

Report

Report to:	South Lanarkshire Council
Date of Meeting:	25 March 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Update to Local Government Settlement and Capital Programme 2020/2021
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Provide the Council with an update on the Local Government Settlement for 2020/2021, and
- ◆ A General Services Capital Programme for financial year 2020/2021.

2. Recommendation(s)

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

- (1) that the updated Local Government Settlement as detailed in section 4 be noted;
- (2) that the balance of funding from the updated settlement be used to contribute towards the Capital Programme (section 4.4), be approved;
- (3) that the Council does not take the option to reduce the IJB allocation by 2% (£2.5 million) as detailed in section 4.9, be approved;
- (4) that should the Stage 1 additional revenue funding of £5.659m recur in financial year 2021/22, that this be treated as core revenue funding (section 4.5), be approved;
- (5) that the proposed programme of General Services capital projects totalling £91.192 million for the year 2020/2021, summarised in Appendix 5 with details of the new projects in Appendix 1, be approved; and
- (6) that the accompanying funding (Appendix 6), be noted.

3. Background

- 3.1. Local Government Settlement 2020/2021: The Council received its Local Government Grant Settlement on 6 February 2020. This allowed the Council to set its Revenue Budget at a full meeting of the Council on 26 February 2020. At this point, it was noted that neither the Scottish Government nor the UK Government had set their budgets.
- 3.2. This report will provide an update to the Settlement following the announcement of further revenue funding through the Scottish Government Budget negotiations.
- 3.3. 2020/2021 Capital Programme: The Council has an approved General Services Capital Programme for 2019/2020. This was approved by the Executive Committee on 21 November 2018 and subsequently updated on 29 May 2019.

- 3.4. In addition, as the revised Prudential Code for Capital Finance in Local Authorities 2017 requires councils to produce a Capital Strategy, the Council's Executive Committee approved a Future Capital Investment Strategy (Capital Strategy), which identified the major capital investment requirements for the Council for the ten year period from 2018/2019 to 2027/2028 (21 November 2018).
- 3.5. It was noted that the Capital Strategy would be used to inform the Council's decision making process when considering future capital programmes.
- 3.6. As the current General Services Capital Programme runs to the end of 2019/2020 only, approval is required for a Capital Programme for 2020/2021.

4. Local Government Grant Settlement – Update

- 4.1. The Scottish Government announced an additional £95 million nationally in relation to its Stage 1 Budget discussions. The Council's allocation of this is £5.659 million. This is Revenue Funding.
- 4.2. The Budget Amendment agreed on 26 February utilised £0.270m from Reserves to balance the 2020/21 budget on a one-off basis. The amendment stated that "should the final offer of grant approved by the Scottish Parliament exceed the currently notified level, then the £0.270m drawn from reserves will be replaced by grant funding". This amendment was approved by Members. It is therefore proposed that these new monies be used to make this good on a permanent basis. This reduces the additional funding to £5.389 million.
- 4.3. The Council have not received clarification that this funding will be recurring into 2020/21. It also should be noted that, as part of the Settlement, the level of Capital Grant (£21.373 million) received is less than the amount assumed in the Capital Strategy. The General Capital Grant award of £21.373 million includes an additional allocation of £0.149 million for Strategic Waste Fund Grant. Through the Settlement and Distribution Group, the Scottish Government have given consideration to the allocation methods for this Grant and Leaders have now approved the 2020/2021 allocation on the same basis as the 2019/2020 allocations, albeit at a lower quantum. The level of General Capital Grant received over the last 3 years has been as follows: 2017/18 - £30.331 million; 2018/19 - £27.607 million and 2019/20 £33.029 million.
- 4.4. Councils can use their Revenue Budget as a funding source for their Capital Programmes. It is therefore proposed that the additional balance of Revenue Grant be used to support the Council's Capital Programme on a one off basis in 2020/2021. Table 1 below shows the additional revenue funding that could be used to meet capital expenditure into 2020/21. This is detailed further in Section 8.2.

Table 1: Allocation of £95 million Scottish Government Stage 1 Budget Changes

	£m
Council share of £95m from Stage 1 Budget Changes	5.659
Less	
Balance of Savings Removed in Budget (to be funded from Reserves)	(0.270)
= Balance Remaining from Stage 1 Budget Changes (contribution to Capital programme)	5.389

