

Report

Report to:	Financial Resources Scrutiny Forum
Date of Meeting:	20 August 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Budget Monitoring 2019/2020 - 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 on the final outturn position of the Council's General Fund Capital Programme for the period covering 1 April 2019 to 31 March 2020.

2. Recommendation(s)

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

- (1) that the final outturn position on the 2019/2020 General Fund Capital Programme be noted.

3. Background

- 3.1. The Capital reports attached provide detail on the position as at 31 March 2020 from a financial perspective.
- 3.2. Appendix A shows the financial position of the General Fund Capital Programme. Any physical progress update for projects carried forward into financial year 2020/21 will be picked up as part of the new year monitoring report.

4. Employee Implications

4.1. None

5. Financial Implications

- 5.1. The General Services Capital Programme for 2019/20 totalled £76.804 million. This reflects the programme agreed by the Executive Committee on 29 May 2019 and the subsequent amendments made through regular monitoring reports to Committee throughout 2019/20.
- 5.2. Appendix A shows the total expenditure of £61.533 million on the General Fund Capital Programme for year 2019/2020.
- 5.3. The ongoing implications of COVID19, including the closure of construction sites in advance of the financial year-end, have had an impact on the level of capital spend which has been achieved this financial year. This will continue to impact on the 2020/2021 Capital Programme. A separate report on the 2020/21 Capital Programme will be brought to members in due course.

- 5.4. The difference between the programme of £76.804 million and the spend of £61.533 million is £15.271 million. This is an additional underspend of £3.071 million compared to the outturn reported to Executive Committee on 13 May 2020. This additional underspend is mainly due to the timing of spend in relation to the programme of works on a number of projects including: Civic Centre (£0.5 million); Greenhills Road (£0.9 million), Roads Improvement Programme (£0.8 million); Town Centre Regeneration Fund (£0.4 million); Essential Services Accommodation (£0.2 million); Cycling, Walking and Safer Streets (£0.1 million) and National Strategic Cycle Routes (£0.1 million).
- 5.5. As a result of the reduced expenditure achieved in 2019/2020, SPT funding of £0.652 million has not been fully utilised in-year. SPT were asked to consider providing this funding in financial year 2020/2021 to allow completion of the projects. An update will be provided in future reports on the new financial year.
- 5.6. The main projects which make up the overall underspend of £15.271 million are detailed in Appendix B. For all of these projects, the underspend reflects a variation from the expected timing of project spend in 2019/2020. Funding will carry forward into next financial year however the overall level of spend anticipated in the new financial year will be detailed in a separate report to a future meeting of the Executive Committee.
- 5.7. **Accounting Adjustments:** Accounting Regulations mean that adjustments are required to report spend correctly as either Capital or Revenue for the purposes of publishing our Annual Accounts. This includes where spend from the Capital Programme is on assets that are not owned by the Council (for example Clyde Gateway spend) or where spend must be classed as Revenue due to the nature of the spend. This adjustment has no physical impact on projects – it is an accounting entry only.
- 5.8. From reviewing the Council's Revenue and Capital spend, £0.826 million of capital spend is required to be recorded as revenue spend. Conversely, £0.406 million of revenue spend should be recorded as capital. The transfers above mean that for the purpose of publishing our Annual Accounts only, there is capital spend of £61.113 million. This position is also noted in Appendix A.
- 5.9. **Carry Forward to 2020/2021:** Following the 2019/20 year-end, a carry forward exercise has been undertaken and a carry forward total of £15.541 million into financial year 2020/20 is available.
- 5.10. This carry forward figure of £15.541 million reflects the 2019/2020 underspend of £15.271 million, increased by £0.270 million to reflect the actual position of income received during the year. This increases the amount available for spend.
- 5.11. The overall base programme for 2020/2021 including this carry forward of £15.541 million will be considered in a separate report to a future meeting of the Executive Committee. This separate report will review the programme for the coming year detailing the overall level of spend achievable as a result of the impact of COVID19.
- 6. Other Implications**
- 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.

