



Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	2 September 2021
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2021/2022 - General Fund Capital Programme
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1. Purpose of Report

1.1. The purpose of the report is to:

- ◆ update members of the Financial Resources Scrutiny Forum of progress on the Council's General Fund Capital Programme for the period covering 1 April 2021 to 16 July 2021.

2. Recommendation(s)

2.1. The Forum is asked to approve the following recommendation:

- (1) that the physical and financial progress of the 2021/2022 General Fund Capital Programme be noted.

3. Background

- 3.1. The Capital reports attached provide detail on the position as at 16 July 2021 from both a financial and physical perspective.
- 3.2. Appendices A to D show the financial position of the General Fund Capital Programme, with the physical progress detailed in Appendices E to G – as they are split into Build, Non Build and Roads.

4. General Services Capital Programme 2021/2022

- 4.1. **2021/22 Budget:** The revised Capital Programme for 2021/2022 totals £85.415 million as shown in Appendix B. The revised programme consists of the base budget plus carry forward projects, previously approved adjustments and adjustments to the programme totalling a net increase of £0.349 million, as detailed in Appendix A, which were agreed by the Executive Committee on 25 August 2021.
- 4.2. The programme spend and funding for the General Fund is summarised in Appendices B and D. Total funding of £85.415 million is available in year.
- 4.3. **Period 4 Position:** Budget for the period is £10.409 million and spend to the 16 July 2021 is £10.547 million, a slight overspend of £0.138 million. This is broken down across Resources in Appendix C.
- 4.4. Actual funding received to 16 July 2021 is £56.289 million and this is detailed in Appendix D.

- 4.5. Relevant officers will continue to closely monitor the generation of all income including receipts.

5. Contract Prices

- 5.1. In recent months it has been reported nationally that the construction materials supply chain has been subject to unprecedented disruption due to the Coronavirus (COVID-19) Pandemic.
- 5.2. The Construction Leadership Council (CLC) continues to report shortages of construction materials and forecasts this disruption to continue for the foreseeable future. Ongoing engagement with the Council's suppliers confirms that materials shortages, longer lead times and steep price increases will continue to impact their supply chain. This means there is therefore a risk of significant impact on the delivery of the Council's capital and maintenance / repair programmes. The impact could cause project delays due to required redesign, or cost increases, as is already being experienced by Property and Roads Services.
- 5.3. Mini tenders within Roads Service are being returned higher than contracted rates and when attempts are made to direct award contractors have been declining. These additional costs are being managed within overall budget allocations at present.
- 5.4. Further updates will be provided in the coming months with any significant increases in contract values being brought to members' attention.

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 detailed in section 4 of this report.

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 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.
- 9.2. As noted at Section 5, the Coronavirus (COVID-19) Pandemic has led to material 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)

17 August 2021

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective and Efficient and Transparent

Previous References

- Executive Committee, 25 August 2021

List of Background Papers

- Capital Ledger prints to 16 July 2021

Contact for Further Information

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

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Adjustments approved by Executive Committee on 25 August 2021**Community and Enterprise Resources****Hamilton Mausoleum**

The project to replace the lead and guttering on both the flat roofs and dome at Hamilton Mausoleum (£0.475m) is ongoing. During the progression of these initial lead and guttering works, it has been discovered that additional works totalling £0.138m have also been considered necessary. £0.138m (£0.138m)

These additional works include stonework repairs required to prevent further water ingress to the building and the replacement of the lightning protection system, which is non-compliant with current regulations. These additional works are being progressed to take advantage of the scaffolding which has already been erected as part of the original roofing works project. Approval is sought to transfer funding of £0.138m from the Prioritised Urgent Investment Fund to fund these additional works. This will augment the existing 2021/2022 allocation for this project of £0.395m.