- 4.5. Should the Stage 1 additional revenue funding of £5.659m recur in financial year 2021/22, it is recommended that this balance of £5.389 million be included as core revenue funding within the 2021/22 Budget Strategy.
- 4.6. In relation to Capital Grants, the Scottish Government's Stage 1 Budget also announced further ring-fenced monies of £0.880 million for Cycling, Walking and Safer Streets. When added to the original allocation of £0.524 million this takes the total funding to £1.404 million (detailed in Section 6.4).
- 4.7. Integrated Health and Social Care: As part of the Council's Budget paper (26 February 2020), members were advised that the Council's share of the £100 million national figure is estimated at £6.007 million, less the £0.253 million to be allocated for School Counsellors and £0.110 million for the Carers Act for Children and Families, giving a total Integration Joint Board (IJB) share of £5.644 million.
- 4.8. The Council's allocation to the Health and Social Care IJB into 2020/2021 increased by this amount (£5.644 million) in line with Scottish Government's expectation (being their figure of £5.750 million less the £0.110 million for the Carers Act for Children and Families). This allocation to the IJB was agreed by members as part of the Budget approved by Council on 26 February 2020.
- 4.9. In a letter received on 28 February it was confirmed that Councils have the flexibility to offset their adult social care allocations to Integration Authorities by up to 2%. This means that the Council could choose to reduce the IJB allocation by £2.5m. As there is no basis on which to agree a reduction in the allocation to the IJB, it is proposed that this option is not taken, and that the reduction of 2% is not implemented in the Council's allocation to the IJB for 2020/2021.

5. 2020/21 Capital Programme

- 5.1. This paper lists the new capital projects proposed for consideration by Members for 2020/2021 (Section 6), as well as an update on the Glasgow City Region City Deal Programme (Section 7). The funding available is discussed in Section 8.
- 5.2. The proposed programme has been constructed on the basis of the Council Plan and the Council's Asset Management Plan.
- 5.3. In the usual way, any movement from the 2019/2020 Capital Programme as approved by the Council's Executive Committee during the year, are added to the proposed programme for 2020/2021. Taking this movement into account, a summary of the full programme for 2020/2021 is included in Section 9.
- 5.4. This report will also provide a summary of the key highlights from the Capital Investment Strategy including:
- key issues and risks that will impact on the delivery of the Capital Investment Strategy and other long term liabilities (Sections 9),
 - the alignment of the Capital Strategy and Treasury Management Strategy, including the governance arrangements in place (Section 10),
 - the governance framework required to ensure the Capital Investment Strategy is delivered (Section 11), and
 - the skills and knowledge of employees responsible for delivering capital investment and treasury management (Section 12),
 - Capital Programme Summary (Section 13).

6. **Proposed New Programme for 2020/2021**

6.1. As detailed in section 3, the Capital Strategy identified major capital projects requiring investment in financial year 2020/2021. The proposed programme for 2020/2021 is based on the Capital Strategy, and gives consideration to our spend requirements for the year.

6.2. In addition, during 2019, some new priorities have developed since the approval of the Capital Strategy. These are detailed below:

- **Community Facilities Fund (£0.100m):** To assist communities to undertake transformational change through Community Asset Transfers, a fund is proposed for investment in community facilities. This fund will assist communities develop sustainable models through improvements to assets prior to Community Asset Transfer.
- **Memorial Headstone Remedial Works (£0.300m):** This will provide an allocation of £0.200m to ensure compliance with the Scottish Government's 5 year inspection programme guidance and subsequent remedial works and a further £0.100m to focus on large memorials.
- **Roads Depot Repairs – Salt Barn Works (£0.645m):** Essential works have been identified to rectify leaking roofs at four Salt Barns: Carnwath (£0.215m), Lesmahagow (£0.200m), Hawbank (£0.215m) and Elvanfoot (£0.015m).
- **Hamilton Mausoleum (£0.475m):** To carry out the replacement of the lead and guttering on both the flat roofs and dome at Hamilton Mausoleum.
- **Clyde Gateway (£0.800m):** A commitment of £0.800m has been identified as continued support in relation to the Clyde Gateway Regeneration Programme.
- **Town Centre Regeneration Fund (£0.500m):** The Scottish Government awarded South Lanarkshire £2.5m in 2019/20 as part of the £50m Town Centre Improvement Fund. Projects are currently being progressed, with full spend to be incurred by 30 September 2021. Funding of £0.500m from the Capital Programme will allow new projects to be developed.
- **East Kilbride Civic Centre Masterplan (£0.060m):** A report was presented to Executive Committee in June 2019 in relation to this project. The funding will allow a masterplanning exercise to commence for the Civic Centre site, with assessments on the suitability, feasibility and acceptability of options that could be developed. Once this work is complete it would then be reported to Committee for members' consideration.
- **Newton Farm Primary School Extension (£0.170m):** Education Resources are working to re-evaluate the educational requirements needed to satisfy the growth in pupil numbers within the Newton area, including an extension to Newton Farm Primary School. It is estimated that the total cost of an extension could be in the region of £4m. This allocation of £0.170m will allow design work to progress during 2020/2021 but further investment will be required to complete the build. Funding from the Scottish Government's Learning Estate Investment Programme will be sought to part fund this project (Section 8.5).
- **Climate Change / Digital Transformation (£1m):** Consideration has been given to the Council's future requirements in relation to climate change and

sustainability, including the sustainability of the Council's fleet. Projects which will help to deliver transformational reform are also being considered. Work to identify options is ongoing and this fund will help to progress these priorities during 2020/21.

