



Report

Report to:	Executive Committee
Date of Meeting:	14 December 2011
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2011/2012
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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
- ◆ update members of the Committee of progress on the Capital Programme for the period 1 April 2011 to 28 October 2011

2. Recommendation(s)

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

- (1) that the adjustments to the General Fund Programme listed at Appendix 1, and the adjustments to the Housing Capital Programme listed at Appendix 3, be approved;
- (2) that the position of the General Fund Capital Programme itemised at Appendices 1 and 2, the Housing Capital Programme at Appendix 3 and the Hamilton Ahead Programme at Appendix 4 be noted;
- (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 28 October 2011. Spending has been split into three separate sections:-

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (including the former Fairer Scotland Fund Programme)
- ◆ Housing Capital Programme
- ◆ Hamilton Ahead

4. Employee Implications

4.1. None

5. Financial Implications

5.1. The revised programme for the General Fund is £120.081m as shown in Appendix 1. This consists of the base budget plus carry forward projects and adjustments to the programme which are proposed in this report at Note 1 to Appendix 1.

- 5.2. The programme spend and funding for the General Fund is summarised in Appendix 2. The total capital spending programme for the year is £120.081m.

Budget for the period is £63.875m and spend to the 28 October 2011 is £61.675m (51.36%). This represents spend of £2.200m behind profile, and is mainly due to underspends within Community Resources and Education Resources. This time last year £64.499m was spent, 42.18% of the programme.

- 5.3. Actual funding received to 28 October 2011 is £103.373m (86.09%).
- 5.4. Relevant officers will continue to closely monitor the generation of all income including receipts.

5.5. **Housing Programme**

Appendix 3 summarises the position on the Housing programme as at 28 October 2011. The revised capital programme for the year is £40.884m. This consists of the base budget plus carry forward projects and adjustments to the programme which are proposed in this report at Note 1 to Appendix 3.

Budget for the period is £15.388m and spend to 28 October 2011 amounts to £14.886m (36.41%). This time last year £19.717m was spent (46.91%).

Programmed funding for the year totals £40.884m, as at 28 October 2011 £14.886m had been received.

5.6. **Hamilton Ahead**

The current year programme for Hamilton Ahead is summarised at Appendix 4. The budgeted expenditure for 2011/12 totals £0.170m with £0.032m being spent by 28 October 2011.

Programmed funding for the year totals £0.170m, as at 28 October 2011 £0.053m had been received.

- 5.7. Relevant officials are working on all programmes in order to maximise expenditure and funding packages.

6. **Other Implications**

- 6.1. The main risk associated with the Council's Capital Programme is that there is a significant 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)

7 November 2011

Link(s) to Council Values/Improvement Themes/Objectives

- ◆ **Value:** Accountable, Effective and Efficient

Previous References

- ◆ Executive Committee, 16 November 2011

List of Background Papers

Capital Ledger prints to 28 October 2011

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 2011/2012
GENERAL FUND PROGRAMME

	£m
Revised Approved Programme (Executive Committee 10 February 2011)	22.261
Revised Primary Schools Modernisation Programme (Executive Committee 26 January 2011, including slippage from 2010/11 of £40.599m)	73.410
Previously Approved Roads Investment Programme (Executive Committee 30 April 2008)	12.750
Adjustments approved in 2010/11 (excluding Primary Schools Modernisation Programme slippage of £40.599m)	20.805
Carry Forward Adjustment from 2010/11 outturn	4.576
Previously Approved Adjustments in 2011/12	(5.954)
Proposed Adjustments (Note 1)	(7.670)
Minor Adjustments	(0.097)
Revised Programme including Carry Forward	120.081

<u>Resource</u>	<u>Approved 2011/12 Budget £000</u>	<u>Adjustments Approved in 2010/11</u>	<u>C/F From 2010/11 £000</u>	<u>Total Original 2011/12 Budget</u>	<u>Previously Approved Adjustments in 2011/12 £000</u>	<u>Period 8 Proposed / Minor Adjustments £000</u>	<u>Revised 2011/12 Budget Total £000</u>
Community	7.516	14.099	0.212	21.827	(4.691)	(4.158)	12.978
Education	34.211	41.658	1.607	77.476	(0.437)	(0.229)	76.810
Enterprise	19.069	1.910	0.517	21.496	5.362	(3.179)	23.679
Finance & IT	0	0.419	0.228	0.647	0.616	(0.055)	1.208
Housing & Technical	4.888	1.905	1.649	8.442	(4.596)	(0.143)	3.703
Social Work	1.010	1.413	0.363	2.786	(1.080)	(0.003)	1.703
Police Capital Grant	1.128	0.000	0.000	1.128	(1.128)	0.000	0.000
Total	67.822	61.404	4.576	133.802	(5.954)	(7.767)	120.081

Note 1 – General Fund Capital Programme Proposed Adjustments

Community Resources

Property Infrastructure

Approval is sought to allow slippage of £0.185m into the 2012/13 Capital Programme due to delays experienced in finalising a programme of works. (£0.185m)

