

**NORTH LANARKSHIRE COUNCIL
REPORT**

To ENVIRONMENTAL SERVICES COMMITTEE		Subject: CAPITAL MONITORING REPORT 01.04.14 – 20.06.14 (PERIOD 3) REGENERATION AND ENVIRONMENTAL SERVICES COMPOSITE CAPITAL PROGRAMME FOR 2014/2015
From: EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES		
Date: 3 JULY 2014	Ref: PJ/RC/JM/AJ/P3	

1. Introduction

1.1 The purpose of this report is to advise the Environmental Services Committee on the overall projected financial position of the 2014/15 capital programme for the period 1st April 2014 to 20th June 2014.

2. Service Overview

2.1 The Regeneration and Environmental Services base capital programme as approved by the Policy and Resources Committee on the 13th March 2014 is £25,428,627.

2.2 Adjustments to the programme which have been approved, and updated in the ledger by Finance and Customer Services amount to £7,323,672. This relates to:-

- Carry forwards from the 2013/2014 programme of £2,642,061.
- Grant awards from Strathclyde Partnership for Transport amounting to £3,072,000 for a range of projects including continuing investment in the Ravenscraig Access Strategy, A71 Horsely Brae junction improvements and the Cumbernauld Bus Stances plus the delivery of 3 park and ride sites and cycleway improvements.
- Contribution of £1,153,000 from the Scottish Environmental Protection Agency (SEPA) towards the restoration of the South Calder Water as part of the Stane Gardens contamination remediation works.
- Additional budget of £345,150 in relation to the second tranche of 50 pool vehicles.
- Funding from the Scottish Government of £75,000 for Air Quality Monitoring.
- Funding received for Woodland In and Around Towns projects, £29,614.
- Balance of £6,847 in relation to the first claim to Glasgow 2014 for the pre games work undertaken at Strathclyde Country Park to accommodate the Triathlon event. The majority of the claim was added to last year's programme.

This gives an approved programme as at Period 3 of £32,752,299.

2.3 Further adjustments amounting to £2,176,000 have been incorporated into the programme for this report:-

- Capital from current revenue adjustments (CFCR) totalling £1,970,000 in relation to investments funded by one off revenue growth including Drumpellier Park, Palacerigg Park and Air Quality equipment and roads/junctions improvements.
- Additional funding from Glasgow 2014 towards pre games works required to make Strathclyde Park a compliant venue for the Triathlon event, £206,000.
- Virements detailed in Appendix 2 that are referred to the Committee for approval.

2.4 This results in a reported programme of £34,928,299.

3. Monitoring Summary

3.1 The position is summarised in Appendix 1.

3.2 To date the Regeneration and Environmental Services' programme is 37% committed. This is compared to a 33% commitment level achieved at the same time last year.

4. Programme Variances

4.1 The programme is showing a projected outturn variance of £1,936,095 under budget which relates to various areas of slippage that have currently been identified. These will be reflected in the mid year review report.

4.2 Within Environment and Estates, problems in relation to the ground condition of land identified for the creation of the additional lair space at Bedlay Cemetery resulted in this project being slipped from the 2013/14 programme. The suitability of the land has still to be confirmed and as a result this project is unlikely to proceed this financial year. The total budget available is £549,066 of which £357,754 will be slipped. The remainder of the budget £191,312 is requested in Appendix 2 to be vired to Bothwellhaugh Cemetery to address the overspend that is anticipated to arise as previously highlighted. Future years budget will be re-allocated to ensure that the additional lair space at Bedlay Cemetery can be delivered if the ground issues can be satisfactorily resolved.

4.3 Protective Services has £2,262,032 budget available for the Stane Gardens remediation and river restoration project which is funded by both NLC and the Scottish Environmental Protection Agency (SEPA). The tender for the main works will be awarded at the end of July and the outcome will be reported at the mid year review if it results in a variance from the budget. At present, until the tenders are returned slippage of £200,000 is declared in relation to the landscaping costs of the project which will not be delivered until early 2015/2016.

4.4 Within Planning and Regeneration, £200,000 slippage is anticipated in relation to the Colzium Clock Theatre project for which external match funding is being sought. Stage 1 approval has been achieved with the outcome of the second stage submission due to be known in November. If successful, the project would start in April 2015.

4.5 A total variance of £1,178,341 is reported under Roads and Transportation of which £800,000 represents slippage and £378,341 savings.

4.5.1 Funding for a park and bus ride facility at Harthill was granted in advance by Strathclyde Partnership for Transport (SPT) several years ago and has subsequently been slipped each year as the original ground identified for the project was subject to ownership issues that ultimately have not been resolved. Late last financial year an alternative site was identified and a topographical survey was commissioned. Further inspection of the site for a proposed ground investigation identified the existence of Japanese Knotweed throughout the site. A treatment programme has been initiated. As a consequence the delivery of this park and ride project will be delayed and £400,000 of the £418,780 budget will be slipped. SPT will be notified of this latest development.

4.5.2 SPT have also provided funding for the A71 Horsley Brae junction improvements of £750,000 with NLC contributing £400,000. Previous years funding allowed for design and investigation costs. The current year's funding was for the land acquisition costs as well as the actual physical improvement works. However, the land acquisition process has encountered difficulties and it is now become necessary to consider the promotion of a compulsory purchase order (through committee in August).

