the development of a Public Electric Vehicle Charging Strategy and Infrastructure Expansion Plan. £0.048m

Memorial Headstone Inspection & Remedial Works

In line with previous financial years, £0.200 million is required to ensure compliance with the Scottish Government's 5-year inspection programme guidance and subsequent remedial works for memorial headstones. Approval is sought to transfer £0.200 million from the 2023/2024 Extension of Cemeteries allocation. £0.200m (£0.200m)

Nature Restoration Fund

The Scottish Government have confirmed the next phase of Nature Restoration Fund (NRF) capital funding to be spent in 2023/2024 to support new, or to enhance existing, approaches to restoring biodiversity across Scotland. The national allocation is £5 million and this is augmented this year by an additional £5 million with a specific focus on creating Nature Networks. Of this national total of £10 million, South Lanarkshire have been allocated £0.545 million in 2023/2024, which will be distributed via the General Capital Grant. £0.545m

Approval is sought to increase the 2023/2024 Capital Programme by £0.545 million and officers are currently working to identify projects for delivery in-year.

Road Safety Improvement Fund

A grant funding allocation has been received from the Scottish Government to deliver a safe system measure to support casualty and/or risk reduction and to address key priorities within our road casualty statistics or emerging issues. £0.475m
Approval is sought to increase the 2023/2024 Capital Programme by £0.475 million.

Education Resources

Stonelaw High School – Adaptations

Approval is sought to increase the 2023/24 Capital Programme by £0.222 million, which will allow a project to undertake adaptations at Stonelaw High School, to accommodate increased pupil numbers, to commence this financial year. This project will be funded by developer contributions already received for this area. £0.222m

In order to reflect the anticipated timescales for this project, £0.030 million will be required to undertake design works in financial year 2023/2024. Approval is sought to slip the balance of £0.192 million into financial year 2024/2025, which will allow the physical works to be programmed during the school holidays in summer 2024. (£0.192m)

Inspiring School Age Childcare Spaces Programme

The Scottish Government, through the Inspiring School Age Childcare Spaces Programme, have awarded this Council £0.234 million to improve out of school care provision in a number of schools during 2023/2024:

£0.234m

School Name	Value
Blacklaw Primary School	£0.040m
St Anthony's Primary School	£0.040m
Woodside Primary School	£0.040m
Calderwood Primary School	£0.084m
Murray Primary School	£0.030m
Total	£0.234m

Approval is sought to increase the 2023/24 Capital Programme by £0.234m

Minor Adjustments

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TOTAL ADJUSTMENTS

£1.332m

APPENDIX 2

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2023/24
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2023 TO 14 JULY 2023

£m

Total Base Budget (including carry forward from 2022/2023) **81.990**

Proposed Adjustments – Period 4 1.332

Total Revised Budget 83.322

	<u>2023/24</u> <u>Budget</u>	<u>Period 4</u> <u>Proposed</u> <u>Adjustments</u>	<u>Revised</u> <u>2023/24</u> <u>Budget</u>
<u>Resource</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	41.857	1.068	42.925
Education	19.047	0.264	19.311
Finance & Corporate	5.333	-	5.333
Housing & Technical	11.923	-	11.923
Social Work	2.030	-	2.030
Other Match Funding	1.800	-	1.800
TOTAL CAPITAL PROGRAMME	81.990	1.332	83.322

APPENDIX 3

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2023/24 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2023 TO 14 JULY 2023

	<u>2023/24</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u>	<u>2023/24</u> <u>Revised</u> <u>Budget</u>	<u>2023/24</u> <u>Budget to</u> <u>14/07/23</u>	<u>2023/24</u> <u>Actual to</u> <u>14/07/23</u>
Expenditure	£m	£m	£m	£m
General Fund Programme	77.849	83.322	9.998	9.856
Income	<u>2023/24</u> <u>Budget</u>	<u>2023/24</u> <u>Revised</u> <u>Budget</u>		<u>2023/24</u> <u>Actual</u> <u>To</u> <u>14/07/23</u>
	£m	£m		£m
Prudential Borrowing	24.959	24.962		24.962
Developers Contributions	7.658	8.058		4.225
Partners (Including SPT, Clyde Windfarm and Transport Scotland)	2.157	4.099		0.500
Scottish Government:				
- Capital Grant	33.985	34.527		7.229
- Cycling, Walking and Safer Routes	1.632	2.284		0.000
- Road Safety Improvement	0.000	0.475		0.000
- Vacant and Derelict Land	2.019	2.019		1.334
- Regeneration Capital Grant	0.737	0.737		0.745
- Place Based Investment	1.510	2.723		1.510
Programme				
-Inspiring School Age Childcare	0.000	0.234		0.000
Spaces Programme				
Glasgow City Region City Deal	0.000	0.000		0.000
Capital Receipts	2.000	2.000		0.006
Specific Reserves	1.192	1.192		1.192
Revenue Contribution	0.000	0.012		0.012
TOTAL FUNDING	77.849	83.322		41.715

APPENDIX 4

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2023/24
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2023 TO 14 JULY 2023

	<u>2023/24</u> <u>Original</u> <u>Budget</u> £m	<u>2023/24</u> <u>Revised</u> <u>Budget</u> £m	<u>2023/24</u> <u>Budget to</u> <u>14/07/23</u> £m	<u>2023/24</u> <u>Actual to</u> <u>14/07/23</u> £m
Expenditure				
2023/24 Budget	63.916	69.596	13.250	12.469
	<u>2023/24</u> <u>Original</u> <u>Budget</u> £m	<u>2023/24</u> <u>Revised</u> <u>Budget</u> £m		<u>2023/24</u> <u>Actual to</u> <u>14/07/23</u> £m
Income				
Capital Receipts	0.000	1.683		1.683
Capital Receipts – Land Sales	0.000	0.000		0.005
Capital Funded from Current Revenue	27.162	27.162		5.902
Prudential Borrowing	17.302	23.331		0.000
Scottish Government Specific Grant:				
- New Build	16.632	12.036		4.748
- Open Market Purchase Scheme	2.700	5.264		0.000
- Mortgage to Rent	<u>0.120</u>	<u>0.120</u>		<u>0.131</u>
	<u>63.916</u>	<u>69.596</u>		<u>12.469</u>