- **Essential Improvements / Service Upgrades (£0.640m):** Investment is required to ensure continued operation of our principal offices as well as changes to meet reorganisation/service delivery requirements set by the Council. Works include external fabric and service upgrades.
- **Lock-ups Areas – Housing Estates (£0.200m):** This will allow initial works to review areas where lock-ups are not well utilised and require investment. This project will look to replace unused lock-ups with public realm works including car parking and electric charging units and will consider replacement lock-ups where appropriate. The project will be augmented with HRA funding and external funding will also be sought.
- **Community Alarms Replacement (£0.400m):** By 2025 the public switched telephone network (PSTN) will be switched off as telecommunication companies move to newer digital technology. Capital investment is required to consider options around how the Council progress the implementation of a digitally compliant Alarm Receiving Centre service, and procure and install the required technology and peripherals within individual service user and group housing accommodation premises. Options will be considered for this service and reported back to Committee in due course. This funding will allow the project to commence but further investment will be required to complete the transition, following assessment of the options.

- 6.3. A revised programme totalling £56.938 million has been developed for 2020/2021 for consideration by Members. The rationale for each new project is detailed in Appendix 1.
- 6.4. Specific Capital Grant: In addition to the projects detailed above, the Local Government Finance Settlement announced in February 2020, allocated **£6.801m of Specific Grant** for specific projects. This includes monies for Early Learning 1,140 Hours (£4.700m) which were previously notified and included in the programme of £55.448 million above. The additional amount (£2.101 million) is for Vacant and Derelict Land (£0.697m) and Cycling, Walking and Safer Streets (£1.404m). These bring the total programme to £59.039 million (£56.938 million above plus the additional specific grants of £2.101 million).
- 6.5. Elements of this funding, specifically Cycling, Walking and Safer Streets monies, could be used to assist in meeting the Council's climate change objectives, and as such, could be brought within the remit of the Climate Change Committee.
- 6.6. There are a number of projects included in this programme which will have a financial impact in the years beyond 2020/2021, currently estimated at £16m. These include Leisure Centres (£9.5m to deliver 1 facility), Newton Farm Primary School Extension (£1.830m – assuming 50% external funding from the Scottish Government) and Community Alarms Replacement (up to £4.9m). These costs will need to be considered in future capital programmes.

7. Glasgow City Region City Deal

- 7.1. As well as the General Services Capital Programme, the Council is also part of the Glasgow City Region City Deal Programme of works.
- 7.2. In considering the next Capital Programme, the City Deal Roads and Community Growth Area (CGA) projects have been taken into account.
- 7.3. Currently, for 2020/2021, the proposals being considered are that City Deal grant (and developer contributions) will contribute towards specific projects for Education Growth requirements and Roads works associated with the Community Growth Areas. This is in addition to the existing City Deal Roads projects for Cathkin Relief Road, Greenhills Road and Stewartfield Way. The budget for 2020/2021 includes the anticipated spend levels in relation to Stewartfield Way. A separate paper on the project has been submitted to the Executive Committee earlier today.
- 7.4. Final Business Cases for the individual CGA projects are required before final agreement on funding is given by the City Deal Cabinet. These Final Business Cases will be presented to the Executive Committee in advance of City Deal Cabinet approval.
- 7.5. These additional requirements linked to the Glasgow City Region City Deal Programme total £15.279 million and should be considered as part of the 2020/2021 Capital Programme. When this is added to the General Services Capital Programme of £59.039 million (section 6.4.) this gives a total Capital Programme of £74.318 million. A full list of the proposed projects is included in Appendix 2.

8. Funding Position – New Projects

- 8.1. A core element of any Capital Programme is the level of funding available to support the programme. The Future Capital Investment Strategy identified General Capital Grant, Capital Receipts and other external income as the main funding sources for the proposed 2020/2021 Capital Programme and these are detailed below:
- 8.2. General Capital Grant: As well as the Specific Grants (section 6.4), the Local Government Finance Settlement also allocated the Council General Capital Grant of £21.224m. From this allocation, a contribution of £2.4m to the Glasgow and Clyde Valley City Deal is assumed. This allocation has subsequently been increased by £0.149 million as a result of revisions to the Strategic Waste Fund (see section 4.3). The total **General Capital Grant has increased to £21.373 million** as a result.
- 8.3. Other Sources of Capital Funding: Specific grant funding from the Scottish Government for the introduction of 1,140 hours within Early Years and City Deal / Developers Contributions have already been identified for some projects. Other sources of capital funding will continue to be explored for specific projects including Growth and Capacities within Education.
- 8.4. Scottish Government's Learning Estate Investment Programme: Initial submissions totalling £15 million have been made to the Scottish Government's Learning Estate Investment Programme for a number of education projects. Discussions with the Scottish Government are ongoing and the projects (with the exception of Newton Farm Primary School Extension, section 6.2) have not therefore been included in the 2020/2021 Capital Programme at this time.
- 8.5. Should funding for financial year 2021/2022 be awarded, match funding would need to be provided. Formal Committee approval will be sought to add this to future years' capital programmes if necessary. An allocation of £0.170 million has been

included to allow the design of the Newton Farm Primary School extension to commence during 2020/2021.

