

Report

Report to:	Executive Committee
Date of Meeting:	16 December 2020
Report by:	Executive Director (Finance and Corporate Resources)

Subject:	Capital Programme 2020/2021 – Monitoring for Period 8 – 1 April 2020 to 6 November 2020
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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 2020 to 6 November 2020.

2. Recommendation(s)

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

- (1) that the Period 8 position (ended 6 November 2020) of the General Fund Capital Programme itemised at Appendices 1 - 3 and the Housing Capital Programme at Appendix 4, be noted;
- (2) that the adjustments to the General Fund programme listed at Appendix 1, be approved;
- (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 6 November 2020. Spending has been split into two separate sections:

- ◆ General Fund Capital Programme including Education, Social Work, Roads and Transportation and General Services (Section 4)
- ◆ Housing Capital Programme (Section 5)

4. Financial Implications

4.1. General Fund Capital Programme – 2020/2021 Budget

The budget agreed at Executive Committee on 4 November 2020 was £85.090 million. A revised programme of £83.433 million is now anticipated, which includes adjustments to the programme totalling a net decrease of £1.657 million, which are proposed in Appendix 1.

4.2. These adjustments, totalling a net decrease of £1.657 million, include an amount of estimated project spend moving from financial year 2020/21 into 2021/22. This is not as significant a value as at this point in previous years, as an exercise to review the impact on the programme due to Covid-19 was reported to this Committee in September 2020. However, that exercise is now around 8 to 10 weeks old and across

that period of time it has become apparent that we are experiencing a second wave of movement due to the pandemic and this has had an impact on the spend anticipated between now and the end of the financial year. This will continue to be monitored over the coming months.

4.3. **General Fund – Period 8 Position:** The programme spend and funding for the General Fund is summarised in Appendices 2 and 3. As noted in 4.1, the total capital spending programme for the year is £83.433 million.

4.4. Spend to the 6 November 2020 is £29.242 million.

4.5. Actual funding received to 6 November 2020 is £56.632 million.

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

5. Housing Investment Programme – 2020/21 Budget

5.1. The budget agreed at Executive Committee on 4 November 2020 was £48.172 million, as shown in Appendix 4. There are no new adjustments proposed in this report. Programmed funding for the year also totals £48.172 million.

5.2. **Housing Investment Programme – Period 8 Position:** Budget for the period is £19.662 million and spend to 6 November 2020 amounts to £19.797 million.

5.3. As at 6 November 2020, £19.797 million of funding had been received.

5.4. 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. Employee Implications

6.1. There are no employee implications as a result of this report.

7. Climate Change, Sustainability and Environmental Implications

7.1. There are no implications for climate change, sustainability or the environment in terms of the information contained in this report.

8. Other Implications

8.1. 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. Equality Impact Assessment and Consultation Arrangements

9.1. 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.

9.2. 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)

25 November 2020

Link(s) to Council Values/Ambitions/Objectives

- ◆ Accountable, Effective, Efficient and Transparent

Previous References

- ◆ Executive Committee, 4 November 2020

List of Background Papers

- ◆ Capital Ledger prints to 6 November 2020

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 2020/21
GENERAL SERVICES PROGRAMME
FOR PERIOD 1 APRIL 2020 TO 6 NOVEMBER 2020

Proposed Adjustments

Community and Enterprise Resources

Existing Synthetic and Grass Pitches

Approval is sought to slip £0.266m into the 2021/22 Capital programme to upgrade the pitches at South Lanarkshire Lifestyles, Eastfield. This reflects the revised project timescales, given that the existing pitches are required this financial year to help accommodate the requirement for increased outdoor physical education at Trinity High School. (£0.266m)

Play Areas

Approval is sought to increase the 2020/21 Capital Programme by £0.031m to enable the installation of new play equipment at 3 locations: Fallside Park play area in Bothwell (£0.010m), Forth Play Area (£0.006m) and Hairmyers Play Area (£0.015m). These will be funded by developers' contributions from the Bothwell area, the Forth area and the East Kilbride area respectively. £0.031m

Education Resources

St Mark's Primary School and Nursery

The original 2020/2021 Capital Programme approved a project to extend St Mark's Primary School, Hamilton and to introduce a new nursery class. The total budget for the project was £2m and was to be funded by developer's contributions from the Hamilton Community Growth Area. -

Following completion of detailed design, it is anticipated that the cost of the extension will be £1.575m, meaning an underspend of £0.425m. Approval is sought to reduce the 2021/22 Capital Programme by £0.425m. As this relates to 2021/22 there is no change to the current year programme and therefore no figure shown in the column to the right.

Early Years – 1,140 Hours

Extensions to the nursery classes at St Elizabeth's Primary School, Hamilton and Newfield Primary School, Stonehouse form part of the Council's Early Years 1,140 Hours programme. Following the tender exercise, it has been identified that the complexity of the internal alterations is greater than originally envisaged and an additional requirement of £0.425m is necessary to complete both projects. £0.425m

Approval is sought to increase the 2020/21 Capital Programme for Early Years 1,140 Hours by £0.425m. This will be funded by contributions from developers which will contribute to the 1,140 hours programme overall.

