



Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	30 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 13 August 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 13 August 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 £83.304 million as shown in Appendix B. The revised programme includes adjustments to the programme totalling a net decrease of £2.111 million, as detailed in Appendix A, which were agreed by the Executive Committee on 22 September 2021. The adjustments include funding for the replacement of the Council's Human Resources / Finance system, which was approved by the Finance and Corporate Committee on 1 September 2021.

4.2. The programme spend and funding for the General Fund is summarised in Appendices B and D. Total funding of £83.304 million is available in year.

4.3. **Period 5 Position:** Budget for the period is £16.300 million and spend to the 13 August 2021 is £16.003 million, a slight underspend of £0.297 million. This is broken down across Resources in Appendix C.

4.4. Actual funding received to 13 August 2021 is £56.600 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. As reported last period, the construction materials supply chain has been subject to unprecedented disruption by the Coronavirus (COVID-19) Pandemic. Materials shortages, longer lead times and steep price increases will continue to impact the supply chain with the risk this will have a significant impact on the delivery of the Council's capital and maintenance / repair programmes.
- 5.2. Various options are being employed by Property Services and Procurement, where appropriate, in order to mitigate these risks. Options include reducing the price validity period from the standard 180 days to 120 or 90 days in order to stimulate the market and secure more bids, as well as including material fluctuations in contract clauses to avoid contractors building in potential future price increases. This will also ensure that tenderers submit prices which can be evaluated on a like for like basis.
- 5.3. 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)

14 September 2021

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective and Efficient and Transparent

Previous References

- Finance and Corporate Resources Committee, 1 September 2021
- Executive Committee, 22 September 2021

List of Background Papers

- Capital Ledger prints to 13 August 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 22 September 2021**Community and Enterprise Resources****Alexander Hamilton Memorial Park – Woodland Management**

Approval is sought to increase the 2021/22 Capital Programme by £0.077m to support the delivery of a woodland management action plan within the Alexander Hamilton Memorial Park, Stonehouse. This will be funded from a previous revenue contribution transferred to reserves for this project and will augment the existing 2021/2022 capital programme allocation for this project (£0.019m) to give a total budget of £0.096m. Further external funding bids will be sought and, if successful, added to the programme. £0.077m

Renewal of Play Parks

The Scottish Government have allocated £60 million of capital funding to Local Authorities in line with their manifesto commitment to renew play parks across Scotland. The first £5 million has been allocated in 2021/2022 and South Lanarkshire's share of this is £0.298m, which will be distributed via the General Capital Grant. Distribution of the remaining £55 million funding in future years has still to be confirmed. £0.298m

Approval is sought to increase the 2021/2022 Capital Programme by £0.298 million, reflecting South Lanarkshire's in-year allocation. A report will be presented to the next Community and Enterprise Resources Committee on 28 September 2021 providing an update on how this funding could be allocated to projects.

Nature Restoration Fund

Scottish Government have confirmed Nature Restoration Fund (NRF) capital funding of £5 million to be spent in 2021-22 to support new, or to enhance existing, approaches to restoring biodiversity across Scotland. South Lanarkshire have been allocated £0.264 million in 2021/2022, which will be distributed via the General Capital Grant. £0.264m

Approval is sought to increase the 2021/2022 Capital Programme by £0.264 million. Officers are currently working on proposed projects which could be delivered in 2021/2022.

Education Resources**Early Years 1,140 Hours - Clyde Terrace, Bothwell**

Approval is sought to slip £2.750m into the 2022/23 Capital programme to undertake the construction of the new nursery at Clyde Terrace, Bothwell. This reflects the profiling of spend following planning consent in June 2021. (£2.750m)

Finance and Corporate Resources

As detailed in a separate report to the Finance and Corporate Resources Committee (1 September 2021), the upgrade of Oracle Human Resources / Finance systems to Oracle Fusion is the preferred option to progress transformation change within the Council.

The overall cost of replacing the existing system is estimated at around £8.240m which is made up of system purchase and development costs (£6.548m) as well as

net licence and borrowing costs for the first 2 years of the project (£1.692m). This will be funded by existing capital budgets (£2.557m), which are included in the 2022/2023 Programme.

