



# Report

Report to:	<b>Executive Committee</b>
Date of Meeting:	<b>4 December 2019</b>
Report by:	<b>Executive Director (Finance and Corporate Resources)</b>

Subject:	<b>Capital Budget 2019/2020 and Monitoring for Period 7 - 1 April to 11 October 2019</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 to 11 October 2019.

## 2. Recommendation(s)

2.1. The Executive Committee is asked to approve the following recommendations:

- (1) that the Period 7 position (ended 11 October 2019) of the General Fund Capital Programme itemised at Appendices 1 and 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund programme listed at Appendix 2, 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 11 October 2019. Spending has been split into two separate sections:

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 5.1)
- ◆ Housing Capital Programme (Section 5.2)

## 4. Employee Implications

None

## 5. Financial Implications

### 5.1. General Fund

#### 5.1.1. 2019/2020 Budget

The budget agreed at Executive Committee on 6 November 2019 was £80.569 million. A revised budget of £76.804 million is presented in Appendix 1. This revised budget is after adjustments totalling a decrease of £3.765 million, which are proposed at Appendix 2.

#### 5.1.2. Period 7 Position

The programme spend and funding for the General Fund is summarised in Appendix 2. As noted in 5.1.1., the total capital spending programme for the year is £76.804 million.

5.1.3. Budget for the period is £27.939 million and spend to the 11 October 2019 is £27.305 million. This represents expenditure of £0.634 million behind profile and mainly reflects the timing of spend across projects.

5.1.4. Actual funding received to 11 October 2019 is £50.801 million.

### **5.2. Housing Programme**

#### 5.2.1. 2019/20 Budget

Appendix 4 summarises the position on the Housing programme as at 11 October 2019. The capital programme for the year is £61.835 million. Programmed funding for the year also totals £61.835 million.

#### 5.2.2. Period 7 Position

Budget for the period is £22.066 million and spend to 11 October 2019 amounts to £21.967 million.

5.2.3. As at 11 October 2019, £21.967 million of funding had been received.

5.2.4. 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. Other Implications (Including Environmental and Risk Issues)**

6.1. 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.

### **7. Equality Impact Assessment and Consultation Arrangements**

7.1. 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.

7.2. 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)**

30 October 2019

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

♦ Accountable, Effective, Efficient and Transparent

#### **Previous References**

♦ Executive Committee, 6 November 2019

**List of Background Papers**

- ◆ Capital Ledger prints to 11 October 2019

**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 2019/20  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2019 TO 11 OCTOBER 2019

APPENDIX 1

£m

<b>Total Revised Budget – Period 6</b>	<b>80.569</b>
Proposed Adjustments – Period 7	(3.765)
<b>Total Revised Budget</b>	<b>76.804</b>

	<b><u>2019/20 Budget (from Period 6)</u></b>	<b><u>Period 7 Proposed Adjustments</u></b>	<b><u>Revised 2019/20 Budget</u></b>
<b><u>Resource</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>	<b><u>£m</u></b>
Community & Enterprise	44.303	(3.765)	40.538
Education	25.234	0.000	25.234
Finance & Corporate	0.993	0.000	0.993
Housing & Technical	7.310	0.000	7.310
Social Work	2.729	0.000	2.729
<b>Total</b>	<b>80.569</b>	<b>(3.765)</b>	<b>76.804</b>

**Proposed Adjustments (Period 7)****Community and Enterprise Resources****Grass & Synthetic Pitch Replacement**

Approval is sought to slip £0.486m into the 2020/21 Capital programme to fund further pitch upgrades in Summer 2020 outwith playing season and school use. (£0.486m)

**Town Centre Regeneration Fund**

Community and Enterprise Resources Committee (3 September 2019) approved the award of £2.506m Town Centre Regeneration Fund to a number of projects across South Lanarkshire. The grant conditions require this funding to be fully committed by 31 March 2020 and fully spent by 30 September 2020.

It is anticipated that this funding will be fully committed by 31 March 2020 however, following an assessment of spend across each project, approval is sought to allow slippage of £2.026 million into the 2020/21 Capital Programme to reflect the expected timing of spend. (£2.026m)

**Rural Development Centre**

This funding of £0.800m was secured from the Scottish Government's Regeneration Capital Grant Fund (RCGF) to create a Rural Development Centre in Lanark and would encompass new business office accommodation and community benefits.

