

To: POLICY & RESOURCES (FINANCE) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2005/2006
From: DIRECTOR OF FINANCE		
Date: 4 October 2005	Ref: AC/EK/P6	
		MONITORING REPORT 1 ST APRIL TO 16 SEPT 2005

1. **Introduction**

1.1. The purpose of this report is to provide a summary of the financial performance of the Composite Capital Programme for 2005/2006. The report shows the projected year-end outturn position and resultant variances. Information on current expenditure is up to and including 16 September 2005.

2. **Capital Budget Update**

2.1. The current Capital Programme is £72.750m, representing an increase of £0.125m since the last report at Period 5. This is due to:

- Additional funding of £0.035m for the completion of the Aitkenhead Road Link in relation to improvement works to the National Cycle Network.
- Additional funding of £0.034m from the Scottish Arts Council for the Petersburn refurbishment programme
- An increase of £0.050m in CFCR for non HRA programme to fund the Disabled Adaptation "top up" grant which has been transferred to capital to streamline the linkage between revenue and capital planned expenditure.
- Other minor amendments to the programme

3. **Budget Monitoring Summary**

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

	Current Programme £000s	Projected Outturn £000s	Outturn Variance £000s
Prudential Borrowing	40,826	40,826	-
Capital Receipts Programme	9,734	9,734	-
Cash Grants	21,517	21,517	-
CFCR	1,050	1,050	-
Total Resources	73,127	73,127	-
Expenditure Programme	72,750	72,750	-
Slippage	(3,800)	-	(3,800)
Expenditure Programme	68,950	72,750	(3,800)
Slippage/(overspend)	4,177	377	(3,800)

3.2. The actual expenditure to 16 September is £20.026m, representing 28% of the current programme. Committed expenditure is £47.241m, representing 65% of the full programme. A detailed analysis of departmental programmes is attached in Appendix 1.

4. **Projected Outturn at 16 September 2005**

4.1. Following the mid year review, the programmed surplus for the year is £4.177m. This will be carried forward to 2006/07 to fund £2.050 slippage with a balance of £2.127m available to fund future years programmes, as previously reported.

- 4.2. All departments are currently predicting full spend on capital projects, resulting in a projected overspend of £3.8m. However, as in previous years, further slippage is anticipated which will bring the programme in within budget.
- 4.3. Although there are no variances to report on either the resources or the expenditure programme, progress will continue to be closely monitored. In particular, the following areas of potential risk have been identified:

Expenditure Programme

As previously reported, logistical problems involved in relocating staff have delayed the start of the office development project at Bron Way. However, the tender has now been accepted and full spend is anticipated in this financial year.

Receipts Programme

Auchinkilns, Cumbernauld

The anticipated £7.5m receipt may be delayed as a result of objections which have been lodged following the purchaser's decision to change previously agreed plans for the design of the proposed housing development. If this receipt is not realised within the current financial year, the impact on the Capital Receipts target will be an under-recovery of £5m.

Loanhead Road, Newarthill

The expected receipt of £1m for Loanhead, Newarthill may also be delayed as a result of SEPA objections that may require to be referred to the Scottish Executive.

Ground Lease in Motherwell Town Centre

The sale of the ground lease in Motherwell Town Centre is expected to generate £4.75m, which is being utilised to fund the Office Development project at Scott Street in Motherwell. At the mid year review, slippage of £1.65m was reported for the Scott Street project based on the sale of the ground lease concluding in October/November 2005 and an anticipated start date of the Scott Street development of January 2006. The Head of Property Services has now advised that due to continuing legal negotiations, the anticipated settlement date for the sale has extended to 31st December 2005. This will obviously have an impact on the site start date for Scott Street, although this has yet to be confirmed. Further updates will be provided as the situation progresses.

It should be noted that in all of the above cases, we are advised that the receipts are still secure. The issues arising relate purely to the timing of the receipts and are unlikely to result in difficulties in delivering the planned programme as set out in this report.

5. Future Years' Programmes – 2006/07 and 2007/08

- 5.1. Finalised Capital Investment Plans 2006/07 and 2007/08 were approved by 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 as at 16 September 2005.
- additional issues highlighted in paragraph 4.
- the current position with regard to Capital Investment Plans 2006/07 and 2007/08.



Director of Finance

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

EXPENDITURE PROGRAMME : Period 6

Department	Current Programme 2005/06 £000	Projected Outturn 2005/06 £000	Outturn Variance 2005/06 £000	Actual Expenditure to 16/09/05 £000	Committed Expenditure to 16/09/05	% Committed
Administration	630	630	0	193	305	48.41%
Chief Executive	509	509	0	10	29	5.70%
Corporate : Design & Project Management	250	250	0			
Community Services	10,688	10,688	0	3,457	5,057	47.31%
Education Programme	18,597	18,597	0	7,008	18,893	101.59%
Finance/IT	1,259	1,259	0	81	189	15.01%
Housing & Property Services						
: NHRA Grants	4,679	4,679	0	865	2,817	60.21%
: Property Services	3,019	3,019	0	702	1,750	57.97%
Planning & Environment	29,368	29,368	0	6,952	15,585	53.07%
Social Work	3,751	3,751	0	758	2,616	69.74%
SUB-TOTAL	72,750	72,750	0	20,026	47,241	64.94%
less : Slippage Factor	(3,800)	0	(3,800)			
Departmental Expenditure Total	68,950	72,750	(3,800)	20,026	47,241	

Percentage Achieved

27.53%