

Report

Report to:	Executive Committee
Date of Meeting:	1 December 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Programme 2021/2022 Update and Monitoring for Period 7 – 1 April to 8 October 2021
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ update the Executive Committee of progress on the General Fund Capital Programme and the Housing Capital Programme for the period 1 April 2021 to 8 October 2021

2. Recommendation(s)

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

- (1) that the Period 7 position (ended 8 October 2021) 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 1, be approved; and
- (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 8 October 2021. Spending has been split into two separate sections:-

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 4)
- ◆ Housing Capital Programme (Section 5)

4. General Fund Capital Programme

4.1. **2021/2022 Budget:** The budget agreed at Executive Committee on 3 November 2021 was £83.477 million. A revised programme of £78.310 million is now anticipated, which includes adjustments to the programme totalling a net decrease of £5.167 million, which are proposed in Appendix 1.

4.2. The £5.167 million reduction in the programme this year includes the impact of slippage in a number of projects due to market conditions, including availability of resources and price increases, and the ongoing impact of Covid-19. Of the items in

Appendix A. movements to the value of £2.295m are due specifically to these market conditions. Given these issues are unlikely to change in the foreseeable future, further slippage in the 2021/2022 programme may occur. This will continue to be monitored and a revised position will be presented to a future meeting of this Committee for approval, if required.

4.3. **Period 7 Position:** The programme spend and funding for the General Fund is summarised in Appendices 2 and 3. As noted in 4.1, the total capital spending programme for the year is £78.310 million.

4.4. Budget for the period is £26.778 million and spend to the 8 October 2021 is £26.374 million, an underspend of £0.404 million.

4.5. Actual funding received to 8 October 2021 is £54.853 million.

4.6. Relevant officers will continue to closely monitor the generation of all income.

5. Housing Capital Programme

5.1. **2021/22 Budget:** Appendix 5 summarises the position on the Housing programme as at 8 October 2021. The revised capital programme for the year was £79.640 million, as approved by the Executive Committee on 22 September 2021.

5.2. Programmed funding for the year also totals £79.640 million. The funding sources are also detailed in Appendix 4.

5.3. The timescales for some projects within the Housing Investment Programme (HIP) have changed and the financial programme has been amended to reflect these changes. The impact of material shortages and price increases will continue to be monitored on a project by project basis.

5.4. **Period 7 Position:** Budget for the period is £37.517 million and spend to 8 October 2021 amounts to £37.431 million, an underspend of £0.086 million.

5.5. As at 8 October 2021, £37.431 million of funding had been received.

5.6. Regular monitoring of both the General Fund Programme and the Housing Programme will be carried out in detail by the Financial Resources Scrutiny Forum and reported on a regular basis to the Executive Committee.

6. Employee Implications

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

7. Financial Implications

7.1. The financial implications are contained in sections 4 and 5 of the report for the General Services and Housing Capital Programmes respectively.

8. Climate Change, Sustainability and Environmental Implications

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

9. Other Implications

9.1. The main risk associated with the Council's Capital Programme is an overspend. The risk had 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.

- 9.2. The Coronavirus (COVID-19) Pandemic has led to materials shortages, longer lead times and steep price increases and this will continue to impact the supply chain for the foreseeable future. The impact of this will be monitored through the four weekly investment management meetings. Further updates will be reported in the coming months with any significant increases in contract values being brought to members' attention.

10. Equality Impact Assessment and Consultation Arrangements

- 10.1. 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.
- 10.2. 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)

10 November 2021

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 3 November 2021

List of Background Papers

Capital Ledger prints to 8 October 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 2021/22
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2021 TO 8 OCTOBER 2021

Proposed Adjustments

Community and Enterprise Resources

Synthetic and Grass Pitches

Approval is sought to slip £0.245m into the 2022/23 Capital Programme to allow the planned works at Hamilton Palace Sports Grounds to be delivered when the market has stabilised and to links in with timescales to potentially attract Sports Scotland funding during the next window of opportunity in April 2022. (£0.245m)

