



Report

Report to:	Executive Committee
Date of Meeting:	19 December 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2018/2019 and Monitoring for Period 9 - 1 April 2018 to 9 November 2018
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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 2018 to 9 November 2018.

2. Recommendation(s)

2.1. The Executive Committee is asked to approve the following recommendations:

- (1) that the Period 9 position (ended 9 November 2018) of the General Fund Capital Programme itemised at Appendices 1 – 4 and the Housing Capital Programme at Appendix 5, 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 9 November 2018. 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. General Fund

4.1. 2018/19 Budget

The budget agreed at Executive Committee on 21 November 2018 was £69.646 million. A revised budget of £68.541 million is presented in Appendix 1. This consists of the base budget plus carry forward projects, previously approved adjustments and proposed adjustments (totalling a net decrease of £1.105 million) detailed at Appendix 2.

4.2. A list of the projects where approval is sought to reduce the 2018/19 budget allocation is included in Appendix 4, along with their anticipated completion dates.

4.3. The programme spend and funding for the General Fund is summarised in Appendices 1 and 3. Total funding of £68.541 million is available in year.

4.4. 2018/19 Monitoring

Budget for the period is £32.808 million and spend to the 9 November 2018 is £30.311 million (44.22%). This represents expenditure of £2.497 million behind profile. This is mainly due to the timing of spend across a number of projects within Regeneration Services and Roads Services. It is expected that full spend on these projects will be made this financial year.

4.5. Actual funding received to 9 November 2018 is £54.218 million (79.10%).

5. Housing Programme

5.1. 2018/19 Budget

Appendix 5 also shows the position on the Housing programme as at 9 November 2018. The revised capital programme for the year is £53.664 million. Programmed funding for the year totals £53.664 million.

5.2. 2018/2019 Monitoring

Budget for the period is £29.384 million and spend to 9 November 2018 amounts to £29.294 million (54.59%). This represents expenditure of £0.090 million behind profile. This underspend relates to project programming and the timing of the actual spend on various projects.

5.3. As at 9 November 2018, actual funding of £29.294 million had been received.

5.4. Regular monitoring of both the General Fund Programme and the Housing Programme is carried out in detail by the Financial Resources Scrutiny Forum and reported on a regular basis to this Committee.

6. Employee Implications

6.1. None

7. Financial Implications

7.1. As detailed within this report

8. Other Implications

8.1. 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.

9. Equality Impact Assessment and Consultation Arrangements

9.1. 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.

9.2. 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)

19 November 2018

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- Executive Committee, 21 November 2018

List of Background Papers

Capital Ledger prints to 9 November 2018

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 2018/19
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 9 NOVEMBER 2018

	£m	£m
Original 2018/19 Base Budget including Carry Forward		69.646
Proposed Adjustments – Period 9		(1.105)
Total Revised Budget including Carry Forward		68.541

<u>Resource</u>	<u>Base 2018/19 Budget</u>	<u>Period 9 Proposed Adjustments</u>	<u>Revised 2018/19 Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	36.624	(0.005)	36.619
Education	22.417	(1.100)	21.317
Finance & Corporate	1.592	0.000	1.592
Housing & Technical	8.373	0.000	8.373
Social Work	0.640	0.000	0.640
Total	69.646	(1.105)	68.541

Proposed Adjustments

Community and Enterprise Resources

Accommodation Upgrades - Community Facility, Walston

A budget allocation of £0.100m exists within Community and Enterprise Resources to complete the fit out of the new Community Facility at Walston, which will form part of the new Walston Primary School. Approval is sought to transfer this £0.100m budget to Education Resources to allow the completion of the facility. (£0.100m)
£0.100m

The school is due to complete in Summer 2019 and this allocation will not be required until then. Approval is therefore sought to reduce the 2018/19 Capital Programme by £0.100m. (£0.100m)

Flood Prevention

Approval is sought to allow slippage of £0.075m into the 2019/20 Capital Programme to reflect a revised programme of works for flood prevention schemes. (£0.075m)

Bin Storage Areas

Approval is sought to allow slippage of £0.100m into the 2019/20 Capital Programme to align with the estimated timescales for completion of the remaining hard standings. (£0.100m)

Ballgreen Hall

Approval is sought to allow slippage of £0.130m into the 2019/20 Capital Programme to align with the estimated demolition timescales for the original Ballgreen Hall and Library. (£0.130m)

