



Report

Report to:	Executive Committee
Date of Meeting:	16 November 2011
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2011/12
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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 30 September 2011.

2. Recommendation(s)

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

- (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 30 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 £127.848m 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 £127.848m.

Budget for the period is £52.745m and spend to the 30 September 2011 is £50.745m (39.69%). This represents spend of £2.000m behind profile, and is mainly due to underspends within Community Resources and Education Resources. This time last year £56.601m was spent, 36.43% of the programme.

- 5.3. Actual funding received to 30 September 2011 is £106.007m (82.92%).
- 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 30 September 2011. The revised capital programme for the year is £42.668m. 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 £12.481m and spend to 30 September 2011 amounts to £12.481m (29.25%). This time last year £17.117m was spent (40.72%).

Programmed funding for the year totals £42.668m, as at 30 September 2011 £12.481m had been received. The proposed funding package for the Housing Capital Programme has been revised to reflect the anticipated shortfall in income generated from the sale of council houses. This will be offset by an increase in the level of land sales anticipated this financial year.

- 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 30 September 2011.

Programmed funding for the year totals £0.170m, as at 30 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)

12 October 2011

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

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

Previous References

- ◆ Executive Committee, 5 October 2011

List of Background Papers

Capital Ledger prints to 30 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	(4.004)
Proposed Adjustments (Note 1)	(1.907)
Minor Adjustments	(0.043)
Revised Programme including Carry Forward	127.848

<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 7 Proposed / Minor Adjustments £000</u>	<u>Revised 2011/12 Budget Total £000</u>
Community	7.516	14.099	0.212	21.827	(4.757)	0.066	17.136
Education	34.211	41.658	1.607	77.476	(0.242)	(0.195)	77.039
Enterprise	19.069	1.910	0.517	21.496	6.428	(1.066)	26.858
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	(4.671)	0.075	3.846
Social Work	1.010	1.413	0.363	2.786	(0.250)	(0.830)	1.706
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	(4.004)	(1.950)	127.848

Note 1 – General Fund Capital Programme Proposed Adjustments

Community Resources

Quarter Play Facility

Funding has been awarded from the following organisations to enable the refurbishment of the existing play facility in Quarter: £0.116m

Forward Scotland	£0.025m
Renewable Energy Fund	£0.013m
Land Trust	£0.030m
Biffaward	£0.042m
Quarter Safer Community Action Group	<u>£0.006m</u>
	£0.116m

Approval is sought to increase the 2011/12 Capital Programme by £0.116m to reflect the additional funding received.

Hamilton Palace Sports Pitch

Additional funding of £0.100m has been awarded by Sportscotland to assist in the replacement of the synthetic pitch at Hamilton Palace Sports Ground. This increases the total 2011/12 allocation to £0.249m. (£0.249m)

However, works are now unlikely to commence until spring 2012 and so approval is sought to allow slippage of the full 2011/12 allocation of £0.249m into the 2012/13 Capital Programme.

Castlebank Park

Approval is sought to allow slippage of £0.100m into the 2012/13 Capital Programme as the planned installation of the new play facility will now take place after the winter period. (£0.100m)

Vehicle Telematics

Approval is sought to increase the 2011/12 Capital Programme by £0.107m to enable the installation of telematic devices within various council vehicles. This will be funded by a contribution from the Information Technology Development Fund. £0.107m

Education Resources

Uddingston Grammar Pitches

Approval is sought to allow slippage of £0.195m into the 2012/13 Capital Programme as works at Uddingston Grammar Pitches have been delayed following the identification of additional gas main works. (£0.195m)

Enterprise Resources

National Cycle Route 74

Approval is sought to allow slippage of £0.456m into the 2012/13 Capital Programme as land issues have still to be resolved. (£0.456m)

Winston Business Centre, Lanark

Approval is sought to allow slippage of £0.350m into the 2012/13 Capital Programme as the commencement of works at Winston Business Centre have been delayed pending the award of further funding from the European Regional Development Fund. (£0.350m)

Lindsaylands Road, Biggar

Approval is sought to allow slippage of £0.140m into the 2012/13 Capital Programme as demolition works at Lindsaylands Road, Biggar are expected to commence later than originally anticipated. (£0.140m)

Small Business Property Infrastructure Development

Approval is sought to allow slippage of £0.440m into the 2012/13 Capital Programme following a revised programme of works being determined. (£0.440m)

Strathclyde Partnership for Transport

Additional funding has been received from Strathclyde Partnership for Transport to enable the following projects to be carried out in 2011/12: £0.385m

