

To: POLICY AND RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2013/2014  MONITORING REPORT 1 APRIL TO 13 SEPTEMBER 2013 (PERIOD 6)
From: EXECUTIVE DIRECTOR OF FINANCE & CUSTOMER SERVICES		
Date: 4 OCTOBER 2013	Ref: PH/EK/AB	

**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 2013/14 budget 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 13 September 2013 (Period 6).

**2. Background**

2.1 The current Capital Programme is made up of two components. Firstly the Composite Capital Programme and secondly the continuation of the Council's SC21 initiative.

2.2 The Council's Composite Capital Programme is based on a target spend of £39.846m. An allowance for slippage of £5.3m has been added to give a working programme of £45.146m, £1.207m less than reported at period 4. This is due to the outcome of the mid-year review which resulted in a net reduction of £2.858m offset by a number of grants and contributions. These include a £0.719m contribution from the Central Energy Efficiency Fund to install boilers and solar panels in a number of schools and £0.100m transfer from the Repairs and Renewals fund for Kilbowie Outdoor Centre. A contribution from revenue for Sir John Wilson Town Hall of £0.220m and £0.345m of prudential borrowing for the second tranche of pool vehicles has been added to address previously reported overspends. Finally, £0.267m relating to a number of grants and contributions to fund specific projects including £0.163m from WREN and £0.055m from sportscotland for the Council's play areas.

2.3 Following the mid-year review the SC21 budget has been revised to £3.748m, £32.333m less than period 4, to reflect the reprofiling of expenditure during 2013/14.

**3. Budget Monitoring Summary – Composite Capital Programme**

3.1 The projected position of the Composite Capital Programme at period 6 is summarised as follows: -

	Current Programme	Projected Outturn	Outturn Variance
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<b>Expenditure</b>			
Corporate Services	3,907	3,907	0
Regeneration & Environmental Services	25,396	25,456	(60)
Finance & Customer Services	1,193	1,193	0
Social Work Services	4,805	4,939	(134)
Learning & Leisure Services	9,845	10,297	(452)
<b>Total Expenditure</b>	<u><b>45,146</b></u>	<u><b>45,792</b></u>	<u><b>(646)</b></u>

- 3.2 Actual expenditure to 13 September 2013 is £13.987m which accounts for 31% of the current programme. Committed expenditure is £32.941m which represents 73% of the current programme and is an improvement on last year's Period 6 figure of 67.7%. An analysis of actual expenditure to date is contained in Appendix 1.

#### **4. Projected Outturn at 13 September 2013 (Period 6)**

- 4.1 The projected outturn on the programme is £45.792m, £0.646m more than the current expenditure budget. The major issues are discussed below.
- 4.2 Regeneration and Environmental Services are projecting spend of £25.456m, £0.060m more than their current budget with the main variances discussed below:
- As reported at period 4, an overspend of £0.270m is projected on Bothwellhaugh Cemetery which will be managed from within the overall resources approved as part of the five year capital programme.
  - Slippage of £0.210m is anticipated consisting of £0.150m contribution towards the funding package to demolish and rebuild Cumbernauld Community Enterprise Centre and £0.060m in relation to the delayed launch of the Scottish Government Town Centre Regeneration Fund.
- 4.3 Social Work Services are projecting spend of £4.939m, £0.134m more than their current budget. This is mainly due to an anticipated overspend on Joint Equipment of £0.307m as reported at period 4. The Service has submitted a request to Committee to transfer £0.300m from the revenue budget to the capital programme to address this overspend. As previously reported, additional slippage of £0.183m is also projected on Airdrie Day Centre.
- 4.4 Learning and Leisure Services are forecasting spend of £10.297m, £0.452m more than current budget with the main variances discussed below:
- Overspends of £0.572m are anticipated within Sustainable Estate mainly due to Service priorities in relation to the relocation of the Inclusion Support Unit to the former Townhead Community Centre (£0.331m) and works to change the use of former swimming pool areas (£0.122m). This overspend will be managed from within the Service's overall approved five year programme.
  - Works are nearing completion on several roof and window upgrades. However, several projects will not be completed in 2013/14 resulting in anticipated slippage of £0.502m within the Wind and Watertight budget.
  - NLL anticipates an overspend of £0.452m mainly due to the requirement to replace the combined heat and power unit within the Time Capsule. The cost of these works is estimated at £0.380m and there will be an equivalent planned reduction in capital funds available to NLL during the remaining years of the five year capital programme.

#### **5. Budget Monitoring Summary – Schools and Centres 21**

- 5.1 The SC21 five year capital programme contains £173.3m and initial estimates of the phasing of expenditure was made on the understanding that this would be revisited as the capital programme advanced. Following the mid-year review, the 2013/14 budget has been revised to £3.748m to reflect phasing of actual expenditure during the year which is mainly for design fees and surveys. It should be noted that the overall SC21 programme is fully funded and has no impact on the current year's programme. The projected position at period 6 is contained in Appendix 1.

## **6. HRA Capital Programme 2013/14**

- 6.1 The HRA mainstream capital programme and New Build programme are reported by Housing and Social Work Services to the Housing and Social Work Committee. A summary of the position of the HRA capital programme at 13 September 2013 is included within Appendix 1 for information.

## **7. Recommendations**

- 7.1 Committee is asked to note the financial position of the Capital Programme as at 13 September 2013.

A handwritten signature in black ink, appearing to read 'Alison Burns', is positioned above the title of the Executive Director.

**Executive Director of Finance & Customer Services**

## COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2013/14: Period 6

Composite Capital Programme	Current Programme 2013/14 £000	Projected Outturn 2013/14 £000	Outturn Variance 2013/14 £000	Committed Expenditure 13-Sep-13 £000	Actual Expenditure 13-Sep-13 £000
Corporate Services	3,907	3,907	0	3,282	2,681
Regeneration & Environmental Services	25,396	25,456	(60)	16,843	5,853
Finance and Customer Services	1,193	1,193	0	89	1
Social Work Services	4,805	4,939	(134)	4,397	1,444
Learning and Leisure Services	9,845	10,297	(452)	8,326	4,008
<b>Total Composite Capital Programme (excl SC21)</b>	<b>45,146</b>	<b>45,792</b>	<b>(646)</b>	<b>32,937</b>	<b>13,987</b>
<b>Schools &amp; Centres 21</b>	<b>3,748</b>	<b>3,748</b>	<b>0</b>	<b>1,291</b>	<b>295</b>
<b>Total Composite Capital Programme</b>	<b>48,894</b>	<b>49,540</b>	<b>(646)</b>	<b>34,228</b>	<b>14,282</b>

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## HRA CAPITAL PROGRAMME SUMMARY 2013/14: Period 6

Service	Current Programme 2013/14 £000	Projected Outturn 2013/14 £000	Outturn Variance 2013/14 £000	Committed Expenditure 13-Sep-13 £000	Actual Expenditure 13-Sep-13 £000
HRA Maintenance Programme	42,000	37,860	4,140	31,401	13,837
HRA New Build Programme	11,162	8,185	2,977	3,906	2,627