Tom Craig Centre Hall, Sports Pavilion and Pitches, Law

The refurbishment of the Tom Craig Centre Hall, Law and upgrading of the sports pavilion and pitches is ongoing. The project had a total budget allocation of £0.136m of which £0.050m remains and is included in the 2021/2022 Capital Programme and will be fully spent this year. £0.052m (£0.052m)

However, it has been discovered that part of the roof needs to be replaced at an additional cost of £0.052m. These works are being progressed as part of the original project to avoid delay. Approval is sought to transfer funding of £0.052m from the Prioritised Urgent Investment Fund to fund these additional works in 2021/2022.

Housing and Technical Resources**Central Energy Efficiency Fund (CEEF)**

The CEEF is a revolving fund. The fund is used to pay for energy efficiency projects each financial year. The fund is then replenished by savings achieved from these projects across an agreed payback period for each project. A new wave of projects is included in the capital programme each financial year. £0.349m

Approval is sought to add energy efficiency projects totalling £0.349m into the 2021/22 Capital Programme. Projects to be carried out include external LED Lighting in various primary schools including: Greenhills, High Blantyre, Law, St Bride's, St Columbkille's, St Elizabeth's and St Hilary's. In addition, photovoltaic panels will be installed at South Lanarkshire Lifestyles Eastfield. These works will be funded from the CEEF Fund.

Minor Adjustments £0.000m

TOTAL ADJUSTMENTS £0.349m

APPENDIX B

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2021/22
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2021 TO 16 JULY 2021

	£m
Total Budget	85.066
Proposed Adjustments – Period 4	0.349
Total Revised Budget	85.415

<u>Resource</u>	<u>2021/22 Budget</u>	<u>Period 4 Proposed Adjustments</u>	<u>Revised 2021/22 Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	46.735	0.190	46.925
Education	20.400	-	20.400
Finance & Corporate	2.776	-	2.776
Housing & Technical	8.387	0.159	8.546
Social Work	6.768	-	6.768
TOTAL CAPITAL PROGRAMME	85.066	0.349	85.415

APPENDIX C

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2021/22 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2021 TO 16 JULY 2021

<u>Resource Name</u>	<u>Annual Budget £000</u>	<u>2020/21 C/F £000</u>	<u>Previous Slippage /Adjs £000</u>	<u>Approved Budget £000</u>	<u>2021/22 Adjs £000</u>	<u>2021/22 Slippage £000</u>	<u>Total Budget £000</u>	<u>Estimate to Date £000</u>	<u>Actual £000</u>
<u>Community & Enterprise</u>									
Facs / Waste / Grounds	3,124	6,860	(6,609)	3,375	190	-	3,565	276	271
Fleet & Environmental	0	315	10	325	-	-	325	-	-
Planning & Economic Development	18,901	5,760	(11,502)	13,159	-	-	13,159	721	722
Roads	18,198	2,838	8,840	29,876	-	-	29,876	3,961	4,210
Resource Total	40,223	15,773	(9,261)	46,735	190	-	46,925	4,958	5,203
<u>Education</u>									
1,140 Hours	7,734	(1,379)	180	6,535	-	-	6,535	2,012	1,779
Community Growth Areas	5,091	(1,053)	(267)	3,771	-	-	3,771	97	69
Growth and Capacities	2,647	1,330	1,803	5,780	-	-	5,780	635	638
ICT Developments	1,905	1,599	356	3,860	-	-	3,860	583	628
Other	171	254	29	454	-	-	454	1	5
Resource Total	17,548	751	2,101	20,400	-	-	20,400	3,328	3,119
<u>Finance & Corporate</u>									
IT Services	11,500	(6,938)	(1,786)	2,776	-	-	2,776	440	507
Resource Total	11,500	(6,938)	(1,786)	2,776	-	-	2,776	440	507
<u>Housing and Technical</u>									
Office Accom	7,710	2,076	(1,958)	7,828	(190)	-	7,638	583	477
Private Housing Scheme of Assistance	1,000	-	(1,000)	-	-	-	-	-	-
Other Housing	424	251	(116)	559	349	-	908	-	2
Resource Total	9,134	2,327	(3,074)	8,387	159	-	8,546	583	479
<u>Social Work</u>									
Care Facilities	6,539	215	(554)	6,200	-	-	6,200	1,100	1,239
Other	300	100	168	568	-	-	568	-	-
Resource Total	6,839	315	(386)	6,768	-	-	6,768	1,100	1,239
Overall Total	85,244	12,228	(12,406)	85,066	349	-	85,415	10,409	10,547