The original intention to site the facility at Braidfute Retail Park is no longer feasible as the landlord has withdrawn their support. A new location is now being considered, which will be purchased through the separate Town Centre Regeneration Fund project. In line with the timescales for spend on the TCRF, approval is sought to allow slippage of £0.800m into the 2020/21 Capital Programme. (£0.800m)

**Vacant and Derelict Land Fund - Glen Esk, East Kilbride**

Site works at Glen Esk, East Kilbride are nearing completion however a number of items, including community based projects and connections to the adjacent housing development at the former St Leonards Primary School, can only be completed following these works. Approval is sought to allow slippage of £0.153m into the 2020/21 Capital Programme to reflect the anticipated timing of spend. (£0.153m)

**Vacant and Derelict Land Fund - Milton / Millburn**

Site investigation works at Millburn are now complete and design work is progressing. Land ownership issues at Milton are expected to be concluded this year to allow tenders for the remediation works to be issued and accepted for both projects by March 2020. Works will commence on site in Spring 2020. As a result of these revised timescales, approval is sought to allow slippage of £0.300 million into the 2020/21 Capital Programme. (£0.300m)

Minor Adjustments £0.000m

**TOTAL ADJUSTMENTS (£3.765m)**

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2019/20  
GENERAL FUND PROGRAMME  
FOR PERIOD 1 APRIL 2019 TO 11 OCTOBER 2019

APPENDIX 3

	<u>2019/20</u> <u>Original</u> <u>Estimate</u> <u>inc C/F</u> £m	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £m	<u>2019/20</u> <u>Budget to</u> <u>11/10/19</u> £m	<u>2019/20</u> <u>Actual to</u> <u>11/10/19</u> £m
<b>Expenditure</b>				
<b>General Fund Programme</b>	78.429	76.804	27.939	27.305
<b>Income</b>				
	<u>2019/20</u> <u>Original</u> <u>Budget</u> £m	<u>2019/20</u> <u>Revised</u> <u>Budget</u> £m		<u>2019/20</u> <u>Actual</u> <u>To</u> <u>11/10/19</u> £m
Prudential Borrowing	23.863	21.102		21.102
Developers Contributions	3.124	2.278		0.875
Lottery	0.000	0.465		0.000
Partners (Including SPT, High Blantyre Construction Ltd, Transport Scotland and Renewable Energy Fund)	1.331	3.982		0.727
Scottish Government:				
- Capital Grant	33.029	33.029		16.515
- Cycling, Walking and Safer Streets	0.520	0.520		0.000
- Vacant and Derelict Land	2.023	1.570		1.464
- Early Years 1,140 Hours	5.344	5.344		5.344
- Regeneration Capital Grant	1.100	0.390		0.307
-Town Centre Regeneration Fund	2.506	0.480		1.253
Glasgow City Region City Deal	1.940	4.430		0.000
Specific Reserves	2.149	2.914		2.914
Capital Receipts	1.500	0.300		0.300
<b>TOTAL FUNDING</b>	<b>78.429</b>	<b>76.804</b>		<b>50.801</b>

SOUTH LANARKSHIRE COUNCIL  
CAPITAL EXPENDITURE 2019/20  
HOUSING PROGRAMME  
FOR PERIOD 1 APRIL 2019 TO 11 OCTOBER 2019

**APPENDIX 4**

	<u>2019/20</u> <u>Annual</u> <u>Budget</u> <u>£m</u>	<u>2019/20</u> <u>Budget to</u> <u>11/10/19</u> <u>£m</u>	<u>2019/20</u> <u>Actual to</u> <u>11/10/19</u> <u>£m</u>
<b>EXPENDITURE</b>			
2019/20 Budget incl carry forward from 2018/19	61.835	22.066	21.967
	<u>2019/20</u> <u>Annual</u> <u>Budget</u> <u>£m</u>		<u>2019/20</u> <u>Actual to</u> <u>11/10/19</u> <u>£m</u>
<b>INCOME</b>			
Capital Receipts – Land Sales	0.000		0.022
Capital Funded from Current Revenue	20.589		19.281
Prudential Borrowing	28.715		0.000
Scottish Government Specific Grant			
- New Build	10.611		2.154
- Open Market Purchase Scheme	1.800		0.510
- Mortgage to Rent	0.120		0.000
<b>TOTAL FUNDING</b>	<b>61.835</b>		<b>21.967</b>