

To: POLICY AND RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2013/2014  MONITORING REPORT 1 APRIL TO 3 JANUARY 2014 (PERIOD 10)
From: EXECUTIVE DIRECTOR OF FINANCE & CUSTOMER SERVICES		
Date: 27 JANUARY 2014	Ref: PH/EK/VR/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 3 January 2014 (Period 10).

### 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 £40.832m. An allowance for slippage of £5.3m has been added to give a working programme of £46.132m, £0.986m more than reported at period 6. The increase is largely due to revenue contributions totalling £0.602m mainly for the Joint Equipment Store (£0.300m) and for the First Stop Shop programme at Dalziel Building (£0.224m) funded from the Change Management Fund. Other contributions of £0.384m were also received mainly from SPT and the Scottish Government.
- 2.3 The SC21 budget remains unchanged at £3.748m.

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

- 3.1 The projected position of the Composite Capital Programme at period 10 is summarised as follows: -

	Current Programme	Projected Outturn	Outturn Variance
	<u>£000s</u>	<u>£000s</u>	<u>£000s</u>
<b>Expenditure</b>			
Corporate Services	4,280	3,933	347
Regeneration & Environmental Services	25,651	24,737	914
Finance & Customer Services	1,193	1,193	0
Social Work Services	5,105	4,671	434
Learning & Leisure Services	9,903	9,903	0
<b>Total Expenditure</b>	<u>46,132</u>	<u>44,437</u>	<u>1,695</u>

- 3.2 Actual expenditure to 3 January 2014 is £23.880m which accounts for 52% of the current programme. Committed expenditure is £39.788m which represents 86% of the current programme and is in line with last year's Period 10 committed figure. An analysis of actual expenditure to date is contained in Appendix 1.

#### 4. Projected Outturn at 3 January 2014 (Period 10)

- 4.1 The projected outturn on the programme is £44.437m, £1.695m less than the current expenditure budget. This is a movement of £2.341m from that reported at period 6. The major issues are discussed below.
- 4.2 Corporate Services are projecting spend of £3.933m, £0.347m less than their current budget due to anticipated slippage as follows:
- £0.180m in relation to the Civic Centre Lift Upgrade Works. The works have been scheduled to be completed in the summer of 2014 to minimise the impact on member business.
  - £0.070m within corporate demolitions due to the need to obtain conservation area consent from the Scottish Government prior to the works commencing.
  - £0.097m for the replacement of windows at Fleming House due to the timing of the award of the contract.
- 4.3 Regeneration and Environmental Services are projecting spend of £24.737m, £0.914m less than their current budget with the main variances discussed below:
- As reported at period 6, 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.
  - Committee will recall that the Council has committed £0.150m towards the demolition and rebuild of Cumbernauld Community Enterprise Centre. This will not be required in 2013/14 as the overall funding package has still to be confirmed.
  - The Scottish Environmental Protection Agency provided a grant of £0.500m for the Stane Garden River Restoration project. This is a large scale project scheduled to be undertaken during 2013/14 and 2014/15. It is anticipated only £0.107m will be required during 2013/14 and the balance of £0.393m slipped into 2014/15.
  - The Town Centre Programme is reporting total slippage of £0.357m mainly as a result of Motherwell Cathedral Forecourt / Coursington Street project (£0.257m) where Listed Building Consent from Historic Scotland has still to be received coupled with delayed delivery of granite kerbing. In addition, Phase 4 Streetscape Works in Motherwell (£0.050m) due to returned tenders being higher than anticipated and subsequently delaying the awarding of the contract. Finally, the Cumbernauld programme (£0.050m) due to the decision not to complete an element relating to roundabouts this financial year.
  - The Local Development Programme is reporting slippage of £0.184m on several projects relating to the provision of skate parks / play parks. This is due to issues in relation to the sourcing of materials, obtaining agreement on scope of work and anticipated start dates.
  - £0.100m contribution to the Step Change Next Generation Broadband project will slip into 2014/15 due to a re-profile of the project expenditure by the Scottish Government.
- 4.4 Social Work Services are projecting spend of £4.671m, £0.434m less than their current budget with the main variances discussed below:
- As reported at period 6, slippage is forecast in the construction of Airdrie Day Centre for older adults and has increased to £0.441m (£0.183m at period 6) due to timing of the tender return date and inclement weather. Slippage is also forecast for the day centres in Cumbernauld (£0.077m) as a result of additional works being required and Motherwell (£0.044m) due to design issues that have arisen during the construction delaying progress.
  - The Joint Equipment Store is projecting an overspend of £0.100m based on historical trend information for orders during the months of January to March. The Service has approval from Committee to transfer an additional £0.100m from the

revenue budget to the capital programme to address this overspend. This is over and above the £0.300m transferred previously from revenue to the capital programme.