6.2. There are no implications for sustainability in terms of the information contained in this report.

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)

12 August 2020

Link(s) to Council Values/Ambitions/Objectives

- Accountable, Effective, Efficient and Transparent

Previous References

- Executive Committee, 29 May 2019

List of Background Papers

- Capital Ledger prints to 31 March 2020

Contact for Further Information

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

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APPENDIX A

**SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2019/20
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2019 TO 31 MARCH 2020**

	Annual	2018/19	Previous	Total	Proposed	Proposed	Total	Estimate	
Resource Name	Budget	C/F	Slippage	Original	Adjs	Slippage	Budget	to Date	Actual
	£000	£000	/Adjs	Budget	£000	£000	£000	£000	£000
Community & Enterprise									
Fleet & Environmental	0	0	52	52	0	0	52	52	17
Facs/Waste/Grouns	597	926	1,480	3,003	799	(291)	3,511	3,511	2,547
Planning & Economic	7,746	(110)	2,444	10,080	172	(3,789)	6,463	6,463	7,301
Development Roads	30,063	2,539	(6,280)	26,322	4,190	0	30,512	30,512	25,919
Resource Total	38,406	3,355	(2,304)	39,457	5,161	(4,080)	40,538	40,538	35,784
Education									
Primary Schools	4,177	1,276	1,200	6,653	(250)	0	6,403	6,403	6,157
Modernisation									
ICT Developments	1,750	81	196	2,027	0	0	2,027	2,027	1,103
1,140 Hours	4,680	6	9,600	14,286	0	0	14,286	14,286	12,023
Other	1,707	(152)	413	1,968	550	0	2,518	2,518	1,091
Resource Total	12,314	1,211	11,409	24,934	300	0	25,234	25,234	20,374
Finance & Corporate									
IT Services	534	296	99	929	(236)	300	993	993	780
Resource Total	534	296	99	929	(236)	300	993	993	780
Housing and Technical									
Office Accom	7,987	206	637	8,830	(2,921)	0	5,909	5,909	3,602
Private Housing	1,000	0	0	1,000	(1,000)	0	0	0	0
Scheme of Assistance									
Other Housing	0	250	300	550	851	0	1,401	1,401	430
Resource Total	8,987	456	937	10,380	(3,070)	0	7,310	7,310	4,032
Social Work									
Care Facilities	12,300	167	(9,751)	2,716	0	0	2,716	2,716	550
Other	0	13	0	13	0	0	13	13	13
Resource Total	12,300	180	(9,751)	2,729	0	0	2,729	2,729	563

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APPENDIX A

SOUTH LANARKSHIRE COUNCIL
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EXPENDITURE

	2019-20 REVISED BUDGET	2019-20 ACTUAL to 31/03/20
	£m	£m
GENERAL FUND PROGRAMME	76.804	61.533
Less: Transfers to Revenue		(0.826)
Add: Transfers to Capital		<u>0.406</u>
2019/20 Final Outturn Position	76.804	61.113

INCOME

	Actual to 31/03/20 £m
Prudential Borrowing	12.025
Heritage Lottery/ Sportscotland Grant	0.291
Developers Contributions	0.814
Partners (Including Strathclyde Partnership for Transport, Sustrans and Scottish Environment Protection Agency)	2.608
Scottish Government:	
- Capital Grant	33.029
- Cycling, Walking and Safer Streets	0.427
- Vacant and Derelict Land	0.738
- Early Years 1,140 Hours	2.732
- Regeneration Capital Grant	0.417
- Town Centre Regeneration Fund Grant	0.025
Glasgow City Region City Deal	6.141
Specific Reserves	1.354
Capital Receipts	0.106
Capital Financed from Current Revenue	0.406
TOTAL INCOME	61.113

**SOUTH LANARKSHIRE COUNCIL
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Projects with Underspends in 2019/2020

Project Name	Project Type
Tom Craig Centre	Refurbishment
Springhall Urban Greenspace Development (Springhall Cage)	Infrastructure
Springhall Community Centre Upgrade	Refurbishment
Bin Storage Areas	Infrastructure
Former Ballgreen Hall Demolition	Demolition
Extension of Cemeteries and Landworks	Land Purchase
Town Centre Regeneration Fund	Regeneration
Electric Vehicle Charging	Infrastructure
Roads Investment Programme	Infrastructure
Horsley Brae	Roads
Lanark Park and Ride	Land Purchase
Roads Investment Programme	Roads
SPT - Extension of Carstairs Junction Park and Ride	Infrastructure
SPT - Cambuslang Station Park & Ride	Infrastructure
Cycling, Walking and Safer Streets	Infrastructure
National Strategic Cycle Routes	Infrastructure
Greenhills Road	Roads
St Charles' Primary School Extension	Extension
Mobile Teaching Units	Modular Units
Education Information Communication Technology	ICT
Auchingrammont Road	Demolition / New Build
Early Years 1,140 Hours programme	Various
Computer Room Upgrade	Infrastructure/ Refurbishment
Mobile Working Pilot	Equipment
Civic Centre	Refurbishment
Essential Services Accommodation	Refurbishment
Prioritised Urgent Investment	Refurbishment
Central Energy Efficiency Fund	Equipment
Springhall Regeneration Project (H&T)	Refurbishment
Blantyre Care Facility	New Build