APPENDIX D

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2021/22 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2021 TO 16 JULY 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>16/07/21</u>	<u>2021/22</u> <u>Actual to</u> <u>16/07/21</u>
Expenditure	£m	£m	£m	£m
General Fund Programme	85.066	85.415	10.409	10.547
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>16/07/21</u>
	£m	£m		£m
Prudential Borrowing	40.289	40.289		40.289
Developers Contributions	4.474	4.474		3.129
Partners (Including SPT, Sustrans, Clyde Wind Farm and CARES)	4.647	4.647		0.101
Scottish Government:				
- Capital Grant	21.362	21.362		3.560
- Cycling, Walking and Safer Routes	1.912	1.912		-
- Vacant and Derelict Land	0.831	0.831		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
- Gypsy Travellers	0.107	0.107		0.107
Glasgow City Region City Deal	2.386	2.386		-
Specific Reserves	1.024	1.373		1.373
TOTAL FUNDING	85.066	85.415		56.289

-	166	151	162
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General Fund Capital Programme 2021/22
Build Variance Explanations

<u>Project Name</u>	<u>Status</u>	<u>Variance Explanation</u>
Swinhill Travelling Persons Site – Modular Community Facility	Behind Programme	This project is behind due to supply chain issues.
Hamilton Mausoleum Repairs – Roof Works	Behind Programme	During the progression of the initial lead and guttering works, it has been discovered that additional works have also been considered necessary including stonework repairs required to prevent further water ingress to the building and the replacement of the lightning protection system.

Projects Completed	-	-	-	-
Projects Ahead of Programme	-	-	-	1
Projects on Programme	-	48	47	46
Projects Behind Programme	-	-	-	-
Projects, Altered Brief/Programme	-	-	-	-
Projects On Hold	-	-	-	-
	-	48	47	47

General Fund Capital Programme 2021/22
Non-Build Executive Summary – Project Status

<u>Type</u>		<u>Status</u>
C/F	Zero Waste Fund	On Programme
C/F	Fallside Park Play Area, Bothwell	On Programme
C/F	Forth Play Area	On Programme
C/F	Hairmyres Play Area	On Programme
C/F	Moor Park Play Area	On Programme
C/F	Hallside Primary School Trim Trail	On Programme
C/F	Willie Waddell Sport and Community Centre, Forth – Monoliths	On Programme
NEW	Allotments	On Programme
C/F	Bin Storage Areas	On Programme
C/F	Bothwell Park (including Sensory Garden)	On Programme
C/F	Cashless System	On Programme
C/F	Switched on Fleet	On Programme
NEW	Langlands Boardwalk	On Programme
NEW	Hamilton Palace Grounds Play Area	On Programme
C/F	Synthetic and Grass Pitch Replacement	On Programme
NEW	Allotment & Raised Beds, Strathaven	On Programme
C/F	Upgrades to Community Infrastructure	On Programme
C/F	Strathaven Cemetery Infrastructure Works	On Programme
C/F	Demolition Programme	On Programme
C/F	Horseshoe Bridge, Calderglen	On Programme
NEW	Greenhall Replacement Bridge	On Programme
NEW	White Bridge Replacement, Chatelherault Country Park	On Programme
C/F	War Memorials (Strathaven Statue)	On Programme
NEW	Place Based Investment Programme	On Programme
C/F	East Kilbride Town Centre Masterplan	On Programme
C/F	City Deal – Community Growth Areas	On Programme
C/F	Vacant and Derelict Land – Clyde Cycle Park, Cambuslang	On Programme
C/F	Vacant and Derelict Land – Glen Esk, East Kilbride	On Programme
C/F	Vacant and Derelict Land – Milton Brick & Tile Works Site, Carluke	On Programme
NEW	Vacant and Derelict Land – Clyde Gateway, Cunnigar	On Programme
NEW	Vacant and Derelict Land – Cunnigar Allotments	On Programme
C/F	Oracle Upgrade	On Programme
C/F	Digital Connectivity	On Programme
C/F	Computer Room Upgrades	On Programme
C/F	Climate Change/ Digital Transformation Fund	On Programme
C/F	Community Alarms	On Programme
C/F	Mobile Working	On Programme
NEW	Swiss Plus	On Programme
C/F	Memorial Headstone Remedial Works	On Programme
NEW	Alexander Hamilton Memorial Park	On Programme
NEW	John Mann Park, Carnwath	On Programme
C/F	Abington Campus for Enterprise	On Programme
C/F	Town Centre Regeneration Fund	On Programme
C/F	Information Technology Infrastructure Refresh	On Programme
C/F	Digital Tools	On Programme
NEW	Wide Area Network Capitalisation	On Programme
C/F	Education Information Communication Technology Solutions for Learning	Ahead of Programme