- 8.6. **Revenue Contribution:** Following the budget announcement by the Scottish Government on 26 February 2020, additional revenue funding has been allocated to the Council. As discussed at section 4.4, it is proposed that £5.389 million of this is used as a contribution towards the Capital Programme.
- 8.7. **Borrowing:** The requirement to borrow to finalise the Early Year's 1,140 Hours programme of works (£4.053m) and to fund the timing of spend in relation to the Glasgow City Region City Deal programme (£14.879m) has already been reported to Committee (Executive Committee meetings on 13 February 2019 and 11 May 2016 respectively).
- 8.8. **Funding Summary:** Table 2 summarises the funding identified for 2020/2021 totalling £66.067 million. This is also detailed in Appendix 3.

Table 2: Funding Summary

	Total Funding Available (£m)
General Capital Grant (section 8.2)	21.373
Scottish Government – Early Years 1,140 Hours	12.497
Scottish Government – Specific Grants (section 6.4)	2.101
City Deal / Developers Contributions	4.850
External Income	0.475
Revenue Contribution – 1,140 Hours	0.450
Revenue Contribution (section 4.4)	5.389
Borrowing – Early Years 1,140 Hours (section 8.8)	4.053
Borrowing – City Deal * (section 8.8)	14.879
Total Funding Identified	66.067

**This borrowing for City Deal is temporary to cover the period until City Deal grant is received.*

- 8.9. Based on the proposed capital investment requirements for 2020/2021 of £74.318 million (section 7.5), and funding of £66.067 million (Table 2), a funding shortfall of £8.251 million exists. The Capital Strategy notes that should the Council agree that the level of expenditure detailed is required, then the Council could borrow to bridge the gap. The financial implications are detailed in section 9.
- 9. Total Capital Programme 2020/2021 (including slippage from 2019/2020)**
- 9.1. In addition to the new projects identified, movements from 2019/2020 (as approved by Executive Committee throughout the year) require to be added to this programme. These movements total £16.874 million and are listed in Appendix 4 attached. The movements exclude Glasgow City Region City Deal, with the full requirement for 2020/2021 for this specific programme already detailed in Section 7.
- 9.2. In relation to the Social Work Care Facilities allocation, the movement from 2019/2020 includes the likely level of spend to complete the new facility at Blantyre and progress the design of the new facility in Clydesdale during 2020/2021 (totalling £3.251 million). The funding for Roads Bridges, the Existing Synthetic and Grass Pitches project and the extension at St Mary's Primary School, Hamilton have also been adjusted to reflect anticipated spend levels in 2020/21. The balance of funding will be added to the 2021/2022 Capital Programme as follows: Roads – Bridges (£3

million), Existing Synthetic and Grass Pitches (£0.186 million), St Mary's (£0.656 million) and Care Facilities' (£11.5 million).

- 9.3. Taking account of the £16.874 million of movements means that the base programme for 2020/2021 is £91.192 million (being the £74.318 million programme for 2020/2021 detailed in section 7.5 plus the movements of £16.874 million from 2019/2020). A full programme list is included in Appendix 5.
- 9.4. Funding totalling £22.896 million is available from 2019/2020 for these projects. This funding includes borrowing (£17.331m), specific capital grants (£3.789m) and developers' contributions (£1.776m). Using this funding in 2020/2021 will mean that funding of £6.022 million will be required in 2021/2022 to complete the projects falling into that year.
- 9.5. This takes the total funding to £88.963 million (being £66.067 million from Table 2 and £22.896 million from section 9.4). Compared to the project list totalling £91.192 million detailed in Appendix 5, leaves a funding shortfall of £2.229 million in 2020/2021.
- 9.6. Borrowing for the overall shortfall of £2.229 million would result in an increase to Loan Charges averaging £0.173 million per annum with costs of £0.124 million starting in 2020/2021. This can be accommodated within the Council's Revenue Budget Strategy (Loan Charges budget) until 2022/2023, after which additional funding would be required.
- 9.7. Additional running costs, excluding loan charges, will be a commitment for future revenue budgets beyond 2021.
- 9.8. It is noted that the Revised Programme for 2020/2021 does not take account of the 2019/2020 year-end position, where there may be further projects/funding to be carried in to the new financial year. This will be brought to members in a summary paper at the start of the new financial year, consistent with the normal year-end treatment.

Key issues and risks that will impact on the delivery of the Capital Investment Strategy and other long term liabilities

- 9.9. The Prudential Code requires the Council to identify the long-term implications, both financial and operational, and the potential risks to service delivery through non-investment in our assets. The Council's appetite for risk is taken into account in establishing the Capital Strategy.
 - 9.10. There are no proposals in this report which would impact on the Council's long term liabilities.
- 10. The Alignment of the Capital Strategy and Treasury Management Strategy**
- 10.1. The Prudential Code requires that the Council's Capital Strategy be aligned with the Treasury Management Strategy which is approved by the Executive Committee annually as part of the budget setting process.
 - 10.2. The capital programme determines the borrowing need of the Council, the Treasury Management process essentially monitors the longer term cash flow planning, to ensure the Council can manage its capital spending obligations.
 - 10.3. The Capital Strategy details the Council's debt position, including the anticipated level of debt and the authorised borrowing limit.

