



Report

Report to:	Executive Committee
Date of Meeting:	15 August 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget 2018/2019 and Monitoring for Period 4 - 1 April to 22 June 2018
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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 2018/2019 Capital Programme including 2017/2018 carry forward. It includes information on two programmes: the General Fund Programme (being Education, Social Work, Roads & Transportation and General Services) and the Housing Investment Programme, which covers all investment in relation to the Councils Housing stock
- ◆ update the Executive Committee of progress on the Capital Programme for the period 1 April 2018 to 22 June 2018

2. Recommendation(s)

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

- (1) that the Period 4 position (ended 22 June 2018) of the General Fund Capital Programme itemised at Appendices 1 – 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund Capital 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 22 June 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. Employee Implications

4.1. None

5. Financial Implications

5.1. General Fund

5.1.1. 2018/19 Budget

The budget agreed at Executive Committee on 27 June 2018 was £73.316 million. A revised budget of £72.720 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 which are proposed in this report at Appendix 2.

5.1.2. The programme spend and funding for the General Fund is summarised in Appendices 1 and 2. Total funding of £72.720 million is available in year.

5.1.3. 2018/19 Monitoring

Budget for the period is £9.037 million and spend to the 22 June 2018 is £9.195 million (12.64%).

5.1.4. Actual funding received to 22 June 2018 is £46.397 million (63.80%).

5.2. Housing Programme

5.2.1. 2018/19 Monitoring

5.2.2. Appendix 4 also shows the position on the Housing programme as at 22 June 2018. Budget for the period is £7.533 million with spend of £7.533 million (14.04%).

5.2.2. Programmed funding for the year totals £53.664 million. As at 22 June 2018, actual funding of £7.533 million has been received.

5.2.4. 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. 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)

2 July 2018

Link(s) to Council Values/Ambitions/Objectives

- ◆ Housing Capital Programme (Section 5.2)

Previous References

- ◆ Executive Committee, 27 June 2018

List of Background Papers

- ◆ Capital Ledger Prints to 22 June 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 2018/2019
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2018 TO 22 JUNE 2018

APPENDIX 1

	£m	£m
Original 2018/19 Base Budget including Carry Forward		73.316
Proposed Adjustments – Period 4		(0.596)
Total Revised Budget including Carry Forward		72.720

<u>Resource</u>	<u>Base 2018/19 Budget</u> £m	<u>Period 4 Proposed Adjustments</u> £m	<u>Revised 2018/19 Budget</u> £m
Community & Enterprise	38.468	(0.334)	38.134
Education	24.657	0.000	24.657
Finance & Corporate	1.522	0.000	1.522
Housing & Technical	8.349	(0.262)	8.087
Social Work	0.320	0.000	0.320
Total	73.316	(0.596)	72.720

Proposed Adjustments**Community and Enterprise Resources****Grass & Synthetic Pitch Replacement**

Approval is sought to slip £0.300m into the 2019/20 Capital programme to fund further pitch upgrades next financial year outwith playing season. (£0.300m)

Springhall Community Hall

Planning in relation to the redevelopment of the Springhall Community Hall facility is ongoing. Initial draft designs have now been developed and in order to enable the refurbished facility to meet the aspirations of Council services, elected members and the local community, who have been consulted as part of this process, an estimated budget of £0.900m is required. Approval is sought to transfer further match funding of £0.450m from the Prioritised Urgent Investment Fund. This will result in a total project budget for the Community Hall of £0.900m. £0.450m
(£0.450m)

The main contract works are expected to commence on site in 2019, following further consultation on the final design and thereafter the procurement process. In order to reflect the timescales for this project to commence on site, approval is sought to carry forward the £0.450m additional funding into 2019/20. (£0.450m)

Vacant and Derelict Land

Following the results of the initial monitoring regime at the former landfill site at Glen Esk, East Kilbride, there is a requirement for further tests to be carried out. This will enable the contract to be awarded in February 2019 and allow Scottish Government funding for this project to be secured. As such, approval is sought to allow slippage of £0.750m into the 2019/20 Capital Programme to align with the commencement of works. (£0.750m)

Carstairs Junction Play Area Redevelopment

Approval is sought to increase the 2018/19 Capital programme by £0.087m in order to redevelop Carstairs Junction Play Area. This will be funded by awards from Viridor Credits £0.050m, Renewable Energy Fund £0.035m and a contribution from Carstairs Junction Community Group £0.002m. £0.087m

Hamilton International Technology Park

Approval is sought to increase the 2018/19 Capital Programme by £0.629m in order to complete road network improvements at Hamilton International Technology Park. This will be funded by a contribution from the developer. £0.629m

Housing and Technical Resources**Central Energy Efficiency Fund (CEEF)**

Approval is sought to add energy efficiency projects into the 2018/19 capital programme. Projects to be carried out are LED lighting at four Council offices including East Kilbride Central Library, David Dale House, Brandon Gate and South Vennel as well as the installation of photovoltaic panels at five primary schools. £0.188m

Minor Adjustments

£0.000m

Total Adjustments

(£0.596m)

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2018/2019
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2018 TO 22 JUNE 2018

APPENDIX 3

Expenditure	<u>2018/19</u>	<u>2018/19</u>	<u>2018/19</u>	<u>2018/19</u>
	<u>Original</u> <u>Estimate inc</u> <u>C/F</u> £m	<u>Revised</u> <u>Budget</u> £m	<u>Budget to</u> <u>22/06/18</u> £m	<u>Actual to</u> <u>22/06/18</u> £m
General Fund Programme	70.625	72.720	9.037	9.195
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>22/06/18</u> £m
Prudential Borrowing	32.772	33.080		33.080
Heritage Lottery / Sportscotland Grant	0.124	0.288		0.168
Developers Contributions	1.550	1.550		0.505
Partners (Including SPT, Forestry Commission, Transport Scotland, Timber Income, and Renewable Energy Fund)	0.619	2.332		0.841
Scottish Government:				
- Capital Grant	27.607	27.607		6.902
- Cycling, Walking and Safer Streets	0.432	0.432		0.000
- Vacant and Derelict Land	2.316	1.566		1.415
- Early Years 1,140 Hours	0.970	2.500		0.971
- Regeneration Capital Grant	0.850	0.850		0.000
Specific Reserves	1.244	1.493		1.493
Capital Receipts	0.500	0.500		0.500
Capital Financed from Current Revenue	1.641	0.522		0.522
TOTAL FUNDING	70.625	72.720		46.397

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2018/19
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2018 TO 22 JUNE 2018

APPENDIX 4

	<u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2018/19</u> <u>Estimate</u> <u>to</u> <u>22/06/18</u> <u>£m</u>	<u>2018/19</u> <u>Actual to</u> <u>22/06/18</u> <u>£m</u>
EXPENDITURE			
2018/19 Budget incl carry forward from 2017/18	53.664	7.533	7.533

	<u>2018/19</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2018/19</u> <u>Actual to</u> <u>22/06/18</u> <u>£m</u>
INCOME		
Capital Receipts – House Sales	0.000	0.064
Capital Receipts – Land Sales	2.000	0.023
Capital Funded from Current Revenue	23.730	7.446
Prudential Borrowing	21.602	0.000
Specific Grant		
- Scottish Government – New Council Houses	4.963	0.000
- Scottish Government – Buy Backs	0.900	0.000
- Scottish Government – Mortgage to Rent	0.120	0.000
- Scottish Natural Heritage	0.349	0.000
	<u>53.664</u>	<u>7.533</u>