

NORTH LANARKSHIRE COUNCIL
REPORT

To ENVIRONMENTAL SERVICES COMMITTEE	Subject: CAPITAL MONITORING REPORT 01.04.14 – 12.09.14 (PERIOD 6)
From: EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES	REGENERATION AND ENVIRONMENTAL SERVICES COMPOSITE CAPITAL PROGRAMME FOR 2014/2015
Date: 28 OCTOBER 2014	Ref: PJ/RC/JM/AJ/P6

1. Introduction

- 1.1 The purpose of this report is to advise the Committee on the overall projected financial position of the 2014/15 capital programme for the period 1st April 2014 to 12th September 2014.

2. Service Overview

- 2.1 The approved programme last reported to Environmental Services Committee at period 3 was £32,752,299.
- 2.2 Adjustments to the programme which have been approved, and updated in the ledger by Finance and Customer Services, amount to a net increase of £434,349. This relates to:-
- Capital from current revenue adjustments (CFCR) totalling £1,970,000 in relation to one off growth investment funding for Drumpellier Country Park, Palacerigg Country Park and Air Quality Management initiatives involving the purchase of new equipment and roads/junction improvements.
 - A grant award from Transport Scotland for additional electric vehicle charging points of £22,000.
 - The balance of funding of £103 for the Riccard Johnstone Woods Woodland In and Around Town project.
 - The removal of £1,557,754 from the budget relating to slippage on various projects identified as part of the mid year review process. This was reported to and approved by the Policy and Resources Committee on 16th September 2014.

This gives an approved programme as at Period 6 of £33,186,648.

- 2.3 Further adjustments amounting to £3,033,816 have been incorporated into the programme for this report:-
- Confirmation of the current year's Vacant and Derelict Land fund allocation, £2,297,119.
 - Additional funding from Glasgow 2014 towards pre games works required to make Strathclyde Park a compliant venue for the Triathlon event, £219,265.
 - Capital from current revenue to be added to the programme of £120,000 to purchase gas monitoring equipment for the landfill site and £91,761 contribution towards the costs associated with delivering improvements related to the Commonwealth Games.
 - Several awards from the Sustrans Community Link Fund providing match funding for a range of cycle paths and cycle infrastructure projects totalling £293,750.
 - Transport Scotland Smarter Choices, Smarter Places Grant of £11,921 to provide new signage on footpaths within Cumbernauld.
 - Virements, detailed in Appendix 2, which are referred to Committee for approval.

2.4 This results in a reported programme of £36,220,464.

3. Monitoring Summary

3.1 The position is summarised in Appendix 1.

3.2 To date the Regeneration and Environmental Services' programme is 66% committed. This is compared to a 63% commitment level achieved at the same time last year.

4. Programme Variances

4.1 The programme is showing a projected outturn variance of £1,250,000 under budget which relates to two projects.

4.2 Protective Services is reflecting slippage of £550,000 within the Stane Gardens remediation and river restoration project which is funded by both NLC and the Scottish Environmental Protection Agency (SEPA). Due to delays in award of the tender for phase 4 physical works the project is now not anticipated to be completed until the end of May 2015.

4.3 Within Planning and Regeneration, slippage of £700,000 is reported on the Cumbernauld Community Enterprise Project. This is a large scale project to be delivered over two financial years 2014-15 and 2015-16. Updated cashflow projections indicate that £1,469,000 of the £2,169,000 current year's budget will be spent this financial year. This anticipated spend position is dependant on the current project timescales, notably that works on site will commence mid November. A risk is noted below with regard to this in relation to land acquisition.

5. Financial Risks

5.1 The Crowwood Drive Railway Bridge Replacement project continues to be a financial risk until the current period of administration of The ERDC Group Ltd expires at the end of October. 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. Progression towards the successful conclusion of the land acquisition is ongoing but until it is finalised which is targeted to be mid October then there is a risk of further slippage over and above that reported in 4.3 above.

6.2 Within the Roads and Transportation programme, there is funding of £3,100,850 from Strathclyde Partnership for Transport (SPT) for a range of projects. Several of the these have been notified to SPT as being at risk of not achieving a full spend this year:-

- A71 Horsely Brae – problems encountered with the necessary land acquisition to deliver this project will result in potentially £650,000 of the £750,000 grant not being required this year.
- Blairhill Park and Ride – a grant of £1,000,000 was allocated for the construction of a 215 space car park. The tenders have been returned and along with other associated costs the project is likely to outturn at £700,000.
- Newhouse Car Share Facility – £315,000 was approved for this project and progress will be made to secure the land required. However, this project is under review due to its links with the City Deal programme.

Where projects have been delayed, bids will be submitted to SPT for consideration by them in determining their 2015/16 programme.

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 12th September 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.



(on behalf of) Paul Jukes
Executive Director Environmental Services

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	Environment and Estates (£)	Facility Support Services (£)	Protective Services (£)	Planning and Regeneration (£)	Roads and Transportation (£)	Totals (£)
Approved Programme as at P3	2,438,135	124,858	3,075,875	7,830,833	19,282,598	32,752,299
Approved adjustments between P3 and P6	1,012,349	0	-100,000	25,809	-503,809	434,349
Approved programme as at P6	3,450,484	124,858	2,975,875	7,856,642	18,778,789	33,186,648
Proposed adjustments and virements	192,239	0	0	2,297,119	544,458	3,033,816
Reported programme as at P6	3,642,723	124,858	2,975,875	10,153,761	19,323,247	36,220,464
Committed Expenditure to date	2,774,702	62,050	2,325,277	6,942,352	11,630,327	23,734,708
Committed expenditure as a % of reported programme	76%	50%	78%	68%	60%	66%
Actual expenditure to date	920,421	62,049	504,681	1,779,869	2,495,812	5,762,832
Actual expenditure as a % of reported programme	25%	50%	17%	18%	13%	16%
Projected outturn at P6	3,642,723	124,858	2,425,875	9,453,761	19,323,247	34,970,464
Programme variance at P6	0	0	550,000	700,000	0	1,250,000

Description	Current Budget	Virement	Revised Budget	Reason	Payback in 15/16
Street Lighting/Energy Efficient Lighting	£1,657,045	-£483,276	£1,173,769	Conclusion of the Energy Efficient Street Lighting Project has resulted in a saving. It is requested that this surplus budget be directed to the Roads Refurbishment programme to assist in delivering improvements identified from the asset management plan which would be required to maintain a steady state level of investment.	No
Roads Refurbishment Programme	£3,904,480	£483,276	£4,387,756		No
	£5,561,525	£0	£5,561,525		
Eastfield Cemetery (Muslin Burial Space)	£296,772	-£50,000	£246,772	Eastfield Cemetery and St Joseph's Cemetery projects have been delivered under budget. These savings, together with a reduction in works identified for drainage improvement, are requested to be vired to fund other cost pressures that have arisen. These relate to the need to replacement necessary land management equipment and address a late payment for the previously delivered works in New Monklands Cemetery.	No
St Joseph's Cemetery	£21,954	-£21,954	£0		
Drainage Improvement Works in Open Spaces	£67,028	-£13,617	£53,411		
Capitalised Equipment Parks	£105,000	£50,000	£155,000		
Cemeteries Buildings and Infrastructure	£0	£17,609	£17,609		
Infrastructure Repairs	£190,000	£4,345	£194,345		
New Monklands Cemetery	£0	£13,617	£13,617		