

REPORT

To ENVIRONMENTAL SERVICES COMMITTEE		Subject: CAPITAL MONITORING REPORT 01 APRIL- 14. SEPTEMBER 2012 ENVIRONMENTAL SERVICES COMPOSITE CAPITAL PROGRAMME FOR 2012/2013 (PERIOD 6)
From: EXECUTIVE DIRECTOR OF ENVIRONMENTAL SERVICES		
Date: 30 OCTOBER 2012	Ref: PJ/KW/RC/JM/AJ/P6	

1. Introduction

1.1 The purpose of this report is to provide an update on the financial performance of the 2012/13 Environmental Services capital programme to 14th September 2012.

2. Service Overview

2.1 The approved programme last reported to the Committee at period 3 was £28,697,949.

2.2 Adjustments to the programme which have been approved, and updated in the ledger, by Finance and Customer Services, amount to £810,548 giving a revised budget of £29,508,497. These adjustments relate

- to a grant award from Strathclyde Partnership for Transport of £150,000 for the Cumbernauld Bus Stances project
- income received from Historic Scotland of £38,987 for the Cumbernauld Conservation and Regeneration Scheme
- £500,000 added to the Auchinlea Landfill Complex from the sinking fund to cover committed expenditure, pre closure preparation and routine maintenance
- An increase in recycled receipts of £80,071 received from Glen Isla Homes.
- A contribution received from Sustrans in respect of the works on the National Cycle Network 75.
- Air Quality grant claims totalling £24,490.

2.3 Further adjustments, amounting to £316,750 have been incorporated into the programme for this report. These adjustments reflect:-

- Grant awards/contributions for 2012/2013 of £210,000 from Strathclyde Partnership for Transport for Ravenscraig and Horsely Brae projects
- £75,000 from Campsies Centre for Landmark entrance signs to Cumbernauld Town Centre
- £31,750 further grant anticipated from the Scottish Government for Air Quality Monitoring
- Virements as noted in section 5.

2.4 The revised programme reported at P6 is therefore £29,825,247.

3. Monitoring Summary

3.1 The position is summarised in Appendix 1. A net variance of £955,650 is reported related to items of slippage, acceleration and underspend which have been declared as part of the mid year review process.

3.2 To date the Environmental Services programme is 63% committed. This is compared to a 60% commitment level achieved at the same time last year.

4. Programme Variances

4.1 Net variances totalling £955,650 are being projected.

4.2 Within the Wishaw Town Centre a total variance of £1,250,000 is reported. Of this £830,000 is expected to slip on the Main Street Phase 1 Streetscape works. Despite advance site investigation works taking place, unforeseen ground conditions has contributed to this project slipping having already experienced a four month delay in starting due to problems associated with the Kitchener Street project. The delay of Main Street phase 1 has in turn impacted on the Main St Phase 2 advance works which will now proceed between April and July 2013 causing a further £270,000 slippage. In addition, an underspend of £150,000 has arisen relating to the refurbishment of Kenilworth Toilets. This budget will no longer be required as the project will be included in the wider Wishaw Hub project for which a separate capital bid for funding has been made.

4.3 As previously reported, within the Planning town centres budget Bellshill town centre is forecast to be overspent by £96,000. This will be offset by a corresponding underspend £96,000 in Motherwell town centre arising from the favourable settlement of an outstanding claim from the phase 1 streetscape works. Once all the Bellshill works are complete a virement will be processed to address these over and underspends within the Town Centre programme.

4.4 Within the Regeneration and Infrastructure section, total slippage of £335,650 is reported. The time scale involved in external parties funding application process has contributed to £225,000 of this £335,650 slippage. This relates to the Capital Leverage Fund where commitments have been made to match fund two projects but the partner organisations will not be in position to award the grants until 2013/2014. The two projects concerned are the restoration of the Colzium House Clock Theatre supported by the Heritage Lottery Fund and Coatbridge Conservation and Regeneration Scheme supported by Historic Scotland. The balance of the slippage, £110,650, relates to recycled receipts. These can only be used on Vacant and Derelict projects with prior consent from the Scottish Government for which no projects have been identified this year.

4.5 Within Roads and Transportation, an overspend of £630,000 is reported. This is relates to proposed acceleration of works within the Roads and Lighting programmes highlighted in the mid year review to partially offset the slippage declared in Planning and Regeneration and Infrastructure. A temporary virement to facilitate this is detailed in appendix 2.

5. Virements

5.1 Contained within the proposed adjustments are virements that are detailed in Appendix 2.

6. Risks

6.1 Risks that have previously been reported and may have an impact on the 2012/2013 programme are highlighted as follows:-

- Wishaw Town Centre Main Street project. As previously reported, there is a risk of up to £150,000 relating to materials specification which the contractor can take to adjudication.
- Cumbernauld Town Centre. Several projects are at risk, approximately £250,000, due to ownership issues as there are private owners that are involved and agreement needs to be reached by all parties before the projects can be taken forward.