It is proposed the balance of funds are borrowed. This borrowing will likely be required in 2022/2023. As such, there is no change to the current year programme.

£5.683
(5.683m)

The new system will allow savings to be made that will cover the costs of running the new system, and the costs of borrowing for the project (£0.397m per annum). After meeting these costs there will be a further £1.2m of savings for the Council.

Minor Adjustments

£0.000m

TOTAL ADJUSTMENTS

(£2.111m)

APPENDIX B

SOUTH LANARKSHIRE COUNCIL
 CAPITAL EXPENDITURE 2021/22
 GENERAL FUND PROGRAMME
 FOR PERIOD 1 APRIL 2021 TO 13 AUGUST 2021

	£m
Total Budget	85.415
Proposed Adjustments – Period 5	(2.111)
Total Revised Budget	83.304

<u>Resource</u>	<u>2021/22 Budget</u>	<u>Period 5 Proposed Adjustments</u>	<u>Revised 2021/22 Budget</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Community & Enterprise	46.925	0.639	47.564
Education	20.400	(2.750)	17.650
Finance & Corporate	2.776	-	2.776
Housing & Technical	8.546	-	8.546
Social Work	6.768	-	6.768
TOTAL CAPITAL PROGRAMME	85.415	(2.111)	83.304

APPENDIX C

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2021/22 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2021 TO 13 AUGUST 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	829	-	4,204	417	343
Fleet & Environmental	0	315	10	325	-	-	325	-	-
Planning & Economic Development	18,901	5,760	(11,502)	13,159	-	-	13,159	937	941
Roads	18,198	2,838	8,840	29,876	-	-	29,876	7,438	7,486
Resource Total	40,223	15,773	(9,261)	46,735	829	-	47,564	8,792	8,770
<u>Education</u>									
1,140 Hours	7,734	(1,379)	180	6,535	-	(2,750)	3,785	1,964	2,268
Community Growth Areas	5,091	(1,053)	(267)	3,771	-	-	3,771	97	148
Growth and Capacities	2,647	1,330	1,803	5,780	-	-	5,780	1,148	1,408
ICT Developments	1,905	1,599	356	3,860	-	-	3,860	1,305	896
Other	171	254	29	454	-	-	454	1	6
Resource Total	17,548	751	2,101	20,400	-	(2,750)	17,650	4,515	4,726
<u>Finance & Corporate</u>									
IT Services	11,500	(6,938)	(1,786)	2,776	-	-	2,776	424	364
Resource Total	11,500	(6,938)	(1,786)	2,776	-	-	2,776	424	364
<u>Housing and Technical</u>									
Office Accom	7,710	2,076	(1,958)	7,828	(190)	-	7,638	773	622
Private Housing Scheme of Assistance	1,000	-	(1,000)	-	-	-	-	-	-
Other Housing	424	251	(116)	559	349	-	908	75	7
Resource Total	9,134	2,327	(3,074)	8,387	159	-	8,546	848	629
<u>Social Work</u>									
Care Facilities	6,539	215	(554)	6,200	-	-	6,200	1,717	1,514
Other	300	100	168	568	-	-	568	4	-
Resource Total	6,839	315	(386)	6,768	-	-	6,768	1,721	1,514
Overall Total	85,244	12,228	(12,406)	85,066	988	(2,750)	83,304	16,300	16,003

APPENDIX D

SOUTH LANARKSHIRE COUNCIL CAPITAL EXPENDITURE 2021/22 GENERAL FUND PROGRAMME FOR PERIOD 1 APRIL 2021 TO 13 AUGUST 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>13/08/21</u>	<u>2021/22</u> <u>Actual to</u> <u>13/08/21</u>
Expenditure	£m	£m	£m	£m
General Fund Programme	85.066	83.304	16.300	16.003
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>13/08/21</u>
	£m	£m		£m
Prudential Borrowing	40.289	37.145		37.145
Developers Contributions	4.474	4.474		3.129
Partners (Including SPT, Sustrans, Clyde Wind Farm and CARES)	4.647	4.647		0.978
Scottish Government:				
- Capital Grant	21.362	21.924		5.341
- Cycling, Walking and Safer Routes	1.912	1.912		0.000
- 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		1.230
- 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	1.450		1.450
TOTAL FUNDING	85.066	83.304		56.600

-	166	151	162	164
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General Fund Capital Programme 2021/22
Build Variance Explanations

<u>Project Name</u>	<u>Status</u>	<u>Variance Explanation</u>
Castlebank Park – Stabilise Footpath & Retaining Wall	Behind Programme	Site start delayed due to Contractor staffing issues, caused by Covid-19.