Finance and Corporate Resources

Oracle Upgrade

In order to allow further development work to be undertaken on the Oracle Upgrade project, approval is sought to slip £0.335m into the 2021/2022 Capital Programme. (£0.335m)

New Website / CRM / MDM / Customer Portal /Integration Tools

Approval is sought to slip £0.225m into the 2021/2022 Capital Programme to allow projects in relation to Microsoft to be undertaken next financial year. (£0.225m)

Digital Connectivity

In order to tie into the requirements for wi-fi licences and digital inclusion projects, approval is sought to slip £0.234m into the 2021/2022 Capital Programme. (£0.234m)

Caird Data Centre

As a result of a 3 month delay due to COVID-19, spend of £0.311m is now scheduled for early next financial year. Approval is sought to slip £0.311m into the 2021/2022 Capital Programme. (£0.311m)

Housing and Technical Resources

Central Energy Efficiency Fund

Approval is sought to add energy efficiency projects totalling £0.300m into the 2020/21 capital programme. Projects to be carried out include LED lighting at four Council properties (David Walker Gardens, Dollan Aqua Centre, a Cultural venue and a Phase 1 Primary school). In addition, photovoltaic panels will be installed at Calderwood Primary School, a boiler replacement will be undertaken at Rutherglen Land and Fleet depot and the conclusion of a consultation exercise which will inform future CEEF programmes for the next 3 to 5 years. £0.300m

Lifecycle Replacement Schools

As a result of the ongoing restrictions imposed due to Covid-19, significant works in schools are unable to be undertaken this financial year. Approval is sought to slip £0.562m into the 2021/2022 Capital Programme. (£0.562m)

Principal Offices – Fabric and Service Investment

As a result of the ongoing restrictions imposed due to Covid-19, significant works within the Council's principal offices have been re-scheduled to next financial year. Approval is sought to slip £0.480m into the 2021/2022 Capital Programme. (£0.480m)

Minor Adjustments £0.000m

TOTAL ADJUSTMENTS (£1.657m)

APPENDIX 2

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2020/21
GENERAL SERVICES PROGRAMME
FOR PERIOD 1 APRIL 2020 TO 6 NOVEMBER 2020

Total Original Budget	£m 85.090
Proposed Adjustments – Period 8	(1.657)
Total Revised Budget	83.433

<u>Resource</u>	<u>2020/21 Budget</u>	<u>Period 8 Proposed Adjustments</u>	<u>Revised 2020/21 Budget</u>
	£m	£m	£m
Community & Enterprise	37.857	(0.235)	37.622
Education	22.728	0.425	23.153
Finance & Corporate	4.749	(1.105)	3.644
Housing & Technical	11.021	(0.742)	10.279
Social Work	0.844	-	0.844
Total Resources Capital Programme	77.199	(1.657)	75.542
Additional Costs	7.091	-	7.091
Housing and Technical Resources – Additional Overheads	0.800	-	0.800
TOTAL CAPITAL PROGRAMME	85.090	(1.657)	83.433

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2020/21
GENERAL FUND PROGRAMME
FOR PERIOD 1 APRIL 2020 TO 6 NOVEMBER 2020

	<u>2020/21</u> <u>Original</u> <u>Budget</u> <u>(inc C/F)</u>	<u>2020/21</u> <u>Revised</u> <u>Budget</u>	<u>2020/21</u> <u>Actual to</u> <u>06/11/20</u>
Expenditure	£m	£m	£m
General Fund Programme	81.003	83.433	29.242
Income	<u>2020/21</u> <u>Original</u> <u>Budget</u>	<u>2020/21</u> <u>Revised</u> <u>Budget</u>	<u>2020/21</u> <u>Actual to</u> <u>06/11/20</u>
	£m	£m	£m
Prudential Borrowing	27.782	21.505	21.505
Developers Contributions	7.021	7.627	3.343
Partners (Including SPT, Sustrans, Blantyre Construction Ltd, Transport Scotland, and Renewable Energy Fund)	5.291	5.644	0.526
Scottish Government:			
- General Capital Grant	21.373	21.373	12.468
- Cycling, Walking and Safer Streets	1.497	1.497	-
- Vacant and Derelict Land	1.000	1.000	1.000
- Early Years 1,140 Hours	12.829	12.829	12.829
- Regeneration Capital Grant	0.482	1.482	-
- Town Centre Regeneration Fund	1.095	1.997	1.997
- Travelling People's Sites	-	0.133	-
- Digital Inclusion	-	1.253	-
- COVID-19 Mitigation for School Transport	-	0.072	-
Glasgow City Region City Deal	-	4.057	-
Specific Reserves	1.133	1.433	1.433
Revenue Contribution	1.500	1.531	1.531
TOTAL FUNDING	81.003	83.433	56.632

SOUTH LANARKSHIRE COUNCIL
CAPITAL EXPENDITURE 2020/21
HOUSING PROGRAMME
FOR PERIOD 1 APRIL 2020 TO 6 NOVEMBER 2020

	<u>2020/21</u> <u>Annual</u> <u>Budget</u> £m	<u>2020/21</u> <u>Budget to</u> <u>06/11/20</u> £m	<u>2020/21</u> <u>Actual to</u> <u>06/11/20</u> £m
EXPENDITURE			
2020/21 Budget	48.172	19.662	19.797
Incl. carry forward from 2019/20			
	<u>2020/21</u> <u>Annual</u> <u>Budget</u> £m		<u>2020/21</u> <u>Actual to</u> <u>06/11/20</u> £m
INCOME			
Capital Funded from Current Revenue	18.134		13.257
Prudential Borrowing	9.994		-
Scottish Government Specific Grant:			
– New Build	18.124		6.445
– Open Market Purchase Scheme	1.800		-
– Mortgage to Rent	0.120		0.095
TOTAL FUNDING	48.172		19.797