

To: POLICY & RESOURCES (FINANCE) SUB COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2004/05 PROVISIONAL OUTTURN REPORT FOR THE YEAR TO 31 ST MARCH 2005
From: DIRECTOR OF FINANCE		
Date: 11 May, 2005	Ref: AC/KS	

1. **Introduction**

- 1.1 The purpose of this report is to provide a summary of the financial performance of the composite capital programme for 2004/05. The report describes the provisional outturn position for the year to 31st March 2005 and highlights the major movements and variations in both resources and expenditure when compared against the planned programme. The figures may be subject to minor amendment prior to finalising the Annual Accounts of the Authority by the due deadline of the 30th June 2005. Any such amendments will be incorporated into the 2005/2006 programme.

2. **Capital Budget Update**

- 2.1 The base programme for the year was £54.9m, which after taking account of projects carried forward from 2003/04 (less slippage), amounted to £62.2m. Actual expenditure of £67.265m therefore represents 108% of the base programme.
- 2.2 Previous monitoring reports to Committee have set out any changes that have been made to the planned programme to reflect movements in resources, as they have become known during the course of the year. Since the last report to Committee there has been a further of £1.041m increase in resources, which reflects the following;
- £0.400m increase from the SIP programme to various capital projects.
 - £0.300m contributions from SEL towards various capital projects.
 - £0.224m grant towards the Lanarkshire Biomass Project.
 - £0.117m other various contributions
- 2.3 This brings the budgeted expenditure programme to £76.977m, against budgeted resources of £78.674m, resulting in planned slippage of £1.697m set aside to contribute to funding future year programmes.

3. Provisional Outturn Summary

3.1 The provisional end of year position of the Composite Programme can be summarised as follows:

	Current Programme £000s	Projected Outturn £000s	Outturn Variance £000s
Prudential Borrowing	32,433	32,433	-
Capital Receipts Programme	10,411	14,011	3,600
Unapplied Receipts c/fwd Cash Grants/ Other Contributions	3,481	3,481	-
	24,149	22,094	(2,055)
CFCR	5,200	5,200	-
Total Resources	75,674	77,219	1,545
Expenditure Programme	76,977	67,265	9,712
Slippage	(3,000)		(3,000)
Net Expenditure Programme	73,977	67,265	6,712
Additional Resources	1,697	9,954	8,257

3.2 The projected outturn slippage is now £9.712m against budgeted slippage of £3.0m, which is £6.712m greater than planned and is £3.284m greater than previously reported. In addition, it will be noted that the capital resources are now anticipated to be higher than the forecast level by £1.545m. The overall effect of the above is an outturn variance of £8.257m.

3.3 The actual expenditure to 31st March is £67.265m and this represents 91% of the net expenditure programme. It should be noted that this is almost £30.0m greater than expenditure in 2003/2004 and is by far the highest level of capital investment since reorganisation. An analysis containing information at a departmental level is contained in Appendix 1.

4. Projected Outturn at 31st March 2005

4.1 The capital programme has outturned at an underspend of £9.954m and compares with the planned underspend of £1.697m. A detailed explanation highlighting the movements in both resources and expenditure is described below.

4.2 **Resources Projections:**

4.2.1 Final resources are now estimated at £77.219m against a programme of £75.674m, which results in an over recovery of £1.545m. This is attributable to the following:-

- Capital Receipts were projected to settle at £10.411m in 2004/2005. However, due to the success of the Disposals Team and an upturn in market values, the actual level of receipts settled at £14.011m.
- A delay in the receipt of a number of contributions from other bodies and capital grants, e.g. Big Lottery and Sportscotland contributions to both Sports Comprehensives and the Tryst Sport Centre upgrade, the Cities Review Grant and various other grants amounting to £2.055m. These receipts will now be settled in 2005/2006.

4.3 Expenditure Projections:

4.3.1 Final expenditure is now estimated at £67.265m against a programme of £76.977m, which results in an underspend of £9.712m and this will be carried forward and incorporated into the 2005/2006 working programme. The details of which are contained within appendix 2.