Strathclyde Passenger Transport

SPT have advised that additional Council funding of £0.400m for 2018/19 could be approved at their Board meeting in December for Lanark Park and Ride (£0.300m), and for Casualty Reduction Measures (£0.100m). For Lanark Park and Ride, it is planned that negotiations in relation to land purchase could progress. If land negotiations are not completed by March 2019, the funding will revert back to SPT, and SPT funding for future years will be considered to continue the negotiations. The Casualty Reduction Measures are in relation to Bothwell Road, and the industrial estate access road. Approval is sought to increase the programme for the additional SPT funding, subject to SPT final approval. £0.400m

Education Resources

Primary Schools Modernisation Programme

The timing of expenditure on the remaining projects within the Primary School Modernisation has been reviewed, with expenditure of £1.1m now anticipated in 2019/20. This is mainly due to the timing of expenditure on the Early Learning Unit however, as previously reported to this Committee, the project remains on schedule to complete in Summer 2019. Approval is sought to reduce the 2018/19 Capital Programme by £1.1m. (£1.100m)

TOTAL ADJUSTMENTS**(£1.105m)****APPENDIX 3**

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2018/2019
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2018 TO 9 NOVEMBER 2018

	<u>2018/2019</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u> £m	<u>2018/2019</u> <u>Revised</u> <u>Budget</u> £m	<u>2018/2019</u> <u>Budget to</u> <u>09/11/18</u> £m	<u>2018/2019</u> <u>Actual to</u> <u>09/11/18</u> £m
Expenditure				
General Fund Programme	70.625	68.541	32.808	30.311
Income	<u>2018/19</u> <u>Budget</u> £m	<u>2018/19</u> <u>Revised</u> <u>Budget</u> £m		<u>2018/19</u> <u>Actual</u> <u>To</u> <u>09/11/18</u> £m
Prudential Borrowing	32.772	29.395		29.395
Heritage Lottery / Sportscotland Grant	0.124	0.406		0.184
Developers Contributions	1.550	1.535		1.405
Partners (Including SPT, Forestry Commission, Transport Scotland, Timber Income, and Renewable Energy Fund)	0.619	2.938		0.945
Scottish Government:				
- Capital Grant	27.607	27.607		16.104
- Cycling, Walking and Safer Streets	0.432	0.432		0.000
- Vacant and Derelict Land	2.316	1.566		1.566
- Early Years 1,140 Hours	0.970	0.635		0.635
- Regeneration Capital Grant	0.850	0.850		0.807
Specific Reserves	1.244	2.155		2.155
Capital Receipts	0.500	0.500		0.500
Capital Financed from Current Revenue	1.641	0.522		0.522
TOTAL FUNDING	70.625	68.541		54.218

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2018/2019
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2018 TO 9 NOVEMBER 2018

Projects with Underspends in 2018/19		
Project Name	Project Type	Completion Date
Community Facility, Walston	New Build	August 2019
Flood Prevention	Infrastructure	March 2020
Bin Storage Areas	Infrastructure	Summer 2019
Ballgreen Hall	Demolition	Summer 2019
Early Learning Unit	New Build	August 2019

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2018/2019
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2018 TO 9 NOVEMBER 2018

	<u>2018/2019</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2018/2019</u> <u>Estimate to</u> <u>09/11/18</u> <u>£m</u>	<u>2018/2019</u> <u>Actual to</u> <u>09/11/18</u> <u>£m</u>
Expenditure			
2018/19 Budget incl carry forward from 2017/18	53.664	29.384	29.294
	<u>2018/19</u> <u>Annual</u> <u>Budget</u> <u>£m</u>		<u>2018/19</u> <u>Actual to</u> <u>09/11/18</u> <u>£m</u>
Income			
Capital Receipts – House Sales	0.000		0.088
Capital Receipts – Land Sales	2.000		2.308
Capital Funded from Current Revenue	23.730		22.743
Prudential Borrowing	21.602		0.000
Specific Grant			
- Scottish Government – New Council Houses	4.963		2.892
- Scottish Government – Buy Backs	0.900		0.690
- Scottish Government – Mortgage to Rent	0.120		0.037
- Scottish Natural Heritage	0.349		0.000
Other Income	0.000		0.536
TOTAL FUNDING	53.664		29.294