

# Report

Report to:	<b>Finance and Corporate Resources Committee</b>
Date of Meeting:	<b>1 September 2021</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Budget Monitoring 2020/2021 - Finance and Corporate Resources</b>
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## 1. Purpose of Report

1.1. The purpose of the report is to:-

- ♦ provide information on the progress of the capital programme for Finance and Corporate Resources for the period 1 April 2020 to 31 March 2021

## 2. Recommendation(s)

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

- (1) that the Finance and Corporate Resources capital programme of £3.282 million, and expenditure for the year of £2.038 million, be noted.

## 3. Background

3.1. This is the final capital monitoring report presented to the Finance and Corporate Resources Committee for the financial year 2020/2021.

3.2. As noted in the last report to this Committee (2 June 2021), the budget for Finance and Corporate Resources for financial year 2020/2021 was £3.282 million. There have been no other changes to this budget allocation since that meeting.

3.3. The report details the financial position for Finance and Corporate Resources in Appendix A.

## 4. 2020/2021 Final Position

4.1. The total capital programme for Finance and Corporate Resources for 2020/2021 was £3.282 million.

4.2. Total expenditure to the 31 March 2021 was £2.038 million, a difference of £1.244 million on the programme of £3.282 million.

4.3. The final expenditure position of £2.038 million is lower than the projected outturn of £2.605 million reported to this Committee previously (2 June 2021). The projected outturn as at period 12 was due to the impact of Covid-19 lockdowns on the progression of a number of projects. This included some IT Infrastructure refresh projects where the budget is now required in 2021/2022 rather than 2020/2021

- 4.4. The additional underspend at the year-end, in comparison to the period 12 outturn, totalled £0.567 million and was mainly due to revised timing of equipment orders and installation timing for the replacement of the Caird Data Centre project (£0.410m) along with the availability of external funding being utilised in first instance on the Climate Change/Digital Transformation Fund (£0.138m).
- 4.5. Any underspend on these projects, along with the funding, will carry forward into next financial year as required. An update on the 2021/2022 programme is detailed in a separate report to this Committee.
- 4.6. **Accounting Adjustments** While sections 4.1 to 4.5 detail the position on the Capital Programme as set, Accounting Regulations mean that adjustments are required to report spend correctly as either capital or revenue for the purposes of publishing our Annual Accounts. This includes where spend is in relation to assets that are not owned by the Council and where the spend must be classed as revenue. There is no operational impact for projects from this adjustment – it is an accounting entry only.
- 4.7. £0.032 million of revenue spend should be recorded as capital. This transfer means that for the purpose of publishing our Annual Accounts only, there is capital spend of £2.070 million.

## **5. Employee Implications**

- 5.1. There are no employee implications as a result of this report.

## **6. Financial Implications**

- 6.1. The financial implications are detailed in section 4.

## **7. Climate Change, Sustainability and Environmental Implications**

- 7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

## **8. Other Implications**

- 8.1. The main risk associated with the Council's Capital Programme is that there 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.

## **9. Equality Impact Assessment and Consultation Arrangements**

- 9.1. This report does not introduce a new policy, function or strategy or recommend a change to an existing policy, function or strategy and therefore no impact assessment is required.
- 8.2. There is also no requirement to undertake any consultation in terms of the information contained in the report.

**Paul Manning**

**Executive Director (Finance and Corporate Resources)**

11 August 2021

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

- ◆ Accountable, Effective, Efficient and Transparent

**Previous References**

- ◆ Finance and Corporate Resources Committee, 2 June 2021

**List of Background Papers**

- ◆ Financial ledger to 31 March 2021

**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 2020-2021  
Finance and Corporate Resources Programme  
For Period 1 April 2020 – 31 March 2021**

<b><u>Finance and Corporate Resources</u></b>	Total Original Budget £000	Budget Adjustments £000	Slippage £000	Total Budget £000	Actual Expenditure £000
Information Technology Services	4,749	(362)	(1,105)	3,282	2,038
<b>TOTAL</b>	<b>4,749</b>	<b>(362)</b>	<b>(1,105)</b>	<b>3,282</b>	<b>2,038</b>

**Accounting Adjustments:**

Add: Transfers to Capital from Revenue	32
<b>2020/21 Outturn Position</b> (Accounting Basis Only)	<b>2,070</b>