Murray Mortuary Chapel

Ongoing discussions with Historic Scotland have delayed the issue of the tender and overall project timescales. Approval is sought to allow slippage of £0.170m as works are unlikely to commence this financial year. (£0.170m)

Lanark Memorial Hall

Approval is sought to allow slippage of £2.000m into the 2012/13 Capital Programme following redesign requirements which will delay completion of the project. (£2.000m)

Larkhall Leisure Centre

An additional allocation of £0.120m is required to enable filtration works to be completed at Larkhall Leisure Centre. Approval is sought to increase the overall budget to £0.240m and this will be funded from the Upgrades to Community Infrastructure allocation. £0.120m (£0.120m)

Blantyre Leisure Centre

To enable completion of steelworks and lighting works at Blantyre Leisure Centre, approval is sought to transfer £0.171m from the 2011/12 allocation for the Upgrades to Community Infrastructure programme. £0.171m (£0.171m)

Priority Repairs to Building Infrastructure

Approval is sought to allow slippage of £0.150m into the 2012/13 Capital Programme due to a delay in finalising a programme of works. (£0.150m)

Biggar Corn Exchange

Approval is sought to allow slippage of £0.100m into the 2012/13 Capital Programme as boiler replacement works will now be held until next financial year to ensure heating is available throughout the winter period. (£0.100m)

Upgrades to Community Infrastructure

Approval is sought to allow slippage of £0.799m into the 2012/13 Capital Programme due to a delay in finalising a programme of works. (£0.799m)

Carluke Integrated Facility / Loch Park Stadium

Works at Carluke Integrated Facility are expected to complete within the current budget allocation. Approval is sought to allow the anticipated underspend of £0.136m to be used to fund the anticipated overspend in 2011/12 at Loch Park Stadium. (£0.136m) £0.136m

Zero Waste Fund

Approval is sought to allow slippage of £0.491m into the 2012/13 Capital Programme as the proposed programme of food waste collection from residential properties has been revised to align with the timescales for the new waste management contract. (£0.491m)

Various Community Projects

Adjustments are required to various capital projects to realign budgets to reflect actual spend expected in 2011/12. The following projects require funding to be slipped into 2012/13: (£0.260m)

Fernhill Integrated Facility	(£0.130m)
Carlisle Leisure Centre	(£0.036m)
Lanark Pool	(£0.069m)
East Kilbride Integrated Facility	(£0.022m)
Forth Pitches	<u>(£0.003m)</u>
	(£0.260m)

Approval is sought to allow slippage of £0.260m into the 2012/13 Capital Programme.

Education Resources

Lifecycle Maintenance

A revised programme of works has now been agreed as a result of the original programme being completed within the budget allocation. Approval is sought to reduce the 2011/12 Capital Programme by £0.436m to reflect the savings achieved this financial year. (£0.436m)

Enterprise Resources

Hamilton International Technology Park

Approval is sought to allow slippage of £0.300m into the 2012/13 Capital Programme following a revised programme of works being determined. (£0.300m)

Hamilton Bus Station and Interchange Development

Approval is sought to allow slippage of £2.322m into the 2012/13 Capital Programme to reflect the profile of spend across 2011/12 and 2012/13. (£2.322m)

Redlees Quarry

Funding has been awarded from the following organisations to enable repairs to be made to the former WWII anti-aircraft battery site: £0.110m

Heritage Lottery Fund	£0.042m
Forestry Commission Scotland	
Woodlands In and Around Towns Fund (WIAT)	<u>£0.068m</u>
	£0.110m

Approval is sought to increase the 2011/12 Capital Programme by £0.110m to reflect the additional funding received.

Canderside, Larkhall

Following a delay in receiving confirmation of European Regional Development Funding, the majority of the works on this project will now take place next financial year. Approval is sought to allow slippage of £0.175m into the 2012/13 Capital Programme. (£0.175m)

Winston Business Centre, Lanark

Following a delay in receiving confirmation of European Regional Development Funding, the majority of the works on this project will now take place next financial year. Approval is sought to allow slippage of £0.175m into the 2012/13 Capital Programme. (£0.175m)

Vacant and Derelict Land Funds – Caldwellside Serviced Plots

Following a delay in receiving confirmation of European Regional Development Funding, the majority of the works on this project will now take place next financial year. Enterprise Resources have proposed that the development of the former Cathkin Clean site utilise this Scottish Government funding in 2011/12. Approval is sought to allow slippage of £0.400m Council funding into the 2012/13 Capital Programme. (£0.400m)

Central Energy Efficiency Fund

Voltage Optimisers to Various Secondary Schools

Approval is sought to accelerate £0.183m from the 2012/13 CEEF programme to allow the installation of Voltage Optimisers to 13 Secondary Schools in 2011/12. As there is no further CEEF funding for this additional work in the current financial year, it is proposed that funding for this work will come from the Council's Repairs and Renewals fund, with payback from CEEF savings in 2012/13. £0.183m