GENERAL FUND CAPITAL PROGRAMME 2021/22**ROADS EXECUTIVE SUMMARY****PERIOD ENDED 16 JULY 2021 (PERIOD 4)**

	1	2	3	4	5	6	7	8	9	10	11	12	13
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Number of Projects

Total Projects Currently Reported	-	156	156	211
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Programme Status

Projects Complete	-	10	10	40
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Projects on Programme	-	146	146	170
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Projects Behind Programme	-	-	-	-
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Projects, Altered Brief / Programme	-	-	-	-
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Projects Held	-	-	-	1
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-	156	156	211
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Project Status

Briefing	-	51	51	45
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Production Information	-	70	70	96
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Billing	-	-	-	-
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Tendering	-	-	-	-
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On Site	-	25	25	30
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Complete	-	10	10	40
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-	156	156	211
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RESOURCE: ENTERPRISE, ROADS & TRANSPORTATION SERVICES 2021/22

[illegible]

RESOURCE: ENTERPRISE, ROADS & TRANSPORTATION SERVICES 2021/22

[illegible]

RESOURCE: ENTERPRISE, ROADS & TRANSPORTATION SERVICES 2021/22

[illegible]

Project Title	PROJECT STATUS						PROGRAMME STATUS				
	Briefing / Programme	Production Information	Billing	Tendering	On Site	Complete	Projects Complete	Projects on Programme	Projects Behind Programme	Projects altered Brief / Programme	Projects Held
<u>SUSTRANS GRANT FUNDED PROJECTS</u>											
<u>SUSTRANS ~ PLACES FOR EVERYONE 2020/21</u>		1						1			
Bothwell/Uddingston/Blantyre ~ Active Travel Study		1						1			
Strathaven/Stonehouse/surrounding villages ~ Active Travel Study		1						1			
Larkhall ~ Active Travel Study		1						1			
Carluke/Law ~ Cycle Network design		1						1			
Lanark ~ Cycle Network design		1						1			
Hamilton ~ Cycle Network design		1						1			
Cambuslang ~ Cycle Network design		1						1			
Newton ~ Cycle Network design		1						1			
<u>SUSTRANS ~ SPACES FOR PEOPLE</u>											
Active Travel Network, East Kilbride					1			1			
Town Centres					1			1			
School Outdoor Environments					1			1			
Temporary Route Enhancements						1	1				
<u>CITY DEAL PROJECTS</u>											
Cathkin ~ Loss of value and Noise Insulation Regulations surveys		1						1			
Stewartfield Way		1						1			
Greenhills/Strathaven Road					1			1			
	45	96	0	0	30	40	40	170	0	0	1