- Westmarc NHS Facility is projecting an overspend of £0.050m due to tenders being received at a greater cost than expected. The Service has Committee approval to make a contribution from revenue to capital to address this overspend.
- 4.5 Learning and Leisure Services are forecasting spend on target, however individual significant variances are discussed below:
- As previously reported, overspends are forecast within Sustainable Estate and are now expected to be £0.688m (period 6 £0.572m). This is mainly due to Service priorities in relation to the relocation of the Inclusion Support Unit to the former Townhead Community Centre (£0.348m) and works to change the use of former swimming pool areas (£0.149m). This overspend will be managed from within the Service's overall approved five year programme.
  - Committee will recall from the previous report that several roof and window upgrades were nearing completion, however some newly approved projects are projected to be completed in spring 2004 resulting in anticipated slippage of the Wind and Watertight budget of £0.107m (period 6 £0.502m).
  - NLL is now forecasting slippage of £0.137m (period 6 £0.452m) mainly due to delays in finalising the scope of works with Phase 3 of the Time Capsule (£0.300m) which is now expected to commence in February. This is partly offset by the acceleration of works at Wishaw Sports Centre. Planned works to replace the combined heat and power unit within the Time Capsule are now scheduled to begin in April 2014.
  - CultureNL anticipates slippage of £0.305m mainly for Craigneuk Community Centre, Summerlee Iron Boat and Cleland Library due to delays with finalising the scope of works and tenders. In addition, Thornlie Play Area works have been delayed as a result of the availability of external funding and it is now the intention to re-tender due to pressure of increased costs of additional works previously agreed.

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

- 5.1 In relation to Phase 1, slippage of £0.130m is anticipated due to delays with the school crossing patrol for St Ambrose HS/Buchanan HS Campus.
- 5.2 In relation to Phase 2, slippage of £0.380m is expected as a result of reprofiling of the initial estimates for Clyde Valley and Greenfaulds High School projects. As previously reported it was always the intention to revisit the expenditure profile as the SC21 programme advanced. The projected position at period 10 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 3 January 2014 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 3 January 2014.



### Executive Director of Finance & Customer Services

Members seeking further information on the contents of this report are asked to contact Alison Burns, Accountant on telephone number 01698 302743.

## COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2013/14: Period 10

<b>Composite Capital Programme</b>	<b>Current Programme 2013/14 £000</b>	<b>Projected Outturn 2013/14 £000</b>	<b>Outturn Variance 2013/14 £000</b>	<b>Committed Expenditure 03-Jan-14 £000</b>	<b>Actual Expenditure 03-Jan-14 £000</b>
Corporate Services	4,280	3,933	347	3,879	3,101
Regeneration & Environmental Services	25,651	24,737	914	21,918	11,641
Finance and Customer Services	1,193	1,193	0	219	35
Social Work Services	5,105	4,671	434	4,546	2,770
Learning and Leisure Services	9,903	9,903	0	9,226	6,333
<b>Total Composite Capital Programme (excl SC21)</b>	<b>46,132</b>	<b>44,437</b>	<b>1,695</b>	<b>39,788</b>	<b>23,880</b>
<b>Schools &amp; Centres 21</b>	<b>3,748</b>	<b>3,238</b>	<b>510</b>	<b>1,446</b>	<b>529</b>
<b>Total Composite Capital Programme</b>	<b>49,880</b>	<b>47,675</b>	<b>2,205</b>	<b>41,234</b>	<b>24,409</b>

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## HRA CAPITAL PROGRAMME SUMMARY 2013/14: Period 10

<b>HRA Capital Programme</b>	<b>Current Programme 2013/14 £000</b>	<b>Projected Outturn 2013/14 £000</b>	<b>Outturn Variance 2013/14 £000</b>	<b>Committed Expenditure 03-Jan-14 £000</b>	<b>Actual Expenditure 03-Jan-14 £000</b>
HRA Maintenance Programme	42,000	37,900	4,100	37,399	28,183
HRA New Build Programme	11,162	7,756	3,406	6,707	4,225