Memorial Headstone Remedial Works

Funding was included within the 2021/22 Capital programme to undertake annual maintenance programme and to undertake works to larger memorials. Due to ongoing Covid-19 issues, priority has been placed on ensuring the annual headstone inspection programme has been completed and any emergency issues were resolved. The service has been experiencing issues sourcing suitable contractors to carry out the works to some of the larger memorials and therefore approval is sought to allow slippage into the 2022/23 capital programme of £0.200m to deliver these works next financial year. (£0.200m)

Cunningar Allotments - Vacant and Derelict Land fund

This project involves remediation of existing greenspace and creation of food growing space/community greenspace with car park. Following confirmation of 2021/22 Scottish Government Vacant and Derelict Land Fund (VDLF) in September 2021 amounting to £0.737m, approval is sought to slip £0.137m into 2022/23 Capital programme. This reflects the ability to progress the project design, consultation elements and enabling works associated with the project this financial year. Approval will be sought from the Scottish Government to carry forward this funding. (£0.137m)

On-street Residential Chargepoint Scheme

The Office for Zero Emission Vehicles (OZEV) have awarded the Council £0.118m for the installation of plug-in vehicle chargepoints, for the use of local residents in areas without off-street parking facilities. Approval is sought to increase the 2021/22 Capital programme by £0.118m to allow these works to progress. £0.118m

Glasgow City Region City Deal Community Growth Area - Hairmyres Park and Ride

This project entails design and construction of a new Park and Ride facility adjacent to the re-located Hairmyres Railway station, East Kilbride. Approval is sought to slip the full 2021/22 budget of £0.079m into 2022/23. This will allow the use of SPT funds to pay for the design work being carried out on this project this year. (£0.079m)

Glasgow City Region City Deal Community Growth Area - Jackton Primary School

Approval is sought to slip funding of £1.850m into next financial year 2022/23 to reflect tender timescales and City Deal approval meaning construction works will now commence on site in February 2022. (£1.850m)

Glasgow City Region City Deal Community Growth Area - Calderside Academy

Education Resources are currently reviewing the requirements within Calderside Academy and approval is therefore sought to slip £0.200m into the 2022/23 Capital Programme to reflect proposed timescales for design works. (£0.200m)

Glasgow City Region City Deal Community Growth Area – Glengowan Extension

As a result of the availability of steel, the contractor had to delay the site start of the extension by two months to October 2021. Approval is sought to slip £0.500m into the 2022/23 Capital Programme to reflect the revised programme timescales. The completion date for the extension remains July 2022. (£0.500m)

Glasgow City Region City Deal - Stewartfield Way

City Deal funding is in place to progress preparatory design and business case work for the Stewartfield Way project. It was anticipated expenditure in financial year 2021/22 would be in the region of £0.550m, however the project has not progressed as expected due to the availability of design resources and the need to assess the wider impacts of Covid-19 on travel through an update to traffic modelling. Approval is sought to allow slippage of £0.400m into the 2022/23 Capital Programme. (£0.400m)

Education Resources

Holy Cross High School

Education Resources are currently reviewing the requirements within Holy Cross High School and therefore approval is sought to slip £0.500m into the 2022/23 Capital Programme to reflect proposed timescales for design works. (£0.500m)

Uddingston Nursery Expansion

The purchase of the modular accommodation units and design at St John the Baptist Primary School will be undertaken in 2021/22 with the majority of the construction works now planned to be undertaken during the school holiday period in summer 2022. Approval is sought to allow slippage of £0.250m into 2022/23 to accommodate the timescale for these works. (£0.250m)

Skylark Nursery at Robert Smillie

Due to material shortages experienced with this project, Housing and Technical Resources are undertaking a review of the design to seek alternative materials and mitigate any further delays. Approval is sought to allow slippage of £0.650m into the 2022/23 Capital Programme to reflect this delay in the project. (£0.650m)

St Mark's Primary school, Hamilton – Nursery and Classroom Extension

Project progress is experiencing problems procuring steelwork, therefore approval is sought to slip £0.400m into the 2022/23 Capital Programme to reflect the revised profile of spend. (£0.400m)

Newton Farm Primary School Extension

This project is currently three weeks behind programme due to delays problems procuring steelwork, therefore approval is sought to slip £0.300m into the 2022/23 Capital programme to reflect the revised profile of spend. (£0.300m)

CO2 Monitoring in Schools and Early Learning Childcare Establishments

Approval is sought to increase the 2021/22 Capital programme by £0.433m to reflect funding awarded by the Scottish Government to purchase and install CO2 monitors at all schools and nursery establishments. This will ensure each establishment has access to CO2 monitoring to mitigate against the risks of airborne transmission of Covid-19.

