

Report

Report to:	Executive Committee
Date of Meeting:	2 November 2022
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Programme 2022/2023 Update and Monitoring for Period 7 – 1 April 2022 to 7 October 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 2022 to 7 October 2022

2. Recommendation(s)

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

- (1) that the Period 7 position (ended 7 October 2022) of the General Fund Capital Programme, itemised at appendices 1 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, 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 7 October 2022. Spending has been split into 2 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 Executive Committee on 21 September 2022 was £97.057 million. A revised programme of £95.880 million is now anticipated, which includes adjustments to the programme totalling a net decrease of £1.177 million (as proposed in Appendix 1).

4.2. The main reason for the £1.77 million reduction is profiling adjustments proposed by Community and Enterprise Resources following a review of the anticipated timing of spend on both the Rural Business Centre, Lanark and the Vacant and Derelict Land funded allotment project at Cuningar Loop.

- 4.3. As reported previously, the programme includes allocations for 3 significant projects where the level of spend in year had still to be confirmed. The projects and their budgets are Clyde Bridge (£6.5 million), Larkhall Leisure Centre (£9.550 million) and Levelling Up Fund Match Funding (£1.8 million). As highlighted in the last Capital Monitoring report to this Committee, it is unlikely that all of these funds will be spent this financial year. An update will be provided to the next meeting of this Committee (30 November 2022) as at that stage, the outcome of the tender exercise for Clyde Bridge will be known.
- 4.4. **Period 7 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 £95.880 million.
- 4.5. Budget for the period is £25.402 million and spend to the 7 October 2022 is £24.901 million, an underspend of £0.501 million. This is mainly due to the timing of spend within the Schools Information Communication Technology project within Education Resources.
- 4.6. Actual funding received to 7 October 2022 is £60.924 million.
- 4.7. 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 7 October 2022. The revised capital programme for the year was £66.361 million, as approved by the Executive Committee on 24 August 2022. No changes to this budget are proposed in this report.
- 5.2. Programmed funding for the year also totals £66.361 million. The funding sources are also detailed in Appendix 4.
- 5.3. **Period 7 Position:** Budget for the period is £25.539 million and spend to 7 October 2022 amounts to £25.496 million, an underspend of £0.043 million.
- 5.4. As at 7 October 2022, £25.496 million of funding had been received.
- 5.5. 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)

20 October 2022

Link(s) to Council Values/Priorities/Outcomes

- ◆ Accountable, effective, efficient and transparent

Previous References

- ◆ Executive Committee, 21 September 2022

List of Background Papers

- ◆ Capital Ledger prints to 7 October 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 7 OCTOBER 2022

Proposed Adjustments

Community and Enterprise Resources

Douglas Primary School – Floodlights

Glenbuck and Douglas Football Academy have been awarded £0.016m from Clyde Windfarm and the Renewal Energy Fund to produce a Phase 1 feasibility and design report for the installation of floodlights at Douglas Primary School. Approval is sought to increase the 2022/2023 Capital Programme by £0.016m. £0.016m

Halfway Park Play Area – Redevelopment

Approval is sought to increase the 2022/23 Capital Programme by £0.049m to enable the redevelopment of Halfway Park Play Area.

The overall project will total £0.174m and will be funded by a contribution from the SUEZ Community Fund (£0.049m) as well as funding set aside within existing Council capital budgets namely the Place Based Investment Fund (£0.100m) within Community and Enterprise Resources and a contribution from the Education Resources Early Years Programme (£0.025m) £0.174m
 (£0.100m)
 (£0.025m)

Vacant and Derelict Land – Cuningar Allotments

The 2022/2023 Capital Programme includes £0.652 million for this SLC managed project which will see the creation of up to 50 new allotments for food growing at Cuningar Loop – Phase 3, Rutherglen.

