

Report

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Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	23 August 2018
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2017/2018 - General Fund Capital Programme
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ update members of the Financial Resources Scrutiny Forum on the final outturn position of the Council's General Fund Capital Programme for the period covering 1 April 2017 to 31 March 2018.

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation:-

- (1) that the final outturn position on the 2017/2018 General Fund Capital Programme be noted.

3. Background

3.1. The Capital reports attached provide detail on the position as at 31 March 2018 from a financial perspective.

3.2. Appendix A shows the financial position of the General Fund Capital Programme. Any physical progress update for projects carried forward into financial year 2018/19 will be picked up as part of the new year monitoring report.

4. Employee Implications

4.1. None

5. Financial Implications

5.1. The General Services Capital Programme for 2017/18 totalled £78.242 million. This reflects the programme agreed by the Executive Committee on 28 June 2017 and the subsequent amendments made through regular monitoring reports to Committee throughout 2017/18.

5.2. Appendix A shows the total expenditure of £57.864 million on the General Fund capital programme for year 2017/18.

5.3. Some of the expenditure (£2.377 million) included in the total of £57.864 million should be classified as Revenue spend for accounting purposes due to the nature of the spend, for example minor works and approved spend on non Council assets (Clyde Gateway £1.6 million and Clyde and Avon Valley Landscape Partnership £0.638 million). Therefore, this has been removed and transferred to the Revenue Account (£2.377 million) along with the relevant funding. This expenditure/funding will be included in the final Revenue outturn

position for 2017/18. This adjustment results in a reduced capital spend of £55.487million, for accounting purposes. This position is also noted in Appendix A.

- 5.4. The difference between the revised programme of £78.242 million and the actual spend of £57.864 million is £20.378 million.
- 5.5. The main projects which make up the overall underspend of £20.378 million are detailed in Appendix B. For all of these projects, the underspend reflects the expected timing of project spend and funding will carry forward into next financial year. Appendix B details the projects and their anticipated completion dates.
- 5.6. Following the year-end, the 2017/18 carry forward exercise was finalised. A carry forward total of £20.593 million will ensure sufficient budget is available to conclude ongoing projects within the General Fund Capital Programme.
- 5.7. This carry forward figure of £20.593 million reflects the 2017/18 underspend of £20.378 million, adjusted to reflect the actual position of income received including additional income that increases the amount available for spend.

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.
- 6.2. There are no implications for sustainability in terms of the information contained in this report.

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)

31 July 2018

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- Executive Committee, 28 June 2017

List of Background Papers

- Capital Ledger prints to 31 March 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 2017-2018
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2017 TO 31 MARCH 2018

APPENDIX A

EXPENDITURE

	2017-18 REVISED BUDGET	2017-18 ACTUAL to 31/03/18
	£m	£m
GENERAL FUND PROGRAMME (including adjustments agreed)	78.242	57.864
Less: Transfers to Revenue		<u>(2.377)</u>
2017/18 Final Outturn Position	<u>78.242</u>	<u>55.487</u>

INCOME

	Actual to 31/03/18 £m
Prudential Borrowing	11.933
Heritage Lottery/ SportsScotland Grant	0.236
Developers Contributions	2.645
Partners (Including Strathclyde Partnership for Transport, Sustrans and Scottish Environment Protection Agency)	1.973
Scottish Government:	
- Capital Grant	30.333
- Cycling, Walking and Safer Streets	0.433
- Vacant and Derelict Land	0.047
- Gaelic Education Hub	0.476
- Early Years 1,140 Hours	0.772
- Scotland's Energy Efficiency Programme (SEEP)	0.087
- Schools for the Future	2.492
Glasgow City Region City Deal	2.541
Specific Reserves	1.248
Capital Financed from Current Revenue	0.271
TOTAL INCOME	55.487

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2017-18
 GENERAL FUND PROGRAMME
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APPENDIX B

Projects with Underspends in 2017/18	Completion Date
School Modernisation:	
St John's Primary School – classroom extension	12 September 2018
Hallside Primary School	25 May 2018 – Project Complete
Tinto Primary School	20 April 2018 – Now Complete
Crawforddyke Primary School – classroom extension	Review of requirements re extension and the implications of 1140 hours ongoing.
Underbank Primary School (includes additional funding from Scottish Futures Trust of £1.6m)	5 October 2018
St Patrick's Primary School	20 April 2018 – Now Complete
Walston Primary School (Includes additional funding from SFT of £1.4m)	29 March 2019
Crawford Primary School	4 May 2018 – Project Complete
Education Other:	
Early Years 1,140 Hours	Options for delivery being considered. Funding will carry forward into 2018/19 to progress projects.
Other small underspends in Education programme	Funding will carry forward into 2018/19 to progress jobs.
Other Capital Projects :	
Vacant and Derelict Land – Shawfield and Glen Esk projects (£1.4m)	Approval for the Glen Esk project was only obtained from the Scottish Government in late November 2017. Works scheduled for completion by March 2019 (as per Local Delivery Plan).
City Deal – Community Growth Areas (£1.1m)	Projects will continue over the years of the City Deal programme.
Street Lighting Works (£1.9m)	Funding covers the whole capital programme timescale, so projects will continue through to 2019/20.
Roads Improvement Programme (£1.5m)	Multi-year programme of works. Underspend reflects projects not carried out across the 4 areas due to bad weather conditions. Will be carried forward into final year 2018/19.