Within Roads and Transportation, there is a risk of £421,627 associated with the delivery of the Strathclyde Partnership for Transport Harthill park and ride project. Funding was received from SPFT in 2009/10 for this project however land ownership issues continue to prevent its delivery. Legal services have been asked to assist with this matter.

- Contamination of land at Stane Garden, Shotts. Discussions with SEPA are now complete and an outline plan of action agreed. A detailed plan and costings have still to be finalised (expected late December). It is estimated that the costs involved will be in the region of £2m. Access to various funding streams are now being investigated to mitigate the financial risk to the Council. This so far has resulted in £250,000 vacant and derelict land funding being received from the Scottish Government and further talks are now being undertaken with SEPA to access their River Restoration fund. A progress report on this matter was submitted to the Corporate Management Team in July.
- Brownsburn (Target Tip remediation) project. The contractor is claiming final costs of £688,620 against the contract and budget value of £255,363. The contractor intimated verbally that they wished to take the matter to adjudication but as yet no formal notice of proceedings has been received. Legal Services has been notified. However, should an adjudication go ahead and be resolved in the contractor's favour then this will impact on the programme up to the value of £433,000.
- Ravenscraig Access Strategy. Currently there is approval of £200,000 from Strathclyde Partnership for Transport. However, there is the potential to overspend by £200,000 if the Network Rail feasibility goes ahead. Presently it is hoped that this overspend would be addressed either by seeking additional funding from SPT or by accessing the £10m TIF funding.

7. Legal Commitments for Future Years

- 7.1 The Committee is asked to note that there are legal commitments beyond the current year covering ongoing contracts as a result of work being carried out in the current financial year.

8. Financial Concurrence

- 8.1 Prepared in accordance with the Scheme of Financial Delegation, the financial information contained within this report has been agreed with the Head of Financial Services.

9. Recommendation

- 9.1 The Committee is asked to:

9.1.1 Note the financial position of the Capital Programme as at 14 September 2012.

9.1.2 Note the variances and risks that have been highlighted in some aspects of the delivery of this programme.

9.1.3 Approve the virements contained in Appendix 2.



PAUL JUKES
EXECUTIVE DIRECTOR ENVIRONMENTAL SERVICES

ENVIRONMENTAL SERVICES 2012/2013 CAPITAL PROGRAMME

APPENDIX 1

	Directorate & Support (£)	Land Services (£)	Facility Support Services (£)	Planning & Development (£)	Roads & Transportation (£)	Protective Services (£)	Regeneration & Infrastructure (£)	Ring Fenced (£)	Totals (£)
Approved programme as at P3	252,237	4,575,105	267,768	4,809,198	11,757,071	291,741	4,508,620	2,236,209	28,697,949
Approved adjustments between P3 and P6	0	430,000	70,000	222,031	-55,031	0	80,071	63,477	810,548
Approved programme as at P6	252,237	5,005,105	337,768	5,031,229	11,702,040	291,741	4,588,691	2,299,686	29,508,497
Proposed adjustments and virements	0	0	0	75,000	0	0	0	241,750	316,750
Reported programme as at P6	252,237	5,005,105	337,768	5,106,229	11,702,040	291,741	4,588,691	2,541,436	29,825,247
Committed expenditure to date	43,227	4,235,946	106,348	3,294,736	7,719,897	261,443	1,495,336	1,577,699	18,734,632
Committed expenditure as a % of reported programme	17%	85%	31%	65%	66%	90%	33%	62%	63%
Actual expenditure to date	21,937	1,873,506	74,397	1,531,056	3,065,279	72,422	718,075	961,469	8,318,141
Actual expenditure as a % of reported programme	9%	37%	22%	30%	26%	25%	16%	38%	28%
Projected outturn	251,265	5,006,077	337,768	3,856,229	12,332,040	291,741	4,253,041	2,541,436	28,869,597
Programme variance	972	-972	0	1,250,000	-630,000	0	335,650	0	955,650

ENVIRONMENTAL SERVICES 2012/2013 CAPITAL PROGRAMME

APPENDIX 2

Virements referred to Environmental Services Committee for approval

Description	Current Budget	Virement	Revised Budget	Reason	Payback in 13/14
Regeneration	£634,739	-£36,769	£597,970	Further allocation of capital leverage fund to VDLF projects - Site Development Orchardon and Brownburn Park Phase 2	No
Vacant and Derelict Land Fund	£1,383	£29,733	£31,116		No
Vacant and Derelict Land Fund 2011/12	£355,989	£7,036	£363,025		No
Capital Leverage Fund	£324,725	-£80,000	£244,725	Contribution from Regeneration to progress delivery of a renewal of lighting infrastructure project.	Part £40k
Street Lighting Programme	£1,373,000	£80,000	£1,453,000		Part £40k
Wishaw Town Centre	£2,606,234	-£550,000	£2,056,234	Virement from Wishaw Town Centre to fund further Roads improvements and deliver the Hill Street Car Park	Yes
Roads and Footways Refurbishment	£3,848,512	£400,000	£4,248,512		Yes
Roads Management and Safety	£714,969	£150,000	£864,969		Yes