4.3.2 In summary, the major variations in planned expenditure are as follows :-

- although being committed to specific projects, £1.001m of funding held within the Capital Leverage allocation will not be required until the new financial year. By far the biggest element of this relates to the project at Colzium Lennox Estate.
- £5.627m of slippage within the Planning and Environment programme, a significant amount of which relates to the Town Centres programme and the previously reported slippage on the Mill Street/Airdrie Business Centre project.
- £1.314m of slippage within the Social Work Department programme, which includes the allocations for the refurbishment of both Scott House and Bron Way, which have been delayed into 2005/06.
- £0.933m of slippage on the Sports Comprehensive projects, which will now be completed in 2005/06.

5. Conclusion /Recommendation

5.1 The capital programme for 2004/2005 has now been concluded. The movements in both resources and expenditure has resulted in an underspend of £9.954m. This slippage will be carried forward into 2005/2006 to fund those elements of the programme that could not be undertaken or completed prior to the 31st March 2005.

5.2 The Committee is requested to note the position of the 2004/2005 capital programme as detailed in this report.



Director of Finance

COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2004/2005 (£'000)

EXPENDITURE PROGRAMME : Period 13

Department	Current Programme 2004/05	Actual Expenditure to 31/3/05	Projected Outturn Variance
Administration	931	801	130
Chief Executive	476	224	252
Corporate : Design & Project Management	100	0	100
Community Services	15,068	14,654	414
Education Programme	16,770	15,928	842
Finance/IT	1,933	775	1,158
Housing & Property Services			
: NHRA Grants	4,615	4,441	174
: Property Services	4,325	4,624	-299
Planning & Environment	29,297	23,670	5,627
Social Work	3,462	2,148	1,314
SUB-TOTAL	76,977	67,265	9,712
less : Slippage Factor	-3,000		-3,000
Departmental Expenditure Total	73,977	67,265	6,712

91%

COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2004/2005

		Slippage/ Underspend/ (Overspends) £	
Administration:	Minor variances < £100,000	130,000	
Chief Executive:	Child Family Witness Unit - SIP contribution	214,978	
	Other minor variances	37,022	252,000
Corporate:	Design & Project Management	100,000	100,000
Community Services:	Auchinlea Landfill Complex	150,000	
	Burial Space Development	104,169	
	Rawyards - Skate Park	111,475	
	Colzium House Upgrade	313,912	
	Waste Strategy	(490,332)	
	Chapelside CEC	(180,079)	
	Other variances < £100,000	404,855	414,000
Education:	Minor Adaptations	33,358	
	Social Inclusion Projects	268,065	
	Sports Comprehensives	922,753	
	Education 2010	201,101	
	Major Maintenance	783,043	
	Feasibility Studies	(435,563)	
	Health & Safety Projects Gen	(171,914)	
	New School, Eastfield Rd	(281,123)	
	Insurance re-instatemnts	(435,530)	
	ICT	(42,113)	
Finance:	Capital Leverage Fund	1,000,900	
	Upgrades Enterprise	118,471	
	Other minor variances	38,629	1,158,000
Housing & Property:	Lenziemill Industrial Estate	145,190	
	Industrial Property Improvements General	(122,049)	
	Office Accommodation-With Condition Surveys	(320,278)	
	Other variances < £100,000	(1,863)	-299,000
Non HRA:	Disabled Adaptations	189,427	
	Grants to Owner Occ in NLC Capital Programmes	(103,616)	
	Ainslie/Maclehose Rd Regeneration	(161,365)	
	Other variances < £100,000	249,554	174,000
Planning & Environment:	Economic Regeneration including Airdrie Business Centre/ Mill St	2,594,048	
	Vacant & Derelict Land Sites	358,833	
	Special Projects	246,299	
	Town Centres	995,687	
	Roads Reconstruction	446,389	
	Other variances < £100,000	985,744	5,627,000
Social Work:	Upgrade Day Centres-Hunter St	311,745	
	Fire Safety Res. Care Homes	347,556	
	Scott House Refurbishment	249,634	
	Refurb Bron Way-Move Carron Hse	247,873	
	New Children'S Unit At Wishaw	152,529	
	Other Minor Variances	4,663	1,314,000
TOTAL SLIPPAGE		9,712,077	