As a consequence, the £400,000 is now reported as slippage and SPT have been notified that £500,000 of their funding will unlikely to be required this year.

- 4.5.3 The Energy Efficient Street Lighting project was completed at the end of last financial year. Based on a provisional final account a saving is expected to be realised of £378,341.

5. Financial Risks

- 5.1 Financial Risks carried forward from last year and still remain relate to:-

- Within the Roads and Transportation Bridges Programme an intimation was received early last year from the administrators on behalf of The ERDC Group Ltd that they may take NLC to adjudication over money that they claim is owed from the delivery of the Crowwood Drive Railway Bridge Replacement project. The period of administration was due to expire at the end of April. Notice, however, has now been received extending the period of administration for a further six months. Whilst the administration is still underway there is the possibility of an adjudication action being progressed, the probability of which is indeterminate. The financial risk associated with a negative outcome from any such adjudication could be between £50,000 and £260,000.

6. Project Risks

- 6.1 At present within Regeneration, there is a potential risk to the Cumbernauld Community Enterprise Centre project. The project programme is dependant on the successful conclusion of the land acquisition by September. Any delay in this respect may cause slippage.

7. 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.

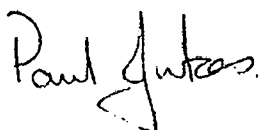
9. Recommendation

- 9.1 The Committee is asked to:

- 9.1.1 Note the financial position of the Capital Programme as at 20th June 2014.

- 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 detailed in Appendix 2.



Paul Jukes
Executive Director Environmental Services

REGENERATION AND ENVIRONMENTAL SERVICES 2014/2015 CAPITAL PROGRAMME

APPENDIX 1

	Environment and Estates (£)	Facility Support Services (£)	Protective Services (£)	Planning and Regeneration (£)	Roads and Transportation (£)	Totals (£)
Approved Base Programme	2,100,000	120,000	1,155,000	6,697,000	15,356,627	25,428,627
Approved adjustments between P1 and P3	338,135	4,858	1,920,875	1,133,833	3,925,971	7,323,672
Approved programme as at P3	2,438,135	124,858	3,075,875	7,830,833	19,282,598	32,752,299
Proposed adjustments and virements	1,370,000	0	100,000	225,809	480,191	2,176,000
Reported programme as at P3	3,808,135	124,858	3,175,875	8,056,642	19,762,789	34,928,299
Committed Expenditure to date	1,682,697	61,957	689,865	3,199,765	7,364,073	12,998,357
Committed expenditure as a % of reported programme	44%	50%	22%	40%	37%	37%
Actual expenditure to date	256,514	27	265,181	237,524	762,016	1,521,262
Actual expenditure as a % of reported programme	7%	0%	8%	3%	4%	4%
Projected outturn at P3	3,450,381	124,858	2,975,875	7,856,642	18,584,448	32,992,204
Programme variance at P3	357,754	0	200,000	200,000	1,178,341	1,936,095

REGENERATION AND ENVIRONMENTAL SERVICES 2014/2015 CAPITAL PROGRAMME

APPENDIX 2

Description	Current Budget	Virement	Revised Budget	Reason	Payback in 15/16
Bridge Investment Programme	£1,496,974	-£100,000	£1,396,974	These virements are required following a review of the current requirements for the capital programme and to facilitate the creation of budgets to support staff costs in delivering the various programmes and specifically to fund DDA Act works and Cycling Walking and Safer Streets projects.	No
Roads Refurbishment Programme	£4,145,442	-£175,000	£3,970,442		No
Lighting Refurbishment Programme	£1,548,704	-£210,000	£1,338,704		No
Road Traffic Management and Safety	£926,958	-£100,000	£826,958		No
Flood Risk Management	976,358	-250,000	£726,358		No
Feasibility and Forward Planning	0	325,000	£325,000		No
Disability Discrimination Act Compliance	7,796	100,000	£107,796		No
Cycling Walking and Safer Streets	12,360	512,000	£524,360		No
Footway/Footpath Programme	1,023,937	-102,000	£921,937		No
	10,138,529	0	10,138,529		
Bothwellhaugh Cemetery	-£81,312	£191,312	£110,000	An overspend in Bothwellhaugh Cemetery which was reported last year together with further costs that require to be incurred for landscaping and signing require the virement of £191,312. This will be taken from Bedlay Cemetery for which budget was approved to deliver additional lair spaces. However, the suitability of the surrounding land has still to be resolved and so this project is unlikely to be fully delivered this year. Future years budget will be re-allocated to ensure Bedlay is delivered if the ground issues can be satisfactorily resolved.	No
Bedlay Cemetery	£549,066	-£191,312	£357,754		No
Motherwell Town Centre - Phase 4 Environmental Improvements, West Hamilton Street	£469,500	£225,809	£695,309	Allocation of budget from Roads and Transportation to Planning Town Centres to support the road related improvement areas of this project as referred to in the P & T Committee Report dated 16th April 2014	No
Street Lighting Programme	£1,338,704	-£60,000	£1,278,704		No
Road Refurbishment Programme	£3,970,442	-£72,809	£3,897,633		No
Parking Provisions	£536,775	-£93,000	£443,775		No