Minor Adjustments (£0.097m)

Total Adjustments (£7.767m)

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2011-2012
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2011 TO 28 OCTOBER 2011

Expenditure	<u>2011/12</u> <u>Original</u> <u>Estimate</u> <u>inc C/F</u> £m	<u>2011/12</u> <u>Revised</u> <u>Budget</u> £m	<u>2011/12</u> <u>Budget</u> <u>to 28/10/11</u> £m	<u>2011/12</u> <u>Actual</u> <u>To</u> <u>28/10/11</u> £m
General Fund Programme	133.802	120.081	63.875	61.675

Income	<u>2011/12</u> <u>Original</u> <u>Budget</u> £m	<u>2011/12</u> <u>Revised</u> <u>Budget</u> £m	<u>2011/12</u> <u>Actual</u> <u>to 28/10/11</u> £m
Prudential Borrowing	77.391	75.907	75.907
Heritage Lottery/ SportsScotland Grant	0.199	0.691	0.000
European Regional Development Fund	0.651	0.731	0.215
Planning Gain	0.241	0.262	0.211
Partners (Including SPT, Historic Scotland, ADAT, Clyde Gateway URC, Rutherglen Common Good)	0.697	3.692	0.424
Scottish Government:			
- School Buildings Improvement Fund	6.000	6.000	0.000
- Capital Grant	15.958	16.634	14.060
- Countryside Ranger Service	0.016	0.016	0.000
- Private Sector Housing Grant	1.804	0.000	0.000
- Gypsy Travellers	0.080	0.080	0.000
- Zero Waste Fund	0.245	0.245	0.000
- Cycling, Walking and Safer Streets	0.476	0.476	0.030
- Vacant and Derelict Land Fund	0.000	1.558	1.169
Specific Reserves	0.350	1.782	1.782
Capital Receipts	11.117	11.697	9.265
Capital Financed from Current Revenue	0.000	0.247	0.247
Repairs and Renewals Fund	18.577	0.063	0.063
TOTAL FUNDING	133.802	120.081	103.373

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2011/2012
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2011 TO 28 OCTOBER 2011

EXPENDITURE

	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Estimate</u> <u>to 28/10/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 28/10/11</u> <u>£m</u>
2010/11 Carry Forward projects, plus new projects approved in 2011/12	40.884	15.388	14.886

INCOME

	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 28/10/11</u> <u>£m</u>
Capital Receipts – House Sales	3.000	1.968
Capital Receipts – Land Sales	2.525	1.261
Capital Funded from Current Revenue	13.155	11.397
Prudential Borrowing	20.666	0.000
Specific Grant	<u>1.538</u>	<u>0.260</u>
	40.884	14.886

Note 1 – Housing Capital Programme Proposed Adjustments

Kitchen and Bathrooms

Approval is sought to reduce the budget by £1.040m, with this being recognised as a saving to the programme. (£1.040m)

Heating Programme

Approval is sought to allow slippage of £0.660m into the 2012/13 Housing Capital Programme as delays have been experienced gaining access to properties. (£0.660m)

Low Waters Road

Approval is sought to allow slippage of £1.500m into the 2012/13 Housing Capital Programme to allow discussions to take place with all relevant parties to establish the extent of the Council's liability at this site. (£1.500m)

Regeneration

Approval is sought to accelerate £0.640m from the 2012/13 programme to enable regeneration works in the Fernhill Area to be completed this financial year. £0.640m

Environmental Programme

Approval is sought to accelerate £0.060m from the 2012/13 programme to enable the next phase of the Balfour Wynd Environmental Programme to take place this financial year. £0.060m

Innovation and Investment Fund

The Council has been awarded £2.480m in 2012/13 from the Scottish Government's Innovation and Investment Fund to purchase houses secured by developers through their part exchange programme. The aim of this scheme is to stimulate the house building market, whilst securing additional units of social housing to meet council demand. This is to be matched to Council funding.

Approval is sought to accelerate £0.716m from the 2012/13 programme to bring forward the procurement of 10 units into this financial year. This will be funded as follows: £0.716m

Council 2012/13 Programme	£0.466m
Scottish Government Funding	<u>£0.250m</u>
	£0.716m

Total Adjustments (£1.784m)

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2011/2012
 HAMILTON AHEAD
 FOR PERIOD 1 APRIL 2011 TO 28 OCTOBER 2011

	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Estimate</u> <u>to 28/10/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 28/10/11</u> <u>£m</u>
EXPENDITURE			
2011-12 Programme	0.170	0.032	0.032
	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Estimate</u> <u>to 28/10/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 28/10/11</u> <u>£m</u>
INCOME			
Capital Receipt	0.110	0.000	0.000
External Partner Income	<u>0.060</u>	<u>0.000</u>	<u>0.053</u>
	0.170	0.000	0.053