

# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>2 March 2022</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Programme 2021/2022 Update and Monitoring for Period 11 – 1 April 2021 to 28 January 2022</b>
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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 28 January 2022

## 2. Recommendation(s)

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

- (1) that the Period 11 position (ended 28 January 2022) 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 it be noted that the final outturn on the programme will be presented to Committee and the Financial Resources Scrutiny Forum following completion of the financial year-end.

## 3. Background

3.1. The attached statements to this report provide a summarised monitoring position as at 28 January 2022. 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 2 February 2022 was £72.433 million. A revised programme of £72.732 million is now anticipated, which includes an adjustment to the programme totalling an increase of £0.299 million, which is proposed in Appendix 1.

4.2. Programmed funding for the year also totals £72.732 million. The funding sources are detailed in Appendix 3.

4.3. **Period 11 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 £72.732 million.

- 4.4. Budget for the period is £42.796 million and spend to the 28 January 2022 is £42.397 million, £0.399 million behind programme.
- 4.5. Actual funding received to 28 January 2022 is £57.838 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 4 summarises the position on the Housing programme as at 28 January 2022. The revised capital programme for the year was £79.640 million, as approved by the Executive Committee on 22 September 2021. There are no new adjustments proposed in this report.
- 5.2. Programmed funding for the year also totals £79.640 million. The funding sources are also detailed in Appendix 4.
- 5.3. The impact of material shortages and price increases will continue to be monitored on a project-by-project basis in both the Housing and General Fund Programmes.
- 5.4. **Period 11 Position:** Budget for the period is £57.893 million and spend to 28 January 2022 amounts to £55.689 million. This represents expenditure of £2.204 million behind programme and mainly reflects the timing of spend across a number of projects.
- 5.5. As at 28 January 2022, £55.689 million of funding had been received.
- 5.6. The final position on the General Fund Programme and the Housing Programme will be reported to Committee and the Financial Resources Scrutiny Forum following completion of the financial year-end.

## **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. As previously advised to Committee, 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 impact on projects being brought to Members' attention as appropriate.

## **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)**

7 February 2022

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

- ◆ Accountable, Effective, Efficient and Transparent

### **Previous References**

- ◆ Executive Committee, 22 September 2021
- ◆ Executive Committee, 2 February 2022

### **List of Background Papers**

Capital Ledger prints to 28 January 2022

### **Contact for Further Information**

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

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**Proposed Adjustments****Education Resources****CO2 Monitoring in Schools and Early Learning Childcare Establishments**

Approval is sought to increase the 2021/22 Capital programme by £0.299m to reflect a second funding award from the Scottish Government to purchase and install CO2 monitors at all schools and nursery establishments. This augments the funding awarded earlier this year (£0.433m), resulting in a total budget allocation of £0.732m available to ensure each establishment has access to CO2 monitoring to mitigate against the risks of airborne transmission of Covid-19, in line with the current guidance on reducing risks in schools.

Minor Adjustments £0.000m

**TOTAL ADJUSTMENTS £0.299m**

**APPENDIX 2**

SOUTH LANARKSHIRE COUNCIL  
 CAPITAL EXPENDITURE 2021/22  
 GENERAL FUND PROGRAMME  
 FOR PERIOD 1 APRIL 2021 TO 28 JANUARY 2022

£m

**Total Budget** **72.433**

Proposed Adjustments – Period 11 0.299

**Total Revised Budget** **72.732**

	<u>2021/22</u> <u>Budget</u>	<u>Proposed</u> <u>Adjustments</u>	<u>Revised</u> <u>2021/22</u> <u>Budget</u>
<u>Resource</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	41.903	-	41.903
Education	15.199	0.299	15.498
Finance & Corporate	3.176	-	3.176
Housing & Technical	6.801	-	6.801
Social Work	5.354	-	5.354
<b>TOTAL CAPITAL PROGRAMME</b>	<b>72.433</b>	<b>0.299</b>	<b>72.732</b>

# APPENDIX 3

## SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2021/22 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2021 TO 28 JANUARY 2022

	<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>28/01/22</u>	<u>2021/22</u> <u>Actual to</u> <u>28/01/22</u>
<b>Expenditure</b>	£m	£m	£m	£m
<b>General Fund Programme</b>	85.066	72.732	42.796	42.397
<b>Income</b>	<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>28/01/22</u>
	£m	£m		£m
Prudential Borrowing	40.289	24.961		24.961
Developers Contributions	4.474	2.382		2.123
Partners (Including SPT, Sustrans, Clyde Wind Farm and CARES)	4.647	4.949		1.102
Scottish Government:				
- Capital Grant	21.362	24.473		18.834
- Cycling, Walking and Safer Routes	1.912	1.400		0.508
- Vacant and Derelict Land	0.831	0.694		0.463
- Early Years 1,140 Hours	2.024	1.024		1.024
- Regeneration Capital Grant	1.230	1.280		0.511
- Town Centre Regeneration Fund	2.739	2.739		2.738
- 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		0.089
- Gypsy Travellers	0.107	0.107		0.107
Glasgow City Region City Deal	2.386	3.227		0.000
Specific Reserves	1.024	1.642		1.642
Revenue Contribution	0.000	1.695		1.695
<b>TOTAL FUNDING</b>	<b>85.066</b>	<b>72.732</b>		<b>57.838</b>

**APPENDIX 4**

SOUTH LANARKSHIRE COUNCIL  
 CAPITAL EXPENDITURE 2021/22  
 HOUSING PROGRAMME  
 FOR PERIOD 1 APRIL 2021 TO 28 JANUARY 2022

	<u>2021/22</u> <u>Annual</u> <u>Budget</u> £m	<u>2021/22</u> <u>Budget to</u> <u>28/01/22</u> £m	<u>2021/22</u> <u>Actual to</u> <u>28/01/22</u> £m
<b>Expenditure</b>			
2021/22 Budget Incl. adjustment from 2020/21	79.640	57.893	55.689
	<u>2021/22</u> <u>Annual</u> <u>Budget</u> £m		<u>2021/22</u> <u>Actual to</u> <u>28/01/22</u> £m
<b>INCOME</b>			
Capital Funded from Current Revenue	19.637		19.637
Capital Receipts – Land Sales	0.000		0.012
Prudential Borrowing	50.532		33.083
Scottish Government Specific Grant:			
- New Build	7.191		2.957
- Open Market Purchase Scheme	2.160		0.000
- Mortgage to Rent	0.120		0.000
	<u>79.640</u>		<u>55.689</u>