



# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>28 February 2018</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Budget Monitoring for Period 11 - 1 April 2017 to 5 January 2018</b>
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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 2017/2018 Capital Programme including 2016/2017 carry forward and adjustments. It includes information on two programmes: the General Fund Programme and the Housing Investment Programme.
- ◆ update the Executive Committee of progress on the Capital Programme for the period 1 April 2017 to 5 January 2018.

## 2. Recommendation(s)

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

- (1) that the Period 11 position (ended 5 January 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 programme listed at Appendix 2, be approved;
- (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 5 January 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. 2017/18 Budget**

The budget agreed at Executive Committee on 31 January 2018 was £78.291 million. A revised budget of £78.317 million is presented in Appendix 1. This takes into account the proposed adjustments listed in Appendix 2.

#### **5.1.2. 2017/18 Outturn**

Current estimates from Housing and Technical Resources suggest a 2017/2018 outturn of £65.313 million. This is an underspend of £13.004 million and the main reason for this relates to the Primary Schools' Modernisation Programme within Education Resources. This reflects the expected timing of project spend and funding will carry forward into next financial year.

#### **5.1.3. Period 11 Position**

The programme spend and funding for the General Fund is summarised in Appendices 1 and 2. This totals £78.317 million for 2017/2018.

5.1.4. Budget for the period is £43.717 million and spend to the 5 January 2018 is £41.605 million (53.12%). This represents expenditure of £2.112 million behind profile. This is mainly due to timing of spend on the Council's Primary Schools' Modernisation Programme offset by spend occurring earlier than originally predicted on the Council's Glasgow City Region City Deal projects (Greenhills Road and Cathkin Bypass).

5.1.5. Actual funding received to 5 January 2018 is £65.264 million (83.33%). Relevant officers will continue to closely monitor the generation of all income including receipts.

### **5.2. Housing Programme**

5.2.1. Appendix 3 summarises the position on the Housing programme as at 5 January 2018. The revised capital programme for the year is £40.581 million. Programmed funding for the year totals £40.581 million.

#### **5.2.2. 2017/18 Outturn**

In terms of the Housing Capital Programme work has been ongoing to clarify the predicted spend position for this financial year and current estimates from Housing and Technical Resources suggest an outturn of £38.080 million. This is an underspend of £2.501 million and reflects the anticipated timing of spend in relation to the Urban Park Development of the former Blairbeth Golf Course site and the continued work of the Housing Investment Programme. Funding for these projects will also carry forward into next financial year.

#### **5.2.3. Period 11 Position**

Budget for the period is £25.110 million and spend to 5 January 2018 amounts to £25.142 million (61.96%). This represents expenditure of £0.032 million ahead of profile.

5.2.4. As at 5 January 2018, £25.142 million of funding had been received.

5.2.5. 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)**

24 January 2018

### **Link(s) to Council Values/Ambitions/Objectives**

- ◆ Accountable, Effective and Efficient

### **Previous References**

- ◆ Executive Committee, 31 January 2018

### **List of Background Papers**

- ◆ Capital Ledger prints to 5 January 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 2017/18  
 GENERAL FUND PROGRAMME  
 FOR PERIOD 1 APRIL 2017 TO 5 JANUARY 2018

APPENDIX 1

	£m	£m
<b>Total 2017/18 Budget Approved</b> (Council, 16 February 2017)		<b>112.839</b>
Net Slippage from Previous Years		8.649
Transfers to Revenue:		
- Private Housing Scheme of Assistance	(1.000)	
- Planned Maintenance	<u>(4.301)</u>	
		(5.301)
Carry Forward Adjustment from 2016/17 Outturn		0.039
Reduction in Primary School Modernisation Programme requirement		(5.500)
Reduction in Street Lighting requirement:		
- LED's	(2.395)	
- Columns	<u>(1.048)</u>	
		(3.443)
Reduction in Glasgow City Region City Deal requirement		(16.531)
<b>Total Original 2017/18 Budget including Carry Forward</b>		<b>90.752</b>
Previously Approved Adjustments		(12.461)
Proposed Adjustments		0.026
<b>Total Revised Budget including Carry Forward</b>		<b>78.317</b>

