



Report

Report to:	Executive Committee
Date of Meeting:	5 October 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 the Committee on the progress of the Capital Programme for the period 1 April to 2 September 2011

2. Recommendation(s)

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

- (1) that the proposed adjustments to the General Fund Capital Programme as detailed in Appendix 1 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 2 September 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 £129.798m 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 £129.798m.

Budget for the period is £41.067m and spend to the 2 September 2011 is £41.460m (31.94%). This represents spend of £0.393m ahead of profile. This time last year £48.313m was spent, 30.75% of the programme.

- 5.3. Actual funding received to 2 September 2011 is £105.413m (81.21%).
- 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 2 September 2011. The revised capital programme for the year is £41.928m. This consists of the base budget plus carry forward projects.

Budget for the period is £11.026m and spend to 2 September 2011 amounts to £9.780m (23.33%). This represents spend of £1.246m behind profile. This time last year £14.222m was spent (35.11%).

Programmed funding for the year totals £41.928m, as at 2 September 2011 £9.780m 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 2 September 2011.

Programmed funding for the year totals £0.170m, as at 2 September 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)

9 September 2011

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

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

Previous References

- ◆ Executive Committee, 7 September 2011

List of Background Papers

Capital Ledger prints to 2 September 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 2011/12
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	(7.438)
Proposed Adjustments (Note 1)	3.397
Minor Adjustments	0.037
Revised Programme including Carry Forward	129.798

<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 6 Proposed / Minor Adjustments £000</u>	<u>Revised 2011/12 Budget Total £000</u>
Community	7.516	14.099	0.212	21.827	(4.757)	0.000	17.070
Education	34.211	41.658	1.607	77.476	(0.242)	0.000	77.234
Enterprise	19.069	1.910	0.517	21.496	2.469	3.959	27.924
Finance & IT	0	0.419	0.228	0.647	0.616	0.000	1.263
Housing & Technical	4.888	1.905	1.649	8.442	(4.396)	(0.275)	3.771
Social Work	1.010	1.413	0.363	2.786	0.000	(0.250)	2.536
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	(7.438)	3.434	129.798

Note 1 – Proposed Adjustments

Enterprise Resources

Hamilton Bus Station and Interchange Redevelopment

Additional grant funding of £3.822m has been received from Strathclyde Partnership for Transport (SPT) to enable the second phase of redevelopment works at Hamilton Bus Station to be undertaken. £3.822m

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

Roads Investment Plan

Approval is sought to transfer £0.500m from the 2011/12 allocation for Hamilton International Technology Park to the Roads Investment Plan. Road improvement works in relation to the Technology Park are unlikely to commence this financial year, therefore it is proposed that the Roads Investment Plan is increased to allow advancement of other schemes throughout South Lanarkshire which were planned for future years. The allocation for Hamilton International Technology Park will be reimbursed from the Roads Investment Plan next financial year. £0.500m
(£0.500m)

Housing and Technical Resources

Major Maintenance: HQ Steam System Trap Replacements (£0.175m)
Approval is sought to allow slippage of £0.175m in relation to the HQ Steam Trap Replacements as works are now unlikely to commence until 2012/13.

Social Work Resources

Property Asset Management

Approval is sought to allow slippage of £0.250m from the 2011/12 Capital Programme. Property Condition Surveys are ongoing at various locations which will determine priority requirements and form the basis of the programme of works to be undertaken in 2012/13. (£0.250m)

Minor Adjustments £0.037m

Total Adjustments £3.434m

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2011-12
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2011 TO 2 SEPTEMBER 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 02/09/11</u> £m	<u>2011/12</u> <u>Actual</u> <u>To</u> <u>02/09/11</u> £m
General Fund Programme	133.802	129.798	41.067	41.460

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 02/09/11</u> £m
Prudential Borrowing	77.391	76.335	76.335
Heritage Lottery/ SportsScotland Grant	0.199	0.699	0.000
European Regional Development Fund	0.651	1.271	0.143
Planning Gain	0.241	0.247	0.163
Partners (Including SPT, Historic Scotland, ADAT, Clyde Gateway URC, Rutherglen Common Good)	0.697	5.906	0.422
Scottish Government:			
- School Buildings Improvement Fund	6.000	6.000	0.000
- Capital Grant	15.958	16.634	10.043
- 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	0.779
Specific Reserves	0.350	1.843	1.843
Capital Receipts	11.117	11.737	8.904
Capital Financed from Current Revenue	0.000	0.247	0.247
Repairs and Renewals Fund	18.577	6.504	6.504
TOTAL FUNDING	133.802	129.798	105.413

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2011/12
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2011 TO 2 SEPTEMBER 2011

EXPENDITURE

	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Estimate</u> <u>to 02/09/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 02/09/11</u> <u>£m</u>
2010/11 Carry Forward projects, plus new projects approved in 2011/12	41.928	11.026	9.780

INCOME

	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 02/09/11</u> <u>£m</u>
Capital Receipts – House Sales	4.455	1.331
Capital Receipts – Land Sales	1.000	1.247
Capital Funded from Current Revenue	11.155	6.961
Prudential Borrowing	24.770	0.000
Specific Grant	<u>0.548</u>	<u>0.241</u>
	41.928	9.780

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2011/12
 HAMILTON AHEAD
 FOR PERIOD 1 APRIL 2011 TO 2 SEPTEMBER 2011

	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Estimate</u> <u>to 02/09/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 02/09/11</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 02/09/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 02/09/11</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