The timescales for commencing this project have been impacted as a result of site access issues, with ongoing Clyde Gateway Urban Regeneration Company works taking priority at the same location. In addition, the identification of badger sets adjacent to the site has meant that ecological surveys now need to be undertaken. Approval is sought to slip £0.592 million into financial year 2023/2024 to reflect the revised timescales. (£0.592)

Rural Business Centre, Lanark

This funding of £0.800m was secured from the Scottish Government's Regeneration Capital Grant Fund (RCGF) to create a Rural Business Centre in Lanark and would encompass new business office accommodation and community benefits.

The original intention to site the facility at Braidfute Retail Park could not be progressed due to a change of ownership. The Scottish Government has confirmed their agreement to the Council's request for an extension to deliver the Lanimer Shed and Rural Business Centre and after a detailed search an area of land at Lanark Racecourse has now been identified. Now that a design team is in place, the timescales for spend can be confirmed, and as a result, approval is sought to allow slippage of £0.650 million into financial year 2023/2024. (£0.650)

TOTAL ADJUSTMENTS

(£1.177m)

APPENDIX 2

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2022/2023
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2022 TO 7 OCTOBER 2022

£m

Total Budget (Executive Committee – 21 September 2022)	97.057
Proposed Adjustments – Period 7 (Appendix 1)	(1.177)
Total Revised Budget	95.880

<u>Resource</u>	<u>Previous 2022/23 Budget</u>	<u>Period 7 Proposed Adjustments</u>	<u>Revised 2022/23 Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	64.540	(1.152)	63.388
Education	14.633	(0.025)	14.608
Finance & Corporate	3.695	-	3.695
Housing & Technical	8.486	-	8.486
Social Work	3.903	-	3.903
Other Match Funding	1.800	-	1.800
TOTAL CAPITAL PROGRAMME	97.057	(1.177)	95.880

APPENDIX 3

**SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2022/2023
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2022 TO 7 OCTOBER 2022**

	<u>2022/23</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u>	<u>2022/23</u> <u>Revised</u> <u>Budget</u>	<u>2022/23</u> <u>Budget to</u> <u>07/10/22</u>	<u>2022/23</u> <u>Actual to</u> <u>07/10/22</u>
Expenditure	£m	£m	£m	£m
General Fund Programme	95.232	95.880	25.402	24.901
Income				
	<u>2022/23</u> <u>Budget</u>	<u>2022/23</u> <u>Revised</u> <u>Budget</u>		<u>2022/23</u> <u>Actual</u> <u>To</u> <u>07/10/22</u>
	£m	£m		£m
Prudential Borrowing	55.416	50.140		34.040
Developers Contributions	6.552	7.145		6.837
Partners (Including High Blantyre Construction, SPT, Sustrans, and CARES)	1.745	3.865		1.462
Scottish Government:				
- Capital Grant	22.424	22.908		11.548
- Cycling, Walking and Safer Routes	2.154	2.887		0.000
- Vacant and Derelict Land	1.820	1.228		0.728
- Regeneration Capital Grant	1.720	1.370		0.157
- 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		0.844
Specific Reserves	0.534	1.207		1.207
Revenue Contribution	0.031	0.514		0.514
TOTAL FUNDING	95.232	95.880		60.924

APPENDIX 4

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2022/2023
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2022 TO 7 OCTOBER 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>07/10/22</u> £m	<u>2022/23</u> <u>Actual to</u> <u>07/10/22</u> £m
Expenditure				
2022/23 Budget Incl. adjustment from 2021/22	52.230	66.361	25.539	25.496

	<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>07/10/22</u> £m
INCOME			
Capital Receipts	0.000	7.311	0.000
Capital Receipts – Land Sales	0.000	0.000	0.013
Capital Funded from Current Revenue	26.050	26.050	22.334
Prudential Borrowing	22.018	26.462	0.000
Scottish Government Specific Grant:			
- New Build	2.242	4.048	3.094
- Open Market Purchase Scheme	1.800	2.370	0.000
- Mortgage to Rent	0.120	0.120	0.055
	<u>52.230</u>	<u>66.361</u>	<u>25.496</u>