11. Governance Framework

- 11.1. It is important that the appropriate Governance framework be in place when considering capital investment. In order to mitigate some of the risks associated with poor governance, there is appropriate governance arrangements in place in terms of the Capital Programme and Treasury Management processes. These are detailed in the Council's Capital Strategy (Executive Committee, November 2018).

12. Knowledge and Skills

- 12.1. The employees responsible for monitoring the Council's capital programmes, asset management, and treasury management have the appropriate skills and knowledge to ensure the successful delivery of capital investment.

13. Capital Programme Summary

- 13.1. The Future Capital Investment Strategy provided an estimate of potential capital investment and funding package. This was based on the information available at that time and will be subject to further refinement when the ongoing works to develop each of the projects / programmes is complete.
- 13.2. As an update to the Capital Strategy, this report seeks approval of a detailed programme for 2020/2021.

14. Financial Implications

- 14.1. A Capital Programme for financial year 2020/2021 totalling £91.192 million has been proposed in this report. Details as to how this Programme has been arrived at are shown in sections 5 to 9, with the full Programme listed in Appendix 5.

15. Climate Change, Sustainability and Environmental Implications

- 15.1. An exercise has been undertaken to consider the environmental impact of all of the capital projects proposed for approval including how the project links to the Council's sustainable development and climate change strategy, as well as any additional sustainable benefits resulting from the project.
- 15.2. The proposed projects have been subject to an initial assessment with the majority expected to have some impact on climate change, both positive and negative. On the whole, the package of projects is not expected to have a material impact on the Council's approach to tackling climate change. Details of this exercise are available on request.

16. Other Implications

- 16.1. The main financial 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 Capital Steering Group Meetings.

17. Equality Impact Assessment and Consultation Arrangements

- 17.1. There is no requirement to carry out an impact assessment in terms of the proposals contained within this report.
- 17.2. There is also no requirement to undertake any consultation in relation to the content of this report.

Paul Manning
Executive Director (Finance and Corporate Resources)

28 February 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 21 November 2018
- ◆ Executive Committee, 29 May 2019

List of Background Papers

- ◆ None

Contact for Further Information

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

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2020/2021 Proposed Capital Projects

- 1. Leisure Centres (£0.500m):** The Capital Strategy identified investment of £30 million (excluding City Deal) for Larkhall Leisure Centre, Blantyre Leisure Centre and John Wright Sports Centre, East Kilbride. For financial year 2020/2021 an allocation of £0.500 million has been included to design Larkhall Leisure Centre with a future commitment expected of £9.5 million to complete the build of the new leisure centre. The £0.500m allocation in 2020/2021 will be funded from the £3.000 million of Glasgow City Region City Deal grant allocation, as per the approved Outline Business Case. The remainder of the funding to undertake the design and build of both Blantyre Sports Centre and John Wright Sports Centre, East Kilbride will be considered in future years.
- 2. Community Facilities Fund (£0.100m):** To assist communities to undertake transformational change through Community Asset Transfer, a fund is proposed for investment in community facilities. This fund will assist communities develop sustainable models through improvements to assets prior to Community Asset Transfer.
- 3. Roads Carriageways (£11.5m):** The Capital Strategy identified a capital requirement for investment in Roads Carriageways. This investment would ensure the current roads standard would be maintained, following the recommendations from the Association of Public Services Excellence (APSE), through 'steady state' investment of £12.5 million per annum. A significant investment of £11.5 million has been included, which will be augmented by an amount of £1.5 million of Revenue Budget funding, taking the total roads carriageway investment per annum to £13 million. This level is £0.500 million above the steady state requirement advised by SCOTS and should facilitate an improvement in the roads' condition.
- 4. Roads Related Infrastructure (£2.4m):** £2.4 million per annum was included in the Capital Strategy to manage investment on Other Roads Infrastructure works including footways and footpaths, traffic management and vehicle restraint systems.
- 5. Community Infrastructure (£0.062m):** This allocation will allow investment in path /car park infrastructure to be prioritised.
- 6. Food Growing / Allotments (£0.080m):** Part 9 of the Community Empowerment Act places a requirement on each Local Authority to ensure that waiting lists for allotments do not exceed 50% of the available plots. The legislation also sets out a maximum travel distance for allotment plots, which must be complied with. This allocation will allow the delivery of a raised bed site in the Cambuslang / Rutherglen area to be progressed during 2020/2021.
- 7. Country Parks (£0.200m):** Within Calderglen Country Park, significant investment requirements have been identified. Funding of £0.200m has been allocated to allow the replacement of gabion baskets and bridge supports at Horseshoe Bridge (£0.200m). This is in addition to the work already undertaken to stabilise Turtle Rock.
- 8. Memorial Headstone Remedial Works (£0.300m):** Scottish Government guidance sets out the criteria in terms of inspection regimes (on a 5 year basis) and remedial works for headstones. This allocation will provide an annual allocation of £0.200m

for remedial works to ensure compliance with 5 year inspection programme and a further £0.100m to focus on large memorials.

