

NORTH LANARKSHIRE COUNCIL

REPORT

To ENVIRONMENTAL SERVICES COMMITTEE		Subject: CAPITAL MONITORING REPORT 01.04.14 – 27.02.15 (PERIOD 12) REGENERATION AND ENVIRONMENTAL SERVICES COMPOSITE CAPITAL PROGRAMME FOR 2014/15
From: EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES		
Date: 21 APRIL 2015	Ref: PJ/RC/JM/MM/P12	

1. Introduction

1.1 The purpose of this report is to advise the Environmental Services Committee of the overall projected financial position for the 2014/15 capital programme, for the period 1st April 2014 to 27th February 2015.

2. Service Overview

- 2.1 The approved programme last reported to the Environmental Services Committee, at period 9, was £34,526,671
- 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 £474,610 comprised as follows:-
- Capital from Current Revenue (CFCR) adjustment for machinery within Land Management £200,000 and CFCR adjustment relating to water quality improvements for the Commonwealth Games £77,651.
 - The third and fourth quarter receipts totalling £1,148,559 of the current year's confirmed £2,297,117 Vacant and Derelict Land fund allocation.
 - Reduction of £50,000 SPT grant within Planning Town Centres Bus stances project. Due to ownership issues Planning are unable to deliver the project specification prior to the 31st March 2015 as originally agreed.
 - Virements between the Local Development Programme 14/15 to Learning & Leisure were agreed by Wishaw Local Partnership Committee for Coltness Mountain Bike Track £10,000 and St Monica's PS Play Area £10,000.
 - CFCR adjustment relating to delivery of improvements to roads and footpaths for the Commonwealth Games at Strathclyde Country Park £64,598.
 - 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.
 - Additional funding from Glasgow 2014 towards pre-games works, required to make Strathclyde Park a compliant venue for the Triathlon event, £12,988.
 - A reduction of £1,350,000 SPT grant as follows:
 - 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 net, an underspend of £230,000.
 - Bellhaven Park & Ride – £315,000 was approved for this project which is expected to be completed at a cost of £240,000, an underspend of £75,000.

- A71 Horsley 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, therefore slippage will be £735,000.
- Newhouse Car Share Facility – £315,000 was approved for this project however, due to Land acquisition delays, the current year outturn will be £5,000, therefore slippage will be £310,000.
- Close-down of previous years SPT advance Grant Funded Projects £109,857
- CFCR transfer of £200,000 to Roads Maintenance for road surfacing work.
- Reduction of Transport Scotland grant £5,000 for Electric Vehicle Charging Infrastructure project.

This gives an approved programme, as at Period 12, of £35,001,281.

2.3 Further net adjustments amounting to a decrease of £230,000 have been incorporated into the programme for this report:-

- CFCR adjustment of £250,000 due to a delay in the initial design to identify land requirements for the Chapelhall Air Pollution project, to be delivered in 2015/16. This slippage is being included in the Revenue Monitoring Report where it was originally approved as growth funding.
- A71 Horsley Brae – further expenditure of £20,000 has been identified over and above the £15,000 recorded in paragraph 2.2 above which will result in £35,000 of the £750,000 grant being spent this year, therefore slippage will be £715,000.

2.4 This results in a reported programme of £34,771,281.

3. Monitoring Summary

3.1 The position is summarised in Appendix 1.

3.2 To date, the Regeneration and Environmental Services' programme is 85% committed. This compares with a 90% commitment level achieved at the same time last year.

4. Programme Variances

4.1 The programme is showing a projected outturn variance of £4,177,492 underbudget which relates to various projects as detailed below. This is a £284,523 net decrease compared to the period 11 programme mainly due to revised projections within Environment and Estates (paragraph 4.2 £100,000 increase), Planning and Regeneration (paragraph 4.4 £239,000 decrease) and Roads and Transportation (paragraph 4.5 £148,000 decrease).

4.2 Environment and Estates - £350,130 underspend

Within this projection Palacerigg Country Park is reporting £405,000 of slippage due to delays in the commencement of the project due to procurement and delivery issues and Cambusnethan Cemetery project is reporting slippage of £27,000. Drumpellier Park reports slippage of £180,000 due to roads contractors being behind on works projects. These slippages are partly offset by Bothwellhaugh Cemetery project with increased costs of £217,000 as a result of an adjudication. There are also overspends within Fleet of £72,000 for capitalised equipment, Land Management of £30,000 for additional infrastructure repairs and £9,000 drainage and £30,000 for the Dementia Gardens Project. The overspends will be managed within the 2015/16 budget. Community Growth Areas is reporting slippage of £100,000 as the project is now reaching a critical stage at both Glenboig and South Cumbernauld. In both cases the works and timescales are tied into statutory processes.

