

Report

Report to:	Executive Committee
Date of Meeting:	3 November 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Programme 2021/2022 Update and Monitoring for Period 6 – 1 April 2021 to 10 September 2021
----------	---

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 10 September 2021

2. Recommendation(s)

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

- (1) that the Period 6 position (ended 10 September 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 10 September 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 22 September 2021 was £83.304 million. A revised programme of £83.477 million is now anticipated, which includes adjustments to the programme totalling a net increase of £0.173 million, which are proposed in Appendix 1.

4.2. **Audio Visual Equipment – Committee Suite:** included in the Capital Programme is a project to replace the Audio-Visual equipment in the Council Chamber and

Committee Room 1. Due to issues in obtaining supplies, this project is not now expected to complete before the end of February 2022.

- 4.3. **Period 6 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 £83.477 million.
- 4.4. Budget for the period is £20.104 million and spend to the 10 September 2021 is £20.181 million, an overspend of £0.077 million.
- 4.5. Actual funding received to 10 September 2021 is £57.300 million.
- 4.6. Relevant officers will continue to closely monitor the generation of all income.

5. Housing Capital Programme

- 5.1. **2021/2022 Budget:** Appendix 5 summarises the position on the Housing programme as at 10 September 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 6 Position:** Budget for the period is £31.798 million and spend to 10 September 2021 amounts to £31.657 million, an underspend of £0.141 million.
- 5.5. As at 10 September 2021, £31.657 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)

13 October 2021

Link(s) to Council Values/Ambitions/Objectives

♦ Accountable, Effective, Efficient and Transparent

Previous References

♦ Executive Committee, 22 September 2021

List of Background Papers

Capital Ledger prints to 10 September 2021

Contact for Further Information

If you would like to inspect the background papers or want further information, please contact:-

Lorraine O'Hagan, Finance Manager (Strategy)

Ext: 2601 (Tel: 01698 452601)

E-mail: lorraine.o'hagan@southlanarkshire.gov.uk

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2021/22
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2021 TO 10 SEPTEMBER 2021

Proposed Adjustments

Community and Enterprise Resources

National Cycle Network (NCN)74 Raith interchange to NCN75 Uddingston

Approval is sought to increase the 2021/22 Capital Programme by £0.010m to reflect additional funding awarded by Sustrans. This will allow Roads Services to identify and design a route through Fallside Road / Bellshill Road, Bothwell. The design of this section will also include upgrading part of an existing cycle route. £0.010m

Calderglen Country Park

There are significant issues with the infrastructure within Calderglen Country Park. To allow essential works to be carried out on the paths at the north end of the park, at a cost of £0.150m, funding of £0.109m has been allocated to this project through the additional £2m Footpaths and Roads Improvement Fund. In order to augment this allocation, approval is sought to increase the 2021/22 Capital Programme by £0.041m. This will be funded from a previous revenue contribution transferred to reserves for this project. £0.041m

Education Resources

Early Years 1,140 Hours - Temporary Accommodation Bothwell

Temporary nursery accommodation will be provided at Bothwell Primary School, St John the Baptist Primary School and St Brides Primary School to help with the provision of 1,140 Hours. A contribution of £0.180m from the Early Years 1,140 Hours Revenue Budget has been identified. Approval is sought to add this contribution to the 2021/2022 Capital Programme and this will augment the allocation of £0.180m already earmarked in the programme for these works. £0.180m

Early Years 1,140 Hours - External Shelters

In order to augment the approved programme of works for 1,140 Hours, external shelters will be incorporated at a number of early years establishments to help increase outdoor play. Funding of £0.156m has been identified within the Early Years 1,140 Hours Revenue Budget. Approval is sought to add this contribution to the 2021/2022 Capital Programme, and this will augment the allocation of £0.094m already included in the programme for these works. £0.156m

Finance and Corporate Resources

Audio Visual Upgrade - Council Chambers and Committee Room 1

Current estimates suggest the upgrade of the audio-visual systems within the Council Chambers and Committee Room 1 will cost £0.400m, of which £0.250m is already included within the 2021/2022 Capital Programme. An allocation of £0.150m was transferred to reserves at the end of financial year 2020/21 to allow these works to progress. Approval is sought to add this to the 2021/2022 Capital Programme. £0.150m

Housing and Technical Resources

Lock Up Areas – Housing Estates

(£0.150m)

Legal work has resulted in some slippage to the programme of works. Approval is sought to allow slippage of £0.150m into the 2022/23 Capital Programme when the project will conclude.

Social Work Resources

SWiS Plus Replacement

(£0.214m)

The 2021/22 Capital Programme includes an allocation of £0.428m for the project team set up to coordinate the replacement of the SWplus IT system. Approval is sought to allow slippage of £0.214m into the 2022/23 Capital Programme, based on the timing of costs now that the project team are in place.

TOTAL ADJUSTMENTS

£0.173m

APPENDIX 2

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2021/22
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2021 TO 10 SEPTEMBER 2021

£m

Total Budget	83.304
Proposed Adjustments – Period 6	0.173
Total Revised Budget	83.477

<u>Resource</u>	<u>2021/22 Budget</u>	<u>Period 6 Proposed Adjustments</u>	<u>Revised 2021/22 Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	47.564	0.051	47.615
Education	17.650	0.336	17.986
Finance & Corporate	2.776	0.400	3.176
Housing & Technical	8.546	(0.400)	8.146
Social Work	6.768	(0.214)	6.554
TOTAL CAPITAL PROGRAMME	83.304	0.173	83.477

APPENDIX 3

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2021/22 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2021 TO 10 SEPTEMBER 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>10/09/21</u>	<u>2021/22</u> <u>Actual to</u> <u>10/09/21</u>
Expenditure	£m	£m	£m	£m
General Fund Programme	85.066	83.477	20.104	20.181
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>10/09/21</u>
	£m	£m		£m
Prudential Borrowing	40.289	36.780		36.780
Developers Contributions	4.474	4.474		3.129
Partners (Including SPT, Sustrans, Clyde Wind Farm and CARES)	4.647	4.657		0.776
Scottish Government:				
- Capital Grant	21.362	21.924		7.121
- Cycling, Walking and Safer Routes	1.912	1.912		0.000
- Vacant and Derelict Land	0.831	0.831		0.095
- 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
- Gypsy Travellers	0.107	0.107		0.107
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	83.477		57.300

APPENDIX 4

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2021/22
 HOUSING PROGRAMME
 FOR PERIOD 1 APRIL 2021 TO 10 SEPTEMBER 2021

	<u>2021/22</u> <u>Annual</u> <u>Budget</u> £m	<u>2021/22</u> <u>Budget to</u> <u>10/09/21</u> £m	<u>2021/22</u> <u>Actual to</u> <u>10/09/21</u> £m
Expenditure			
2021/22 Budget Incl. adjustment from 2020/21	79.640	31.798	31.657

	<u>2021/22</u> <u>Annual</u> <u>Budget</u> £m	<u>2021/22</u> <u>Actual to</u> <u>10/09/21</u> £m
INCOME		
Capital Funded from Current Revenue	19.637	19.637
Prudential Borrowing	50.532	10.332
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>31.657</u>