- 9. Roads Depot Repairs (£0.645m):** An allocation of £0.645 million has been provided to undertake essential works to rectify leaking roofs at four Salt Barns throughout South Lanarkshire namely Carnwath (£0.215m), Lesmahagow (£0.200m), Hawbank (£0.215m) and Elvanfoot (£0.015m).
- 10. Hamilton Mausoleum (£0.475m):** This allocation will allow the replacement of the lead and guttering on both the flat roofs and dome at Hamilton Mausoleum, which are currently showing signs of water ingress. Community and Enterprise Resources will endeavour to attract grant funding for this project, however at this point no grant funding has been confirmed.
- 11. Clyde Gateway (£0.800m):** Continued support in relation to Clyde Gateway Regeneration Programme. The contribution will be used towards the ongoing remediation works at Shawfield and new office accommodation at Rutherglen Links.
- 12. Town Centre Fund (£0.500m):** The Scottish Government awarded South Lanarkshire £2.5m in 2019/20 as part of the £50m Town Centre Improvement Fund, with applications being over-subscribed. Funding of £0.500m from the 2020/21 Capital Programme will allow a continuation of this work, including new projects to be developed for consideration in future capital programmes.
- 13. East Kilbride Civic Centre Masterplan (£0.060m):** The funding will allow a masterplanning exercise to commence for the Civic Centre site. A report was presented to Executive Committee in June 2019 in relation to this project.

This master planning exercise would explore the following matters:

- An assessment of the uses in and around the Civic Centre, the utilisation of the space and whether these and other public sector uses, could be located in the town centre or elsewhere;
- Building fabric and economic life of the Civic Centre;
- Financial viability/ model for relocation of uses;
- Redevelopment potential site, economic benefits and financial return;
- Timescales and phasing.

At this stage the funding will allow the assessment of the suitability, feasibility and acceptability of options that would be developed through the preparation of a masterplan. Once this work is complete it would then be reported to Committee for members' consideration.

- 14. Schools / Early Years Growth and Capacities (£4.520m):** The Primary Schools' Modernisation Programme is now complete. Due to actual and predicted pupil growth related to general population growth and significant new housing development across the authority, a number of Primary and Secondary Schools are experiencing capacity pressures, or are predicted to in the near future.

The Future Capital Investment Strategy includes detail of the accommodation pressures identified across the years of the Strategy, however, for 2020/2021 specifically, these total £4.520 million and are listed in Table 1.

Table 1 – Schools' / Early Years Growth and Capacities Projects

Project Name	2020/2021 Requirement £m
Castlefield Primary School Extension	0.200
St Mark's Primary School Extension	1.700
Holy Cross High School	0.800
Future smaller scale adaptations to Primary Schools / Nurseries	0.320
ASN Expansion	0.300
Hamilton Community Growth Area – Nursery Expansion	0.300
Larkhall Community Growth Area – Nursery Expansion	0.500
Uddingston Nursery Expansion	0.400
	4.520

The allocation of £4.520 million is for the 2020/2021 element of these projects only. The remainder is included within the longer term Capital Strategy. The above projects are in addition to those included within the Glasgow City Region City Deal Programme.

15. Early Years – 1,140 Hours (£18.350m): In order to continue planning for implementation in August 2020, a number of reports have been presented to the Executive Committee detailing the capital programme of works required. Approval was given to progress with a £32.3 million programme of works. In addition, contributions from developers and revenue contributions of £1.8 million are included in the programme taking the total spend budget to £34.100 million.

The approved Capital Programmes for 2017/18 to 2019/2020 included allocations totalling £15.7 million for Early Years 1,140 Hours nurseries, therefore, the 2020/2021 programme includes the remaining budget of £18.4 million. This includes spend on temporary accommodation to meet implementation timescales.

16. Schools Information Communication Technology (£1.650m): A contractual commitment of £1.650 million per annum exists in relation to the delivery of the ICT contract to schools.

17. Newton Farm Primary School Extension (£0.170m): Education Resources are working to re-evaluate the educational requirements needed to satisfy the growth in pupil numbers within the Newton area, including an extension to Newton Farm Primary School. The original building layout was designed to accommodate potential future expansion and the proposal is therefore to construct an extension at the school with an estimated cost of £4 million.

An initial bid has been submitted to the Scottish Government's Learning Estate Investment Programme seeking funding of £2 million (50%) towards the overall cost of the project. Discussions with the Scottish Government are at an early stage. An initial allocation of £0.170m has been included to allow design work to commence in 2020/2021.

18. Information Technology Infrastructure (£4.336m): This allocation includes funding for infrastructure refresh (£0.742m), Oracle Replacement (£0.370m), Caird Replacement (£2.469m) and Digital Transformation (£0.755m).

19. Climate Change / Digital Transformation (£1m): Consideration has been given to the Council's future requirements in relation to climate change and

sustainability, including the sustainability of the Council's fleet. Projects which will help to deliver transformational reform are also being considered. Work to identify options is ongoing and this fund will help to progress these priorities during 2020/21.

