

Report

Report to:	Executive Committee
Date of Meeting:	24 June 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Programme 2020/2021 Update
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1. Purpose of Report

1.1. The purpose of the report is to:-

- ◆ Provide an update on the 2020/2021 Capital Programmes, including budget carried forward from 2019/2020. This includes information on two programmes: the General Fund Programme and the Housing Investment Programme.

2. Recommendation(s)

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

- (1) that the previously approved budgets for the General Services Programme (Section 4) and Housing Programme (Section 5) for the year 2020/21, be noted;
- (2) that a review of the General Services Programme and the Housing Capital Programmes is underway, following the lockdown due to COVID-19, and that an update to these programmes will be presented a future meeting of this Committee, be noted.

3. Background

- 3.1. The 2020/21 General Fund Capital Programme was presented to the Council on 25 March 2020. This totalled £91.192 million and included agreed movements from 2019/20.
- 3.2. At that point, it was noted that the Revised Programme for 2020/2021 did not take account of the 2019/2020 year-end position, where there may be further projects/funding to be carried in to the new financial year.
- 3.3. The Council also approved a total Housing Capital Programme budget for 2020/21 of £97.303 million on 26 February 2020.
- 3.4. The progress in delivery of these new year programmes has been affected by the lockdown due to COVID-19. The ongoing implications of this, including the closure of construction sites in advance of the financial year end, has had an impact on the level of capital spend achieved in 2019/2020 and will continue to impact on the 2020/2021 Capital Programmes.

- 3.5. This report provides an update on both the General Services (Section 4) and Housing Capital Programmes (Section 5) following the delays associated with COVID-19.

4. General Services 2020/2021 Capital Programme Update

- 4.1. Section 3.1 notes that the Council (25 March 2020) approved a new programme of £91.192 million for 2020/2021. This programme is detailed at Appendix 1 to this report, along with the funding sources at Appendix 2.
- 4.2. As detailed at section 3.4., the delivery of the 2020/2021 Capital Programme has been affected by the lockdown due to COVID-19. Since the lockdown occurred little progress has been made in terms of construction work, with sites being temporarily closed down.
- 4.3. A review of the General Services Capital Programme is therefore underway, with a view to providing a realistic estimate of anticipated spend levels for 2020/2021. The estimates will reflect the initial lockdown delay, along with the ongoing implications of social distancing, when sites are back up and running. A separate report detailing the overall level of spend achievable for 2020/2021 will be presented to a future meeting of this Committee for approval.
- 4.4. The 2019/2020 Final Outturn report, a separate report to this meeting, notes that a carry forward total of £14.821 million is available into financial year 2020/2021. This will also form part of the review exercise detailed at Section 4.3. above.

5. Housing 2020/21 Capital Programme Update

- 5.1. **Section 3.3 notes that the** Council (26 February 2020) approved a total Housing Capital Programme budget of £97.303 million for 2020/2021. This programme and its funding sources are detailed at Appendix 3.
- 5.2. As with the General Services Programme, the overall Housing Capital Programme for 2020/2021 is being considered and post lockdown, when timescales and the impact of revised systems of working can be more accurately established, a revised position will be presented to a future meeting of this Committee for approval.
- 5.3. The 2019/2020 Final Outturn report, a separate report to this meeting, notes that there is a net £15.264 million of budget available to carry forward from 2019/2020 and that this should be added to the 2021/2022 Programme.

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.

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)

5 June 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ South Lanarkshire Council, 26 February 2020
- ◆ South Lanarkshire Council, 25 March 2020

List of Background Papers

- ◆ None

Contact for Further Information

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

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General Services Capital Programme 2020/2021

