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| To: POLICY AND RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE | | Subject: COMPOSITE CAPITAL PROGRAMME 2011/2012 (PERIOD 9) |
| From: EXECUTIVE DIRECTOR OF FINANCE & CUSTOMER SERVICES | | |
| Date: 20 January 2012 | Ref: PH/LM/CW | |

1 Purpose of Report

1.1 The purpose of this report is to provide an update on the movement in resources and expenditure on the 2011/12 budgets for the Composite Capital Programme and to give a summary of the financial performance to date. The report also shows the projected year-end outturn position and resultant variances. Information on expenditure is up to and including 9 December 2011 (Period 9).

2 Background

2.1 The current Composite Capital Programme budget is £152.015m. This represents an increase of £1.774m from the last report to Committee at Period 6. The is mainly due to £0.556m income received from the European Regional Development Fund (ERDF) for the Wellwynd programme; £0.500m Heritage Lottery Fund and £0.050m from Land Trust for Sir John Wilson Town Hall £0.200m from Strathclyde Partnership for Transport (SPT) for Motherwell bus interchange; £0.150m contribution from WREN for Croy football pitch and various projects in Airdrie and a £0.100m grant from the Campsies Centre (Cumbernauld) Limited for a signposting project.

3 Budget Monitoring Summary – Period 10 (6 January 2012)

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

| Expenditure | Current Programme £000s | Projected Outturn £000s | Outturn Variance £000s |
|-----------------------------|----------------------------|----------------------------|---------------------------|
| Corporate Services | 1,273 | 1,273 | 0 |
| Environmental Services | 38,216 | 35,980 | 2,236 |
| Finance & Customer Services | 787 | 787 | 0 |
| Social Work Services | 1,773 | 1,753 | 20 |
| Learning & Leisure Services | 17,076 | 17,076 | 0 |
| Schools & Centres 21 | 92,890 | 92,890 | 0 |
| Total Expenditure | 152,015 | 149,759 | 2,256 |

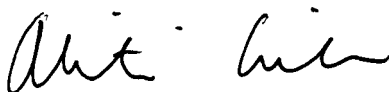
3.2 Actual expenditure to 9 December 2011 is £74.346m, which represents 50% of projected outturn and is an improvement in the level of expenditure reported at Period 6 (25%). Committed expenditure to date is £141.138m, which represents 93% of the current programme. Excluding Schools and Centres 21, which is fully committed, committed expenditure on the remainder of the programme is £48.298m, 82%. This represents an improvement on the position reported at Period 6 (66%). An analysis of actual and committed expenditure to date is contained at Appendix 1.

4 Projected Outturn at 9 December 2011 (Period 9)

- 4.1 The projected outturn on the programme is £149.759m, £2.256m less than the current expenditure budget. The major variances and issues are discussed below.
- 4.2 Environmental Services is reporting slippage of £2.485m. As previously reported, slippage is forecast on the Harthill Park and Ride SPT-funded project (£0.422m) and relocation of the toilets in Wishaw Town Centre (£0.150m). Further slippage of £0.285m in Wishaw Town Centre is now expected as a consequence of previously reported delays with the Kitchener Street project. Work on the Central Way enhancements in Cumbernauld is not expected to commence until 1 February and as a result, the project will not be completed until early May, resulting in slippage of £0.200m in the current year. Slippage of £0.750m reported at Period 6 on Bothwellhaugh Cemetery has increased to £1.000m. The Service has obtained approval from the Environmental Services Committee to vire £0.250m to cover anticipated acceleration of expenditure at Auchinlea Landfill site with the budget being returned to the cemetery project in 2012/13. Slippage of £0.679m previously highlighted on the purchase of car park charging equipment is now confirmed.
- 4.3 Social Work Services is reporting a net underspend of £0.020m. An overspend of £0.113m is projected on the Shotts Day Care Centre, which has incurred costs arising from delays due to weather conditions and the late delivery of materials. This is offset by slippage of £0.034m on the Cumbernauld and Motherwell day centres and further slippage of £0.099m on the Buchanan Children's House in Coatbridge where work is not due to start until February 2012.
- 4.4 Learning and Leisure Services are currently reporting no overall net variance. Within schools there is a projected net overspend of £0.512m, including £0.468m additional costs that have been identified as a result of recent storm damage. As previously reported, the Service is projecting an overspend of £0.500m on the main construction activities of the Motherwell Theatre & Concert Hall. These are offset by slippage of £1.079m on the Time Capsule phase 2 project that has occurred due to a delayed start date.

5 Recommendations

- 5.1 Committee is asked to note the financial position of the Capital Programme as at 9 December 2011.



Executive Director of Finance and Customer Services

COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2011/2012 (£000's)

EXPENDITURE PROGRAMME : Period 9

| Service | Current Programme 2011/12 £000 | Projected Outturn 2011/12 £000 | Outturn Variance 2011/12 £000 | Committed Expenditure 09-Dec-11 £000 | Actual Expenditure 09-Dec-11 £000 |
|-------------------------------|---------------------------------------|---------------------------------------|--------------------------------------|---|--|
| Corporate Services | 1,273 | 1,273 | 0 | 1,129 | 346 |
| Environmental Services | 38,216 | 35,980 | 2,236 | 30,333 | 16,671 |
| Finance and Customer Services | 787 | 787 | 0 | 716 | 197 |
| Social Work Services | 1,773 | 1,753 | 20 | 1,330 | 1,056 |
| Learning and Leisure Services | 17,076 | 17,076 | 0 | 14,790 | 9,413 |
| Schools & Centres 21 | 92,890 | 92,890 | 0 | 92,840 | 46,663 |
| Total Expenditure | 152,015 | 149,759 | 2,256 | 141,138 | 74,346 |