Enhanced Linkages to National Cycle Network 75	£0.030m
Lanark to Carstairs Cycle Route Phase 2	£0.050m
Electric Vehicle Charging Infrastructure	£0.065m
Route Action Plans	£0.150m
Hamilton to East Kilbride and Hamilton to Rutherglen Cycle Routes	<u>£0.090m</u>
	£0.385m

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

Housing and Technical Resources

HQ Refurbishment

Approval is sought to accelerate £0.145m from the 2012/13 allocation for Headquarters Refurbishment to enable design works to commence this financial year. £0.145m

Social Work Resources

Property Asset Management

Approval is sought to allow slippage of £0.500m into the 2012/13 Capital Programme due to a revised programme of Property Condition Surveys being agreed. In addition, planned works at the Red Deer Centre are unlikely to commence this financial year due to a full decant of the facility being required to allow upgrading works to be carried out. (£0.500m)

David Walker House

Final account negotiations are now underway at David Walker House and it is unlikely that all of the remaining allocation will be required. Approval is sought to reduce the budget by £0.150m, with £0.130m being recognised as a saving to the programme and the remaining £0.020m being used to fund the shortfall within the Compartmentalisation Programme. (£0.150m)
£0.020m

South Lanarkshire Lifestyles Extension

Final account negotiations are now underway at South Lanarkshire Lifestyles and it is unlikely that all of the remaining allocation will be required. Approval is sought to reduce the budget by £0.100m, with this being recognised as a saving to the programme. (£0.100m)

Sprinkler Systems

The Fire Safety Sprinkler Systems project is scheduled to complete in November 2011, however final account negotiations will not conclude until 2012/13. Approval is sought to allow slippage of £0.100m into 2012/13 to reflect the revised timetable. (£0.100m)

Minor Adjustments (£0.043m)

Total Adjustments (£1.950m)

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2011-12
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2011 TO 30 SEPTEMBER 2011

Expenditure	<u>2011/12</u> <u>Original</u> <u>Estimate</u> <u>inc C/F</u>	<u>2011/12</u> <u>Revised</u> <u>Budget</u>	<u>2011/12</u> <u>Budget</u> <u>to 30/09/11</u>	<u>2011/12</u> <u>Actual</u> <u>To</u> <u>30/09/11</u>
	£m	£m	£m	£m
General Fund Programme	133.802	127.848	52.745	50.745

Income	<u>2011/12</u> <u>Original</u> <u>Budget</u>	<u>2011/12</u> <u>Revised</u> <u>Budget</u>	<u>2011/12</u> <u>Actual</u> <u>to 30/09/11</u>
	£m	£m	£m
Prudential Borrowing	77.391	75.907	75.907
Heritage Lottery/ SportsScotland Grant	0.199	0.699	0.000
European Regional Development Fund	0.651	0.731	0.143
Planning Gain	0.241	0.284	0.211
Partners (Including SPT, Historic Scotland, ADAT, Clyde Gateway URC, Rutherglen Common Good)	0.697	5.966	0.424
Scottish Government:			
- School Buildings Improvement Fund	6.000	6.000	0.000
- Capital Grant	15.958	16.634	12.051
- 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	1.950	1.950
Capital Receipts	11.117	11.697	8.907
Capital Financed from Current Revenue	0.000	0.247	0.247
Repairs and Renewals Fund	18.577	5.358	5.358
TOTAL FUNDING	133.802	127.848	106.007

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2011/12
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2011 TO 30 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 30/09/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 30/09/11</u> <u>£m</u>
2010/11 Carry Forward projects, plus new projects approved in 2011/12	42.668	12.481	12.481

INCOME

	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 30/09/11</u> <u>£m</u>
Capital Receipts – House Sales	3.000	1.508
Capital Receipts – Land Sales	2.525	1.247
Capital Funded from Current Revenue	13.155	9.485
Prudential Borrowing	22.700	0.000
Specific Grant	<u>1.288</u>	<u>0.241</u>
	42.668	12.481

Note 1 – Housing Capital Programme Proposed Adjustments

Universal Home Insulation Scheme

£0.740m has been awarded to South Lanarkshire Council under the Scottish Government's Universal Home Insulation Scheme. This is part of a Scotland wide programme which offers free insulation measures and energy saving advice across Scotland. £0.740m

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

Total Adjustments £0.740m

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2011/12
 HAMILTON AHEAD
 FOR PERIOD 1 APRIL 2011 TO 30 SEPTEMBER 2011

	<u>2011/12</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2011/12</u> <u>Estimate</u> <u>to 30/09/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 30/09/11</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 30/09/11</u> <u>£m</u>	<u>2011/12</u> <u>Actual</u> <u>to 30/09/11</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