Projects On Hold

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, Caldergleng	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
C/F	Memorial Headstone Remedial Works	On Programme
NEW	Alexander Hamilton Memorial Park	On Programme
NEW	John Mann Park, Carnwath	On Programme
NEW	Renewal of Play Parks	On Programme
NEW	Nature Restoration Fund	On Programme
C/F	Abington Campus for Enterprise	On Programme
C/F	Town Centre Regeneration Fund	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
NEW	Wide Area Network Capitalisation	On Programme
C/F	Education Information Communication Technology Solutions for Learning	On Programme
C/F	Information Technology Infrastructure Refresh	On Programme
C/F	Digital Tools	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

GENERAL FUND CAPITAL PROGRAMME 2021/22

ROADS EXECUTIVE SUMMARY

PERIOD ENDED 13 AUGUST 2021 (PERIOD 5)

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

Number of Projects

Total Projects Currently Reported - 156 156 211 211

Programme Status

Projects Complete - 10 10 40 66

Projects on Programme - 146 146 170 144

Projects Behind Programme - - - - -

Projects, Altered Brief / Programme - - - - -

Projects Held - - - 1 1

- 156 156 211 211

Project Status

Briefing - 51 51 45 5

Production Information - 70 70 96 114

Billing - - - - -

Tendering - - - - 1

On Site - 25 25 30 25

Complete - 10 10 40 66

- 156 156 211 211

[illegible]

[illegible]

[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>ROADS REFURBISHMENT BUDGET</u>											
Structures projects											
Laurenstone Terrace, EK					1			1			
Cleghorn Bridge					1			1			
Structural Appraisal of Duke St MSCP		1						1			
Containment upgrades at high priority locations	1							1			
Mousemill Road Retaining Wall repair/replacement		1						1			
Traffic Signals											
A706 Cleghorn Bridge,						1	1				
Upgrade from incandescent lamps to LED		1						1			
Lighting ~ LED & Columns											
Renewal of various street lighting infrastructure					1			1			
Other											
Contribution to Horsley Brae project	1										1
Bridges											
Ponfeigh Bridge ~ Bridge replacement project					1			1			
Clyde Bridge ~ Bridge replacement project				1				1			
<u>CYCLING, WALKING AND SAFER ROUTES</u>											
Casualty Reduction Measures											
B759 Cathkin Road (A749 to Boundary)		1						1			
A73 Braidwood to Lanark		1						1			
A71 Stonehouse to Canderside		1						1			
Mauldlie Road from Brownlee Road to Carluke		1						1			
Burnbank Road / Pollock Avenue, Hamilton		1						1			
Columbie Junction Carstairs		1						1			
Brownlee Road		1						1			
Abercorn Dr / Chestnut Crescent, Hamilton		1						1			
Brownside Road at Douglas Drive, Cambuslang		1						1			
Engineering Measures at Schools											
Minor works near schools ~ various locations		1						1			
Road Safety Measures / Speed Limit Initiatives											
Minor engineering works ~ various locations		1						1			
Traffic Signals / Pedestrian Crossings											
Main Street / Odean, Rutherglen Upgrade		1						1			
Rutherglen Cross TS Upgrade		1						1			
Upgrade of Puffins to Toucan Crossings - Locations TBC		1						1			

[illegible]

RESOURCE: ENTERPRISE, ROADS & TRANSPORTATION SERVICES 2021/22

PROJECT / PROGRAMME STATUS ~ PERIOD 5

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 ~ 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			
	5	114	0	1	25	66	66	144	0	0	1