

To: POLICY AND RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE	Subject: COMPOSITE CAPITAL PROGRAMME 2014/2015
From: EXECUTIVE DIRECTOR OF FINANCE & CUSTOMER SERVICES	MONITORING REPORT 1 APRIL TO 5 JANUARY 2015 (PERIOD 10)
Date: 23 JANUARY 2015	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 2014/15 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 5 January 2015 (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 £59.276m, £3.083m more than reported at period 7. This is mainly due to a number of grants and contributions: Vacant and Derelict Land Fund (£1.722m), Scottish Government grant to support the delivery of free school meals for children in primaries 1-3 (£0.500m), for installation of solar panels at a number of schools one-off growth investment from revenue (£0.260m) and a grant from the Central Energy Efficiency Fund (£0.268m) and Glasgow 2014 funding for the Triathlon event (£0.219m).

2.3 The SC21 budget remains unchanged at £13.806m.

3. Budget Monitoring Summary – Composite Capital Programme

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

	Current Programme	Projected Outturn	Outturn Variance
Expenditure	£000s	£000s	£000s
Corporate Services	4,463	3,193	1,270
Regeneration & Environmental Services	35,114	33,056	2,058
Finance & Customer Services	1,212	1,127	85
Social Work Services	5,038	5,429	(391)
Learning & Leisure Services	13,449	13,841	(392)
Total Expenditure	59,276	56,646	2,630

3.2 Actual expenditure to 5 January 2015 is £28.669m and committed expenditure is £49.090m, representing 82.8% of the current programme. An analysis of actual expenditure to date is contained in Appendix 1.

4. Projected Outturn at 5 January (Period 10)

4.1 The projected outturn on the programme is £56.646m, £2.630m less than the current expenditure budget. The major issues are discussed below.

4.2 Corporate Services project spend of £3.193m, £1.270m less than current budget mainly due to slippage previously reported for the Wishaw Hub project. Discussions with the NHS on current rates of activity have resulted in a revised slippage position from £1.791m to £1.296m. This may decrease further as the contractor continues to attempt recovery of delays in the project. Upgrade works to toilets within the Civic Centre have been identified

which will utilise the previously reported underspend of £0.065m for the Civic Centre lift upgrade works.

4.3 Regeneration and Environmental Services are projecting spend of £33.056m, £2.058m less than current budget. The main variances are discussed below:

- a) Slippage has increased by £0.330m to £0.880m for Stane Gardens remediation and river restoration project due to the delay in obtaining the necessary controlled activities regulations licence, impacting on the start date. The project is now anticipated to be completed by August 2015.
- b) As highlighted previously, £0.700m slippage is also expected in relation to the Cumbernauld Community Enterprise Centre due to the timing of the land acquisition.
- c) Slippage of £0.330m is anticipated for Wishaw Main Street Phase 2 mainly due to supply issues with quarried stone materials.
- d) The Chapelhall Air Pollution project will slip £0.250m due to the initial design stage which requires identification of a plot of land suitable for the project.
- e) Slippage of £0.150m is anticipated for the upgrade to Palacerigg Country Park due to a delay with the project start date.
- f) Overspends of £0.339m are projected largely due to the Bothwellhaugh Cemetery project (£0.217m) as a result of an adjudication. These overspends will be managed within the 2015/16 budget.

4.4 Finance and Customer Services are projecting spend of £1.127m, £0.085m less than current budget. The main variances are discussed below:

- a) Slippage is anticipated for the Schools Hardware Refresh Project of £0.295m due to delays as a result of changes to the procurement route in order to achieve value for money.
- b) An overspend of £0.160m is anticipated for Enterprise Computing due to identification of a new priority in relation to the migration of servers to a supported platform prior to Windows 2003 reaching its end of life in July 2015. In addition there is an anticipated overspend of £0.062m for the Automated Call Distribution mainly due to the need to purchase additional modules to support the service. The Service has advised that these overspends will be managed throughout the remainder of the 5-year capital programme.