4.3 Protective Services - £1,480,000 underspend

Stane Gardens remediation and river restoration project is reporting £1,480,000 of slippage. This is £600,000 more than previously reported due to weather delays and the discovery of a mains power line going across the site. A revised project completion date will be advised as soon as available.

4.4 Planning and Regeneration - £1,025,252 underspend.

The Cumbernauld Community Enterprise Project is reporting slippage of £500,000. This is a large scale project to be delivered over financial years 2014-15 and 2015-16. The works commenced on site on 5th January 2015. There is also slippage of £115,000 within Vacant and Derelict Land Fund Newhouse Plot A1 and £17,500 from Newhouse Plot A2 due to delays in acquisition and procurement issues. A further £50,000, giving a total £250,000, has been identified as slippage for the Colzium Clock project, currently awaiting listed building consent for demolition works. There is also slippage forecast of £330,000 within Wishaw Main Street Phase 2 mainly due to contractor delays with materials, and £33,000 within Cumbernauld due to delays in agreeing the project details with Campsie Centres Limited. The Antonine Wall project forecasts slippage of £15,000 this year due to subcontractors being unable to deliver the project on time. These are offset by an overspend relating to Motherwell Town Centre of £26,000 mainly due to additional costs for Motherwell Cathedral and other miscellaneous overspends of £9,200.

4.5 Roads and Transportation - £1,322,374 underspend.

This underspend is mainly within the A723 Carfin Holytown dualling project with estimated savings on procurement of rail bridge of £837,374. This underspend will be used towards the remainder of the project which spans financial years. Once this figure is confirmed it will be included in a future report. There are slippages of £485,000 due to the failure of main roads contractor to fulfil contractual obligations. (See Financial Risks 5.3)

5. **Financial Risks**

- 5.1 The Crowwood Drive Railway Bridge Replacement project continues to be a financial risk as 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.
- 5.2 The Cumbernauld Community Enterprise Centre contractor started on site on 5th January 2015, following the contract being signed in December 2014. An updated cashflow has been received from the contractor, providing greater clarity on contract spend this financial year. There are still some non-contract costs to be confirmed to allow a final cashflow to be prepared. There is confirmed slippage of £500,000 at this stage; however it is recognised that this could increase depending on confirmation of non-contract expenditure.
- 5.3 There remains a significant risk within the Roads and Transportation programme with further slippage anticipated due to the failure of main roads contractor to fulfil contractual obligations and also given the proximity to year end and the timing of the winter period close.

6. **Future Years**

- 6.1 It should be noted 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.

7. **Financial Concurrence**

- 7.1 Prepared in accordance with the Scheme of Financial Delegation, the financial information contained within this report has been agreed with the Head of Financial Services.

8. Recommendation

8.1 Committee is asked to:

8.1.1 Note the financial position of the Capital Programme as at 27th February 2015.

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

A handwritten signature in black ink that reads "Paul Jukes". The signature is written in a cursive style with a large initial 'P' and 'J'.

Paul Jukes

Executive Director Regeneration and Environmental Services

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

	Environment and Estates (£)	Facility Support Services (£)	Protective Services (£)	Planning and Regeneration (£)	Roads and Transportation (£)	Totals (£)
Approved Programme as at P9	3,465,484	124,858	2,975,875	8,975,387	18,985,067	34,526,671
Approved adjustments between P9 and P12	277,651	0	0	1,078,559	-881,600	474,610
Approved programme as at P12	3,743,135	124,858	2,975,875	10,053,946	18,103,467	35,001,281
Proposed adjustments and virements	0	0	0	0	-230,000	-230,000
Reported programme as at P12	3,743,135	124,858	2,975,875	10,053,946	17,873,467	34,771,281
Committed Expenditure to date	3,313,250	125,122	1,491,455	8,982,758	15,692,603	29,605,188
Committed expenditure as a % of reported programme	89%	100%	50%	89%	88%	85%
Actual expenditure to date	2,345,123	116,642	1,183,672	5,385,190	11,147,390	20,178,017
Actual expenditure as a % of reported programme	63%	93%	40%	54%	62%	58%
Projected outturn at P12	3,393,005	125,122	1,495,875	9,028,694	16,551,093	30,593,789
Programme variance at P12	350,130	-264	1,480,000	1,025,252	1,322,374	4,177,492