

REPORT

To: POLICY & RESOURCES (FINANCE) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2005/2006 MONITORING REPORT 1 APRIL TO 22 JULY 2005
From: DIRECTOR OF FINANCE		
Date: 12 August 2005	Ref: AC/EK/P4	

1. Introduction

- 1.1 The purpose of this report is to update Committee on the 2005/2006 Composite Capital Programme, and to provide details of movements in resources and expenditure budgets since they were originally approved. The report provides a summary of the financial performance against the programme and shows committed expenditure, projected year-end outturn position and the resulting variances. Information on actual expenditure is up to and including 22nd July 2005.

2. Capital Budget Update

- 2.1 In February 2005, the Council approved a Composite Capital budget for the year 2005/2006 of £60.442m (net of slippage). The budget as at Period 4 has increased by £14.033m, resulting in the current capital programme of £74.475m. This increase is due to the following:

- slippage of £9.885m carried forward from the 2004/05 programme,
- the award of £0.837m to Waste Strategy at Auchinlea as approved at Policy & Resources Committee on 19th April 2005,
- an allocation of £2.462m from the Strategic Waste Fund towards the upgrade of the Civic Amenity Sites across North Lanarkshire,
- an increase of £0.050m to the Capital Receipts Initiative budget which will fund two new posts to generate increased Capital Receipts. This funding is matched by an equivalent increase in the receipts target,
- the award of £0.673m, representing part of the Executive's funding for the Ainslie/Maclehose Regeneration project in Cumbernauld, and
- additional funding of £0.126m from 05/06 onwards to support the Care and Repair Programme, currently provided by Communities Scotland

3. Budget Monitoring Summary

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

	Current Programme £000s	Projected Outturn £000s	Outturn Variance £000s
Prudential Borrowing	40,826	40,826	-
Capital Receipts Programme	9,728	9,728	-
Cash Grants	21,448	21,448	-
CFCR	1,000	1,000	-
Total Resources	73,002	73,002	-
Expenditure Programme	74,475	74,475	-
Slippage	(3,600)		(3,600)
Expenditure Programme	70,875	74,475	(3,600)
Slippage/(overspend)	2,127	(1,473)	(3,600)

3.2 Actual expenditure to 22nd July is £9.629m, which represents 13% of the current programme. Committed expenditure is £36.864m, representing 50% of the full programme. A detailed analysis of the performance of departmental programmes is contained in Appendix 1.

4. Projected Outturn at 22 July 2005

- 4.1 When approving the 2005/06 programme, Policy & Resources Committee agreed that a balance of £2.964m would be carried forward for consideration when setting the programme for 2006/07 and 2007/08. Subsequent approval of additional funds has resulted in the balance available for carry forward reducing to £2.127m.
- 4.2 All departments are currently predicting full spend on capital projects, resulting in a projected overspend of £3.6m, which is equivalent to the level of anticipated slippage. However, in accordance with trends in previous years, it is anticipated that slippage will be reported throughout the year, bringing the programme back to the budgeted position.
- 4.3 A number of risk areas which are likely to incur slippage as the financial year progresses have been identified and will be closely monitored. The total value of these projects, identified below, is £5.527m. The full effect of this will be determined as part of the Mid Year Review exercise which will require Departments to provide details of slippage, projects which could be accelerated from future years' plans, additional resources and new or critical expenditure requirements. It is anticipated that the impact of the Mid Year Review will be reported to the Policy and Resources Committee in November.

Delivery of 3 children's homes – capital allocation £2.222m

Issues arising with planning consent are likely to delay commencement of the project at Cumbernauld.

Office Development, Scott St – capital allocation £2.455m

The estimated start date for this project is January 2006 and it is therefore unlikely that the full allocation in 2005/06 will be spent by the end of the financial year.

Coatbridge District Court – capital allocation £0.100m

This budget is for refurbishment works that will be required if the Court has to relocate to accommodate the project at the Coatbridge Baths site project. Discussions with Property Services and Administration have highlighted that the Court is unlikely to be relocated in 2005/06. Discussions are underway with the Department to decide how these funds can best be utilised.

Scott House – capital allocation £0.750m

Problems with the lease agreement have delayed the start of this project. Work is now expected to commence in late September.

5. Future Year Programmes – 2005/2006 to 2007/2008

- 5.1 Draft Capital Investment Plans 2006/07 and 2007/08 have been prepared by the Corporate Resources Working Group and will be presented to the Policy and Resources Committee on 20 September 2005.

6. Recommendation

- 6.1 The Committee is asked to note;
- the financial position of the Capital Programme at 22nd July 2005.
 - the current issues described in paragraph 4, which will be addressed through the Mid Year Review process.
 - the current position with regard to the review of the 2005/2006 to 2007/2008 investment plans.



Director of Finance

COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2005/2006 (£'000)

EXPENDITURE PROGRAMME : Period 4

Department	Approved Programme Feb. 2005 £000	Current Programme 2005/06 £000	Projected Outturn 2005/06 £000	Outturn Variance 2005/06 £000	Actual Expenditure to 22/07/05 £000	Committed Expenditure to 22/07/05	% Committed
Administration	500	630	630	0	(16)	11	1.75%
Chief Executive	250	502	502	0	(6)	29	5.78%
Corporate : Design & Project Management	150	250	250	0			
Community Services	7,012	10,857	10,857	0	1,081	2,436	22.44%
Education Programme	16,612	17,454	17,454	0	3,503	15,247	87.36%
Finance/IT	2,206	3,364	3,364	0	43	89	2.65%
Housing & Property Services							
: NHRA Grants	3,615	4,115	4,115	0	590	2,817	68.46%
: Property Services	4,580	4,845	4,845	0	479	554	11.43%
Planning & Environment	21,917	27,544	27,544	0	3,471	13,326	48.38%
Social Work	3,600	4,914	4,914	0	483	2,355	47.92%
SUB-TOTAL	60,442	74,475	74,475	0	9,628	36,864	49.50%
less : Slippage Factor		(3,600)	0	(3,600)			
Departmental Expenditure Total	60,442	70,875	74,475	(3,600)	9,628	36,864	

Percentage Achieved

12.93%