	2020/2021 £m
Community and Enterprise Resources	
Leisure Centres (funded by a contribution from Glasgow City Region City Deal)	0.500
Community Facilities Fund	0.100
Roads – Carriageway Investment	11.500
Roads Related Infrastructure	2.400
Infrastructure	0.062
Food Growing / Allotments	0.080
Country Parks	0.200
Memorial Headstone Remedial Works	0.300
Roads Depot Repairs – Salt Barn Works	0.645
Hamilton Mausoleum	0.475
Clyde Gateway	0.800
Town Centre Regeneration Fund (includes £2.026m approved slippage from 2019/2020)	2.526
East Kilbride Civic Centre Masterplan	0.060
Extension / Improvement of Cemeteries (approved slippage from 2019/2020)	1.772
Existing Synthetic and Grass Pitches (approved slippage from 2019/2020)	0.300
Abington Campus for Enterprise (approved slippage from 2019/2020)	0.510
Zero Waste Fund (approved slippage from 2019/2020)	0.195
Rural Development Centre (approved slippage from 2019/2020)	0.800
Vacant and Derelict Land (approved slippage from 2019/2020)	0.453
Roads – Bridges (approved slippage from 2019/2020)	2.500
Glasgow City Region City Deal	14.779
Vacant and Derelict Land	0.697
Cycling, Walking and Safer Streets	1.404
Total Community and Enterprise Resources	43.058
Education Resources	
Schools / Early Years Growth and Capacities (includes £0.450m approved slippage from 2019/2020)	4.970
Early Years – 1,140 Hours	18.350
Schools ICT Solutions for Learning (includes £2.030m approved slippage from 2019/2020)	3.680
Growth and Capacities – St Charles' Extensions (approved slippage from 2019/2020)	2.443
Growth and Capacities – Crawforddyke Primary School (approved slippage from 2019/2020)	0.444
Newton Farm Primary School Extension	0.170
Total Education Resources	30.057
Finance and Corporate Resources	
Information Technology (net of £0.300m approved acceleration into 2019/2020)	4.036
Climate Change / Digital Transformation	1.000
Total Finance and Corporate Resources	5.036

General Services Capital Programme 2020/2021

	2020/2021 £m
Housing and Technical Resources	
Private Housing Scheme of Assistance	1.000
Planned Asset Management Programme	4.800
Prioritised Urgent Investment in Property	2.000
Lifecycle Replacement – Schools	0.750
Essential Improvements / Service Upgrades	0.640
Lock-up areas – Housing Estates	0.200
Total Housing and Technical Resources	9.390
Social Work Resources	
Community Alarms Replacement – Analogue to Digital	0.400
Social Work Care Facilities (approved slippage from 2019/2020)	3.251
Total Social Work Resources	3.651
Total General Services Capital Programme 2020/2021	91.192

General Services Capital Programme – Funding 2020/2021

	2020/2021 £m
Full Capital Programme	91.192
Funding Available	
General Capital Grant	21.373
Scottish Government – Early Years 1,140 Hours (approved slippage from 2019/2020 plus new allocation in 2020/2021)	12.497
Scottish Government – Regeneration Capital Grant (approved slippage from 2019/2020)	1.310
Scottish Government – Town Centre Regeneration Fund (approved slippage from 2019/2020)	2.026
Scottish Government – Vacant and Derelict Land (approved slippage from 2019/2020 plus new allocation in 2020/2021)	1.150
Scottish Government – Cycling, Walking and Safer Streets (new allocation in 2020/2021)	1.404
City Deal / Developers Contributions (includes approved slippage from 2019/2020)	6.626
Revenue Contribution – Early Years 1,140 Hours	0.450
External Income	0.475
Borrowing – Early Years 1,140 Hours	4.053
Borrowing – City Deal	14.879
Borrowing – General Services (includes approved slippage from 2019/2020)	19.560
Revenue Contribution	5.389
Total Funding Available	91.192

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2020/21
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2020 TO 31 MARCH 2021

APPENDIX 3

	<u>2020/21</u> <u>Annual</u> <u>Budget</u> <u>£m</u>
EXPENDITURE	
2020/21 Original Budget	<u>97.303</u>

	<u>2020/21</u> <u>Annual</u> <u>Budget</u> <u>£m</u>
FUNDING	
Capital Funded from Current Revenue	19.448
Prudential Borrowing	53.089
Specific Grant	
- Scottish Government – New Council House	24.646
- Scottish Government – Mortgage to Rent	0.120
Total Funding	<u>97.303</u>