

NORTH LANARKSHIRE COUNCIL

REPORT

To ENVIRONMENTAL SERVICES COMMITTEE	Subject: CAPITAL MONITORING REPORT
From: EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES	08.11.14 – 05.12.14 (PERIOD 9)
Date: 13 JANUARY 2015	Ref: PJ/RC/JM/MM/P9
	REGENERATION AND ENVIRONMENTAL SERVICES COMPOSITE CAPITAL PROGRAMME FOR 2014/15

1. Introduction

1.1 The purpose of this report is to advise the Committee of the overall projected financial position for the 2014/15 capital programme, for the period 1st April 2014 to 5th December 2014.

2. Service Overview

2.1 The approved programme last reported to the Environmental Services Committee, at period 6, was £33,186,648.

2.2 Adjustments to the programme which have been approved, and updated in the ledger by Finance and Customer Services, amount to a net increase of £1,340,023. This relates to:-

- Transfer of budget to Learning & Leisure Services for West End Park, (£4,814) and Thornlie Play Area (£10,000).
- The current year's confirmed Vacant and Derelict Land fund allocation, £1,148,559.
- Additional funding from Glasgow 2014 towards pre-games works, required to make Strathclyde Park a compliant venue for the Triathlon event, £206,278.

This gives an approved programme, as at Period 9, of £34,526,671.

2.3 Further net adjustments amounting to an increase of £212,495 have been incorporated into the programme for this report:-

- Further Vacant and Derelict Land fund allocation, £1,148,559.
- Further additional funding from Glasgow 2014 towards pre-games works, required to make Strathclyde Park a compliant venue for the Triathlon event, £12,987.
- Capital from Current Revenue (CFCR) adjustments delivery of improvements related to the Commonwealth Games £95,277.
- Several awards from the Sustrans Community Link Fund providing match funding for a range of cycle paths and cycle infrastructure projects totalling £293,750.
- Transport Scotland Smarter Choices, Smarter Places Grant of £11,921 to provide new signage on footpaths within Cumbernauld.
- A reduction of (£1,350,000) SPT grant as follows:
 - A71 Horsely Brae – problems encountered with the necessary land acquisition to deliver this project will result in £15,000 of the £750,000 grant being spent this year.
 - Blairhill Park and Ride – a grant of £1,000,000 was allocated for the construction of a 215 space car park. The tenders have been returned and, along with other associated costs, the total project costs will be £770,000.

- Newhouse Car Share Facility – £315,000 was approved for this project however, due to Land acquisition delays, current year outturn will be £5,000.
- Bellhaven Park & Ride – £315,000 was approved for this project which is expected to be completed at a cost of £240,000.

2.4 This results in a reported programme of £34,739,166.

3. Monitoring Summary

3.1 The position is summarised in Appendix 1.

3.2 To date, the Regeneration and Environmental Services' programme is 78% committed. This compares with a 77% commitment level achieved at the same time last year.

4. Programme Variances

4.1 The programme is showing budget slippage of £1,661,665 which relates to various projects as detailed below. This is a £258,377 net increase compared to the Period 8 reported programme due to several projects within Environment and Estates (paragraph 4.2).

4.2 Environment and Estates has reported an overspend of (£154,000). Within this Bothwellhaugh Cemetery project has incurred increased costs of (£217,000) as a result of an adjudication. There are overspends on capitalised equipment within Fleet (£40,000) and Land Management (£30,000). Land Management have also incurred additional costs for drainage (£16,000) and the Dementia Gardens Project (£31,000). These overspends are partially offset by an underspend of £27,160 in the Cambusnethan Cemetery project and other minor underspends of £2,588. There is a further offset due to slippage of £150,000 within Palacerigg Country Park Upgrade due to delays in starting the project. The overspend of (£154,000) will be managed within the 2015/16 budget.

4.3 As previously reported Protective Services has slippage of £880,000 within the Stane Gardens remediation and river restoration project which is funded by both NLC and the Scottish Environment Protection Agency (SEPA). This slippage is due to delays in award of the tender £550,000 and delays in obtaining the necessary Controlled Activities Regulations (CAR) license, plus delays by the contractor on the start date £330,000. The project is now anticipated to be completed by August 2015.

4.4 Within Planning and Regeneration, slippage of £686,000 is reported on the Cumbernauld Community Enterprise Project. This is a large scale project to be delivered over two financial years, 2014-15 and 2015-16. The works commenced on site in mid-December and cash flows are currently being updated.

4.5 Within Roads and Transportation, there is slippage of £250,000 in the Chapelhall Air Pollution project, due to an outline design to identify land requirements, the project will now be delivered in 2015/16. The rail bridge element of the A723 Carfin to Holytown Dualling project is complete. The costs of this are being finalised and will result in a saving for this element of the project. Once these costs are known this will be reported however the underspend will be used towards the remainder of the project which spans financial years.

5. Financial Risks

5.1 The Crowwood Drive Railway Bridge Replacement project continues to be a financial risk until the current period of administration of The ERDC Group Ltd. Has been extended until May 2015. Whilst the administration is still underway, there is the possibility of an adjudication action being progressed, the probability of which is indeterminate. The financial risk associated with a negative outcome from any such adjudication could be up to £260,000.

6. Project Risks

- 6.1 Also within Regeneration and Planning, there is a risk of slippage on Wishaw Town Centre project. This is as a result of supply chain issues with the purchase of quarried stone materials, the implications of which have not yet been quantified..

7. Future Years

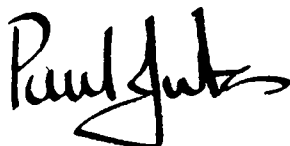
- 7.1 The Environmental Services Committee is asked to note that there are legal commitments beyond the current year covering ongoing contracts as a result of work being carried out in the current financial year.

8. Recommendation

- 8.1 The Committee is asked to:

8.1.1 Note the financial position of the Capital Programme as at 5th December 2014.

8.1.2 Note the variances and risks that have been highlighted in some aspects of the delivery of this programme



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Local Government Access to Information Act: for further information about this report, please contact Robert Colquhoun, Business Service Manager – Finance and Technology Solutions, No. 01236-632444

REGENERATION AND ENVIRONMENTAL SERVICES 2014/2015 CAPITAL PROGRAMME

APPENDIX 1

	Environment and Estates (£)	Facility Support Services (£)	Protective Services (£)	Planning and Regeneration (£)	Roads and Transportation (£)	Totals (£)
Approved Programme as at P6	3,450,484	124,858	2,975,875	7,856,642	18,778,789	33,186,648
Approved adjustments between P6 and P9	15,000	0	0	1,118,745	206,278	1,340,023
Approved programme as at P9	3,465,484	124,858	2,975,875	8,975,387	18,985,067	34,526,671
Proposed adjustments and virements	75,756	0	0	1,148,559	-1,011,820	212,495
Reported programme as at P9	3,541,240	124,858	2,975,875	10,123,946	17,973,247	34,739,166
Committed Expenditure to date	3,391,831	110,567	2,089,011	7,180,980	14,164,678	26,937,067
Committed expenditure as a % of reported programme	96%	89%	70%	71%	79%	78%
Actual expenditure to date	1,476,508	110,567	742,632	3,181,698	6,320,511	11,831,916
Actual expenditure as a % of reported programme	42%	89%	25%	31%	35%	34%
Projected outturn at P9	3,695,492	124,858	2,095,875	9,438,029	17,723,247	33,077,501
Programme variance at P9	-154,252	0	880,000	685,917	250,000	1,661,665