- 20. Private Housing Scheme of Assistance (£1m):** Housing provide some mandatory grants and to encourage owner occupiers to participate in the Housing Investment programme and the Care and Repair Service and £1million has been allocated to enable this to continue.
- 21. Planned Asset Management (£4.8m):** £4.8 million per annum was included in the Capital Strategy to continue the Planned Asset Management model which aims to maintain all of the Council's new build General Services facilities (constructed post 2000) in a good condition and to a compliant standard.
- 22. Prioritised Urgent Investment (£2m):** The continuation of the previous model to meet urgent essential works needed on all Council properties. The Strategy noted that the annual value of the fund has been static for six years with the assets in a declining position, therefore future requirements would need to be considered. The allocation of £2 million reflects an allowance for Leisure and Community facilities to reflect the costs anticipated in adding these properties to the programme, as well as an allowance towards remedial measures associated with fire compartmentation.
- 23. Lifecycle Replacement – Schools (£0.750m):** The first school completed under the Primary School Modernisation Programme opened during financial year 2004/05. An allocation of £0.750m has been provided to commence a programme of replacement for major elements of infrastructure during the next capital programme. This requirement is likely to increase as the schools become progressively older.
- 24. Essential Improvements / Service Upgrades (£0.640m):** Principal Offices provide the main hub for circa 3000 staff in key locations in line with the Council Office Accommodation Strategy, several of which are now in excess of 50 years old. Funding of £0.700 million has been provided to ensure continued operation as well as changes to meet reorganization/service delivery requirements set by the Council.
- 25. Lock-ups Areas – Housing Estates (£0.200m):** This will allow initial works to review areas where lock-ups are not well utilised and require investment. This project will look to replace unused lock-ups with public realm works including car parking and electric charging units and will consider replacement lock-ups where appropriate. The project will be augmented with HRA funding and external funding external funding will also be sought.
- 26. Community Alarms Replacement (£0.400m):** By 2025 the public switched telephone network (PSTN) will be switched off as telecommunication companies move to newer digital technology, which can support both broadband and telephone services.

Capital investment is required to allow the consideration of options around how the Council progress the implementation of a digitally compliant Alarm Receiving Centre service, and to procure and install the required technology and peripherals within individual service user and group housing accommodation premises. An initial allocation of £0.400m has been provided to consider these options and the results will be reported back to Committee in due course. Further investment will be required to complete the transition, following assessment of the options.

Proposed New Capital Projects 2020/2021

	Ref (App 1)	2020/2021 £m
Community and Enterprise Resources		
Leisure Centres (funded by a contribution from Glasgow City Region City Deal)	1	0.500
Community Facilities Fund	2	0.100
Roads – Carriageway Investment	3	11.500
Roads Related Infrastructure	4	2.400
Infrastructure	5	0.062
Food Growing / Allotments	6	0.080
Country Parks	7	0.200
Memorial Headstone Remedial Works	8	0.300
Roads Depot Repairs – Salt Barn Works	9	0.645
Hamilton Mausoleum	10	0.475
Clyde Gateway	11	0.800
Town Centre Regeneration Fund	12	0.500
East Kilbride Civic Centre Masterplan	13	0.060
Vacant and Derelict Land (section 6.4)		0.697
Cycling, Walking and Safer Streets (section 6.4)		1.404
Glasgow City Region City Deal (section 7)		14.779
Total Community and Enterprise Resources		34.502
Education Resources		
Schools / Early Years Growth and Capacities	14	4.520
Early Years – 1,140 Hours	15	18.350
Schools ICT Solutions for Learning	16	1.650
Newton Farm Primary School Extension	17	0.170
Total Education Resources		24.690
Finance and Corporate Resources		
Information Technology	18	4.336
Climate Change / Digital Transformation	19	1.000
Total Finance and Corporate Resources		5.336
Housing and Technical Resources		
Private Housing Scheme of Assistance	20	1.000
Planned Asset Management Programme	21	4.800
Prioritised Urgent Investment in Property	22	2.000
Lifecycle Replacement – Schools	23	0.750
Essential Improvements / Service Upgrades	24	0.640
Lock-up areas – Housing Estates	25	0.200
Total Housing and Technical Resources		9.390
Social Work Resources		
Community Alarms Replacement (analogue to digital)	26	0.400
Total Social Work Resources		0.400
Total New Capital Projects Proposed for 2020/2021		74.318

Proposed New Capital Projects – Funding 2020/2021

	Revised 2020/2021 £m
New Capital Programme	74.318
Funding Available	
General Capital Grant	21.373
Scottish Government – Early Years 1,140 Hours	12.497
Scottish Government – Specific Grants	2.101
City Deal / Developers Contributions	4.850
External Income	0.475
Revenue Contribution – Early Years 1,140 Hours	0.450
Borrowing – Early Years 1,140 Hours	4.053
Borrowing – City Deal	14.879
Revenue Contribution	5.389
Total Funding Available	66.067
Surplus / (Deficit) in Funding – To be Funded by Borrowing	(8.251)