<u>Resource</u>	<u>Approved</u> <u>2017/18</u> <u>Budget</u> <u>£m</u>	<u>C/F</u> <u>From</u> <u>2016/17</u> <u>£m</u>	<u>Previous</u> <u>Year</u> <u>Adj'ments</u> <u>£m</u>	<u>Total</u> <u>Original</u> <u>2017/18</u> <u>Budget</u> <u>£m</u>	<u>Previous</u> <u>Period</u> <u>Approved</u> <u>Adj'ment</u> <u>£m</u>	<u>Period 11</u> <u>Proposed</u> <u>Adj'ments</u> <u>£m</u>	<u>Revised</u> <u>2017/18</u> <u>Budget</u> <u>£m</u>
Community & Enterprise	52.174	1.059	(16.404)	36.829	(5.930)	0.026	30.925
Education	40.349	(1.519)	(1.969)	36.861	3.556	0.000	40.417
Finance & Corporate	1.026	(0.102)	0.680	1.604	0.355	0.000	1.959
Housing & Technical	7.994	0.492	(4.433)	4.053	0.558	0.000	4.611
Social Work	11.296	0.109	0.000	11.405	(11.000)	0.000	0.405
<b>Total</b>	<b>112.839</b>	<b>0.039</b>	<b>(22.126)</b>	<b>90.752</b>	<b>(12.461)</b>	<b>0.026</b>	<b>78.317</b>

**Proposed Adjustments**

**Community and Enterprise Resources**

**Mauldslie and West Brownlie Woods Forest Restructuring and Access Improvements**

£0.026m

Approval is sought to increase the 2017/18 Capital programme by £0.026m to reflect additional funding received from the Forestry Commission Scotland (FCS) for forest restructuring and access improvement works within both Mauldslie and West Brownlie Woods in the Clyde Valley. This funding will be matched by a contribution of £0.027m from the Clyde and Avon Valley Landscape Partnership project.

£0.027m  
(£0.027m)

**Minor Adjustments**

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**Total Adjustments**

**£0.026m**

SOUTH LANARKSHIRE COUNCIL  
 CAPITAL EXPENDITURE 2017/18  
 GENERAL FUND PROGRAMME  
 FOR PERIOD 1 APRIL 2017 TO 5 JANUARY 2018

APPENDIX 3

<b>Expenditure</b>	<u>2017/18</u>	<u>2017/18</u>	<u>2017/18</u>	<u>2017/18</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>05/01/18</u> £m	<u>Actual to</u> <u>05/01/18</u> £m
<b>General Fund Programme</b>	<b>90.752</b>	<b>78.317</b>	<b>43.717</b>	<b>41.605</b>
<b>Income</b>	<u>2017/18</u> <u>Budget</u> £m	<u>2017/18</u> <u>Revised</u> <u>Budget</u> £m		<u>2017/18</u> <u>Actual</u> <u>To</u> <u>05/01/18</u> £m
Prudential Borrowing	53.461	33.432		33.432
Heritage Lottery / Sportscotland Grant	0.032	0.302		0.276
Developers Contributions	2.716	2.924		2.435
Partners (Including SPT, Sustrans, Viridor and Renewable Energy Fund)	0.808	3.188		1.475
Scottish Government:				
- Capital Grant	30.331	30.331		22.750
- Cycling, Walking and Safer Streets	0.433	0.433		0.000
- Vacant and Derelict Land	1.637	1.637		1.367
- Scotland's Energy Efficiency Programme (SEEP)	0.076	0.076		0.027
- Gaelic Education Hub	0.476	0.476		0.476
- Early Years 1,140 Hours	0.000	1.743		1.743
- Schools for the Future	0.000	2.492		0.000
Specific Reserves	0.511	1.012		1.012
Capital Receipts	0.000	0.000		0.000
Capital Financed from Current Revenue	0.271	0.271		0.271
<b>TOTAL FUNDING</b>	<b>90.752</b>	<b>78.317</b>		<b>65.264</b>

SOUTH LANARKSHIRE COUNCIL  
 CAPITAL EXPENDITURE 2017/18  
 HOUSING PROGRAMME  
 FOR PERIOD 1 APRIL 2017 TO 5 JANUARY 2018

APPENDIX 4

	<u>2017/18</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Revised</u> <u>Budget</u> <u>£m</u>	<u>2017/18</u> <u>Budget to</u> <u>05/01/18</u> <u>£m</u>	<u>2017/18</u> <u>Actual to</u> <u>05/01/18</u> <u>£m</u>
<b>Expenditure</b>				
2017/18 Budget incl carry forward from 2016/17	<b>39.709</b>	<b>40.581</b>	<b>25.110</b>	<b>25.142</b>
<b>Income</b>				
Capital Receipts – House Sales	5.872	5.872		6.086
Capital Receipts – Land Sales	0.000	0.000		0.063
Capital Funded from Current Revenue	18.997	19.520		18.993
Prudential Borrowing	9.890	9.890		0.000
Specific Grant				
- Scottish Government – New Council Houses	4.830	4.830		0.000
- Scottish Government – Mortgage to Rent	0.120	0.120		0.000
Other	0.000	0.349		0.000
	<b>39.709</b>	<b>40.581</b>		<b>25.142</b>