4.5 Social Work Services are projecting spend of £5.429m, £0.391m more than their current budget. The main variances are discussed below:

- a) Slippage for the development of Chryston Short Stay Care Service has increased by £0.100m to £0.967m due to delays with the planning process. Tenders are currently being analysed with appointment of the contractor anticipated to be February 2015. As highlighted previously this will be offset by projected spend of £0.534m for Wishaw Short Stay Care Service resulting in overall slippage of £0.433m.
- b) Members will recall Motherwell Day Centre is projecting an overspend (£0.376m) as a result of major delays with Scottish Water providing a supply to the site and mechanical/engineering changes to the brief. This overspend has increased to £0.435m due to additional work required to resolve issues relating to the combined heating and power unit and extractor fan.
- c) As reported previously, overspends are anticipated for Cumbernauld Day Centre (£0.998m) and Integrated Equipment and Adaptations Service (£0.287m). In addition, Airdrie Day Centre is projecting an overspend of £0.039m due to unforeseen abnormal ground conditions.
- d) A contribution from reserves of £0.860m has been agreed to reduce the total overspend from £1.759m to £0.899m. Recommendations for addressing this remaining overspend are still awaited and will be the subject of future reports to the Service's Committee.

4.6 Learning and Leisure Services are forecasting spend of £13.841m, £0.392m more than current budget with the main variances discussed below:

- a) The previously reported overspend of £0.747m within Sustainable Estate has now been brought back in line with budget mainly due to additional Government Grant. Re-phasing of works at Netherton Primary school due to the current weather conditions has also contributed to the reduction of the in-year overspend.
- b) The wind and watertight budget is forecast to spend £0.141m less than budget mainly due to slippage anticipated for Sacred Heart Primary School (£0.159m) as a result of a delayed tendering process.
- c) As previously reported, Pre-Planned Preventative Maintenance is projecting an overspend which has marginally increased to £0.187m mainly due to higher than expected tender values for a number of rewire projects.
- d) As highlighted previously an overspend is declared under the Sport budget heading (£0.318m) mainly relating to works associated with the electricity substation, part of the project plan for phase 2 of the Time Capsule. The Service is currently investigating funding options to support these costs.

5. Budget Monitoring Summary – Schools and Centres 21

5.1 Full spend against the 2014/15 budget of £13.806m is expected. The projected position at period 10 is contained in Appendix 1.

6. Capital Receipts


- 6.1 The target for capital receipts this financial year is £5.000m, made up of £3.500m target for 2014/15 and a shortfall of £1.500m carried forward from 2013/14.
- 6.2 Capital receipts received to 5 January 2015 are £4.043m, largely attributable to the sale of the Smithstone site (£3.750m). Approximately £0.524m of this will be contributed to address the shortfall of education provision which will arise as a result of the development on the site. This results in a shortfall against the budget of £1.481m unless additional receipts can be generated. Progress on capital receipts will be closely monitored and updates included in future reports.

7. HRA Capital Programme 2014/15

7.1 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 5 January 2014 is included within Appendix 1 for information.

8. Recommendations

8.1 Committee is asked to note the financial position of the Capital Programme as at 5 January 2014.



Executive Director of Finance & Customer Services

Members seeking further information on the contents of this report are asked to contact Elaine Kemp, Corporate Finance Manager, on telephone number 01698 302408.

COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2014/15: Period 10

Composite Capital Programme	Current Programme 2014/15 £000	Projected Outturn 2014/15 £000	Outturn Variance 2014/15 £000	Committed Expenditure 05-Jan-15 £000	Actual Expenditure 05-Jan-15 £000
Corporate Services	4,463	3,193	1,270	2,933	1,761
Regeneration and Environmental Services	35,114	33,056	2,058	27,287	16,022
Finance and Customer Services	1,212	1,127	85	827	308
Social Work Services	5,038	5,429	(391)	5,429	2,364
Learning and Leisure Services	13,449	13,841	(392)	12,614	8,214
Total Composite Capital Programme (excl SC21)	59,276	56,646	2,630	49,090	28,669
Schools & Centres 21	13,806	13,806	0	6,061	5,924
Total Composite Capital Programme	73,082	70,452	2,630	55,151	34,593

HRA CAPITAL PROGRAMME SUMMARY 2014/15: Period 10

HRA Capital Programme	Current Programme 2014/15 £000	Projected Outturn 2014/15 £000	Outturn Variance 2014/15 £000	Committed Expenditure 05-Jan-15 £000	Actual Expenditure 05-Jan-15 £000
HRA Mainstream Programme	44,476	40,217	4,259	36,541	22,157
HRA New Build Programme	11,262	8,178	3,084	3,423	3,619