£0.433m

Minor adjustments

(£0.007m)

TOTAL ADJUSTMENTS

(£5.167m)

APPENDIX 2

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2021/22
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2021 TO 8 OCTOBER 2021

£m

Total Budget	83.477
Proposed Adjustments – Period 7	(5.167)
Total Revised Budget	78.310

<u>Resource</u>	<u>2021/22 Budget</u>	<u>Period 7 Proposed Adjustments</u>	<u>Revised 2021/22 Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	47.615	(3.500)	44.115
Education	17.986	(1.667)	16.319
Finance & Corporate	3.176	-	3.176
Housing & Technical	8.146	-	8.146
Social Work	6.554	-	6.554
TOTAL CAPITAL PROGRAMME	83.477	(5.167)	78.310

APPENDIX 3

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2021/22 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2021 TO 8 OCTOBER 2021

	<u>2021/22</u> <u>Original</u> <u>Estimate inc</u> <u>C/F</u>	<u>2021/22</u> <u>Revised</u> <u>Budget</u>	<u>2021/22</u> <u>Budget to</u> <u>08/10/21</u>	<u>2021/22</u> <u>Actual to</u> <u>08/10/21</u>
Expenditure	£m	£m	£m	£m
General Fund Programme	85.066	78.310	26.778	26.374
Income	<u>2021/22</u> <u>Budget</u>	<u>2021/22</u> <u>Revised</u> <u>Budget</u>		<u>2021/22</u> <u>Actual</u> <u>To</u> <u>08/10/21</u>
	£m	£m		£m
Prudential Borrowing	40.289	33.006		33.006
Developers Contributions	4.474	2.674		2.123
Partners (Including SPT, Sustrans, Clyde Wind Farm and CARES)	4.647	4.650		1.008
Scottish Government:				
- Capital Grant	21.362	21.924		8.901
- Cycling, Walking and Safer Routes	1.912	1.912		0.000
- Vacant and Derelict Land	0.831	0.694		0.416
- Early Years 1,140 Hours	2.024	2.024		2.024
- Regeneration Capital Grant	1.230	1.230		0.510
- Town Centre Regeneration Fund	2.739	2.739		2.739
- Place Based Investment Programme	2.003	2.003		2.003
- Gaelic Capital Fund	0.038	0.038		0.038
- Department for Transport	0.000	0.118		0.000
- Gypsy Travellers	0.107	0.107		0.107
- CO2 Monitoring	0.000	0.433		0.000
Glasgow City Region City Deal	2.386	2.780		0.000
Specific Reserves	1.024	1.642		1.642
Revenue Contribution	0.000	0.336		0.336
TOTAL FUNDING	85.066	78.310		54.853

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2021/22
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2021 TO 8 OCTOBER 2021

	<u>2021/22</u> <u>Annual</u> <u>Budget</u> £m	<u>2021/22</u> <u>Budget to</u> <u>08/10/21</u> £m	<u>2021/22</u> <u>Actual to</u> <u>08/10/21</u> £m
Expenditure			
2021/22 Budget Incl. adjustment from 2020/21	79.640	37.517	37.431

	<u>2021/22</u> <u>Annual</u> <u>Budget</u> £m	<u>2021/22</u> <u>Actual to</u> <u>08/10/21</u> £m
INCOME		
Capital Funded from Current Revenue	19.637	19.637
Prudential Borrowing	50.532	16.106
Scottish Government Specific Grant:		
- New Build	7.191	1.688
- Open Market Purchase Scheme	2.160	0.000
- Mortgage to Rent	0.120	0.000
	<u>79.640</u>	<u>37.431</u>