

To: POLICY & RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2007/2008 MONITORING REPORT 01.04.07 – 01.02.08 (Period 11)
From: EXECUTIVE DIRECTOR OF FINANCE & CUSTOMER SERVICES		
Date: 28 February 2008	Ref: PH/CW/P11	

1. Purpose of Report

1.1. This report provides an update on the movement in resources and expenditure budgets since the Composite Capital Programme for 2007/08 was approved and gives a summary of the financial performance to date. The report also shows the projected year-end outturn position and resultant variances. Information on current expenditure is up to and including 1 February 2008 (Period 11).

2. Capital Budget Update

2.1. The current capital programme is £78.431m. Changes to the programme from my last report as at period 8 include:

- Additional grant of £0.300m from SPT for various transport projects.
- £0.744m Heritage Lottery Fund grant received re Summerlee Project
- £0.900m budget supplement to Auchinlea landfill site project from the Council's Waste Strategy Fund.
- £0.307m ERDF grant claim re Scott Street Development

3. Budget Monitoring Summary as at 1 February 2008 (Period 11)

3.1. The position of the Composite Programme can be summarised as follows: -

	Current Programme £000s	Projected Outturn £000s	Outturn Variance £000s
<u>Resources</u>			
Prudential Borrowing	31,337	31,337	-
Capital Receipts	17,060	8,896	(8,164)
Cash Grants	30,689	30,689	-
CFCR	3,356	3,356	-
Total Resources	82,442	74,278	(8,164)
<u>Expenditure</u>			
Revised Expenditure Programme	78,431	69,193	9,238
Programmed Surplus	2,195	2,195	-
Mid Year Slippage	1,816	1,816	-
	82,442	73,204	9,238
Net Slippage	0	1,074	1,074

- 3.2. Appendix 1 details actual expenditure (by service) to 1 February 2008 of £44.205m, representing 56.4% of the current programme. Taking into account the revised projected outturns from the services, 63.8% of the revised programme has been spent.
- 3.3. 86.6% of the capital programme has been committed and 98.1% of the revised projected outturn has been committed as at Period 11.
- 3.3. Actual expenditure (including covenants) has increased by £15.096m during Periods 9 to 11. Major areas of spend include the Roads Programme (£2.746m), PPP Demolition costs (£1.067m), Scott Street Development (£1.280m) and Summerlee Heritage Park (£1.595m).

4. Projected Outturn as at 1 February 2008 (Period 11)

- 4.1 The projected net programme slippage of £1.074m is comprised of a £8.164m under recovery on capital receipts and additional slippage, beyond that previously reported in the mid year review, on the expenditure programme of £9.238m.
- 4.2. Capital Receipts are forecast to be £8.164m less than programmed due to delays with two large receipts, one relating to Motherwell town centre and one relating to the sale of land at Smithstone, Cumbernauld.
- 4.3. Expenditure is expected to be £9.238m less than the revised programme. The analysis by service is shown on Appendix 1. This is made up as follows:
- 4.4. Central Services has highlighted slippage of £0.589m, mainly on the Civic Centre Improvements project. Much of this has resulted as plans are made to coincide the decant of Civic Centre staff with the availability of office accommodation elsewhere.
- 4.5. Property Services are expecting net slippage of £0.269m. This mainly relates to slippage on the PPP depots of £0.160m.
- 4.6. It was previously reported to committee that Property Services had identified a potential overspend on the Tesco Park and Ride scheme but that this had not been quantified. Further information has been requested from Property Services and details of costs etc are still awaited.
- 4.7. The Economic Regeneration service expects slippage of £1.230m:
 - The Brownsburn (Target Tip) project is forecasting spend of £0.250m this financial year, with £0.900m of the expenditure relating to the specific Contaminated Land grant of £1.150m slipping into next financial year. The Service has confirmation from the Scottish Government that the Council can draw down this grant in full by 31st March 2008 thus securing this grant for spend in 2008/09.
 - £0.330m of the Economic Development budget will slip into next year, £0.150m of which is due to expenditure now being covered by a grant from the Working for Families fund.
- 4.8. Environmental Services is reporting an underspend in the year totalling £2.584m on its town centres programme and ring-fenced projects.
 - Town centres is projected to underspend by £1.317m this year mainly due to delays on the Bank Street Project in Coatbridge and the major resurfacing of footpaths in Motherwell Town Centre.
 - Ring fenced projects are projected to underspend by £1.268m. The main areas of underspend are:

- Small Communities, where the underspend is projected to be £0.319m due to timing issues. However the Communities Regeneration Fund element of this allocation will be spent by the end of March.
- Cities Growth Fund (Ravensraig Link Road) which is expected to underspend by £0.542m due to the lack of progress made in identifying land ownership. Currently the Council is seeking permission from the fund managers, Glasgow City Council, to carry forward the funding for this project.

4.9. Housing and Social Work Services has identified slippage of £0.856m. This is mainly comprised of:

- Slippage of £0.436m as a result of delays on the three Children's Homes
- £0.260m slippage on the Cumbernauld area day care centre due to a delay regarding building warrant discussions, offset by
- An anticipated overspend of £0.079m on the Stewarton Day Care project as a result of unforeseen additional work on the heating system. A budget virement to cover the overspend was the subject of a report to the Housing & Social Work Committee in February 2008.

4.10. Net slippage on the Learning & Leisure capital programme of £3.818m mainly relates to:

- Increased costs in respect of Secondary School upgrades of £2.199m. This is based on current forecast expenditure levels which are subject to ongoing review and negotiation. The outcome and any subsequent action required to re-profile the capital programme will be reported to the Learning & Leisure Committee.
- Additional Scottish Government grants of £4.946m. The service has actively realigned existing projects to these grant allocations (namely the additional Schools Fund grant and the Early Years, Childcare and Play Capital Fund). This has ensured that the grant funding has been fully utilised and will free resources to be directed to Council corporate priorities in 2008/09.
- Slippage of £0.696m regarding Summerlee due to an over-run on the construction phase that has led to delays in other areas of the project.

5. Recommendation

5.1 It is recommended that the contents of this report be noted.



Executive Director of Finance & Customer Services

COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2007/2008 (£'000)

EXPENDITURE PROGRAMME : Period 11

Service	Current Programme 2007/08 £000	Projected Outturn 2007/08 £000	Outturn Variance 2007/08 £000	Actual Expenditure 01-Feb-08 £000	Committed Expenditure 01-Feb-08 £000	% Committed
Corporate Services						
Central Services	1,116	527	589	516	527	47.2%
Property	7,885	7,616	269	6,282	7,687	97.5%
Economic Regeneration	5,051	3,821	1,230	2,842	3,546	70.2%
Capital Leverage Fund/Design Project Mngt Fees	325	382	(57)	0	232	71.4%
Demolition costs re PPP Contract	1,721	1,768	(47)	1,768	1,768	102.7%
Environmental Services	25,593	23,009	2,584	13,127	22,894	89.5%
Finance and Customer Services	1,327	1,331	(4)	369	869	65.5%
Housing and Social Work Services	9,490	8,634	856	4,062	8,634	91.0%
Learning and Leisure Services	25,923	22,105	3,818	15,239	21,769	84.0%
Total Expenditure	78,431	69,193	9,238	44,205	67,926	