Changes Approved by Executive Committee during 2019/2020

Project Name	Amount £m
Extension / Improvement of Cemeteries	1.772
Existing Synthetic and Grass Pitches (reflecting 2020/2021 spend requirements)	0.300
Abington Campus for Enterprise	0.510
Zero Waste Fund	0.195
Town Centre Regeneration Fund	2.026
Rural Development Centre	0.800
Vacant and Derelict Land	0.453
Roads – Bridges (reflecting 2020/2021 spend requirements)	2.500
Schools ICT Solutions for Learning	2.030
Growth and Capacities – St Charles Extension (reflecting 2020/2021 spend requirements)	2.443
Growth and Capacities – Crawforddyke Primary School	0.444
Growth and Capacities – Capacity Issues at Various schools	0.450
Computer Room Upgrades (approved acceleration into 2019/20)	(0.300)
Social Work Care Facilities (reflecting 2020/2021 spend requirements)	3.251
Total	16.874

Proposed General Services Capital Programme 2020/2021

	Ref (App 1)	2020/2021 £m
Community and Enterprise Resources		
Leisure Centres (funded by a contribution from Glasgow City Region City Deal)	1	0.500
Community Facilities Fund	2	0.100
Roads – Carriageway Investment	3	11.500
Roads Related Infrastructure	4	2.400
Infrastructure	5	0.062
Food Growing / Allotments	6	0.080
Country Parks	7	0.200
Memorial Headstone Remedial Works	8	0.300
Roads Depot Repairs – Salt Barn Works	9	0.645
Hamilton Mausoleum	10	0.475
Clyde Gateway	11	0.800
Town Centre Regeneration Fund (includes £2.026m approved slippage from 2019/2020)	12	2.526
East Kilbride Civic Centre Masterplan	13	0.060
Extension / Improvement of Cemeteries (approved slippage from 2019/2020)		1.772
Existing Synthetic and Grass Pitches (approved slippage from 2019/2020)		0.300
Abington Campus for Enterprise (approved slippage from 2019/2020)		0.510
Zero Waste Fund (approved slippage from 2019/2020)		0.195
Rural Development Centre (approved slippage from 2019/2020)		0.800
Vacant and Derelict Land (approved slippage from 2019/2020)		0.453
Roads – Bridges (approved slippage from 2019/2020)		2.500
Glasgow City Region City Deal		14.779
Vacant and Derelict Land		0.697
Cycling, Walking and Safer Streets		1.404
Total Community and Enterprise Resources		43.058
Education Resources		
Schools / Early Years Growth and Capacities (includes £0.450m approved slippage from 2019/2020)	14	4.970
Early Years – 1,140 Hours	15	18.350
Schools ICT Solutions for Learning (includes £2.030m approved slippage from 2019/2020)	16	3.680
Growth and Capacities – St Charles' Extensions (approved slippage from 2019/2020)		2.443
Growth and Capacities – Crawforddyke Primary School (approved slippage from 2019/2020)		0.444
Newton Farm Primary School Extension	17	0.170
Total Education Resources		30.057
Finance and Corporate Resources		
Information Technology (net of £0.300m approved acceleration into 2019/2020)	18	4.036
Climate Change / Digital Transformation	19	1.000
Total Finance and Corporate Resources		5.036

	Ref (App 1)	2020/2021 £m
Housing and Technical Resources		
Private Housing Scheme of Assistance	20	1.000
Planned Asset Management Programme	21	4.800
Prioritised Urgent Investment in Property	22	2.000
Lifecycle Replacement – Schools	23	0.750
Essential Improvements / Service Upgrades	24	0.640
Lock-up areas – Housing Estates	25	0.200
Total Housing and Technical Resources		9.390
Social Work Resources		
Community Alarms Replacement – Analogue to Digital	26	0.400
Social Work Care Facilities (approved slippage from 2019/2020)		3.251
Total Social Work Resources		3.651
Total General Services Capital Programme 2020/2021		91.192

Revised General Services Capital Programme – Funding 2020/2021

	Revised 2020/2021 £m
Full Capital Programme	91.192
Funding Available	
General Capital Grant	21.373
Scottish Government – Early Years 1,140 Hours (approved slippage from 2019/2020 plus new allocation in 2020/2021)	12.497
Scottish Government – Regeneration Capital Grant (approved slippage from 2019/2020)	1.310
Scottish Government – Town Centre Regeneration Fund (approved slippage from 2019/2020)	2.026
Scottish Government – Vacant and Derelict Land (approved slippage from 2019/2020 plus new allocation in 2020/2021)	1.150
Scottish Government – Cycling, Walking and Safer Streets (new allocation in 2020/2021)	1.404
City Deal / Developers Contributions (includes approved slippage from 2019/2020)	6.626
Revenue Contribution – Early Years 1,140 Hours	0.450
External Income	0.475
Borrowing – Early Years 1,140 Hours	4.053
Borrowing – City Deal	14.879
Borrowing – General Services (approved slippage from 2019/2020)	17.331
Revenue Contribution	5.389
Total Funding Available	88.963
Surplus / (Deficit) in Funding – Borrowing	(2.229)