

## NORTH LANARKSHIRE COUNCIL

## REPORT

TO:	CORPORATE SERVICES COMMITTEE	Subject: COMPOSITE CAPITAL PROGRAMME 2014/15 MONITORING REPORT 1 APRIL –27 FEBRUARY 2015 (PERIOD 12)
FROM:	HEAD OF CORPORATE PROPERTY & PROCUREMENT	
DATE:	19 MARCH 2015      REF: EH/LJ	

**1. Introduction**

- 1.1 The purpose of this report is to provide a summary of the financial performance of the Corporate Services Capital Programme for 2014/15. This report includes information on the projected outturn position at 27<sup>th</sup> February 2015.

**2. Summary of Financial Position**

- 2.1 The current capital expenditure position for Corporate Services can be summarised as follows:-

Approved Programme 2014/15	Actual Expenditure to 27 February 2015	Committed Expenditure as at 27 February 2015	Projected Outturn Expenditure to 31 March 2015	Projected Year End Variance
£4,463,243	£1,944,494	£3,503,608	£3,670,295	£792,948

Detailed analysis is contained in Appendix 1.

- 2.2 The programme for 2014/15 of £4,463,243 is made up of £3.917m in the original approved budget together with carry forwards from 2013/14 totalling £392,107. An additional £134,386 of Change Management Funding has been reflected within the current programme for the First Stop Shop setup programme. Contributions from Chief Executives Services and Air Quality Management Grant totalling £19,750 have also been added to the programme in relation to the installation of showers within the Civic Centre, as detailed in paragraph 3.9.3 below.
- 2.3 A total of £1,944,494 in expenditure payments was incurred up to 27<sup>th</sup> February 2015. This represents 43.6% of the total annual programme and 53.0% of the projected outturn. The low spend to date is primarily in relation to the Wishaw Hub project, however the service is confident they will spend to projected position.
- 2.4 A total of £3,503,608 has been committed to date. This represents 78.5% of the total annual programme and 95.5% of the projected outturn. The projected outturn expenditure to the end of the financial year equates to £3,670,295, which reflects slippage of £792,948. Appendix 1 provides information on all budget lines, but further details of the progress on some of the more significant projects is discussed in section 3 below.

**3. Programme Update****3.1 Council Chamber – Digital Congress Network**

This project is being facilitated by Democratic and Legal Services. Tenders were received on 3<sup>rd</sup> March and the contract awarded with the project expected to be completed within the current financial year.

**3.2 Corporate Demolitions**

The cost of the emergency demolition of The Arch Building, Bellshill as a result of the deterioration of its condition has been met from this budget, in the sum of £115,000. Work at Broomknoll Street, Airdrie is also now complete with final account still to be received. However delays in disconnecting utilities at Bank Street, Coatbridge have resulted in expected slippage in

this budget line of £27,715. Furthermore, delays as a result of the requirement for the Council to obtain conservation area consent for the demolition at Baird Street, Coatbridge and the subsequent requirement to liaise with the Royal Commission on Ancient and Historic Monuments of Scotland have caused additional delays.

### 3.3 Wishaw Hub Programme

The Wishaw Hub Programme spans a number of financial years, with the total provision within the 14/15 budget amounting to £2,936,292 and a further £3,000,000 to be included within the 2015/16 programme. Delays in works on site have resulted in the year to date spend being low at £1,094,2367, and slippage of £738,557 being anticipated within the 14/15 financial year. This is a reduction in the slippage previously projected, due to the efforts by the contractor to recover the delays in the project, however the service are confident that the project will spend to £2,197,735 as indicated in appendix 1.

### 3.4 Condition Surveys

A 5 year rolling programme of condition surveys is in place to inform the asset management process. The delivery model for these is under review and discussions with user services in relation to this are ongoing. As a result, no further orders will be placed within the current financial year with slippage of £35,972 anticipated.

### 3.5 Civic Centre – Lift Upgrading Works

The planned works to upgrade the two lifts in the Civic Centre complex were completed at the end of September, with some additional works to the exterior of the lifts required. The total projected spend on the interior and exterior works amount to £125,000 representing a £65,000 saving against the original budget. A budget adjustment has been made to utilise this to fund upgrade works that have been identified for some toilets within the Civic Centre.

### 3.6 FSS Set up – Dalziel Building

During the 13/14 financial year, works were carried out at Dalziel Building to facilitate the relocation of the Motherwell First Stop Shop to the Dalziel building. The First Stop Shop was opened to the public on 17<sup>th</sup> of February 2014, with final costs including fees of £12,000 being incurred in the current financial year. Funds of up to £455,000 were made available from the Change Management Fund for the relocation of both the Motherwell FSS to within Dalziel Building, and the Cumbernauld FSS to within Fleming House, with £224,000 required within 13/14. The remaining £231,000 is available within 14/15 and it is anticipated that this will be sufficient to cover both the final costs for the Dalziel Building, and the required works within Fleming House as discussed in paragraphs 3.7 and 3.10 below.

### 3.7 FSS Set up - Fleming House

Work commenced on site in February 2014 with the first stop shop opening to the public in May 2014. Expenditure of £212,462 was incurred in financial year 13/14 and a further £177,720 of expenditure incurred during 2014/15, with the remaining costs and fees to be finalised. The 2014/15 commitment is currently estimated to be £195,000 and the budget in appendix 1 reflects this. This is made up of the budget carried forward from 13/14 of £87,000, along with a contribution from the Change Management Fund, currently estimated at £108,000 (as detailed in 2.2 and 3.6 above).

### 3.8 AMP Rationalisation

There is currently a projected overspend of £24,693 on this programme, which relates to a number of office moves as part of the rationalisation of the office accommodation portfolio. When all the works are complete a reconciliation of the costs to services requests will be carried out to ensure all rechargeable costs are captured, with any resultant overspends being managed within existing budget.

### 3.9 Disabled Access

The Disabled access budget has been used to address deficiencies identified in the Statutory Performance Indicator – “public access buildings”, and to fund the works required at the Dalziel Building and to allow the new showers within the Civic Centre to be built accessibly as discussed in 3.9.2 and 3.9.3 below. A land ownership issue at has led to delays in the Glenmavis Community Centre ramp project which has resulted in slippage of £16,357 in this line.

The refurbishment of the FSS at the Dalziel Building and the construction of the new access ramp and entrance way fully complied with the requirements of the current Building Regulations. However as previously advised, there have been some health and safety incidents involving members of the public accessing and exiting the new First Stop Shop and bank at Dalziel Building. To mitigate against potential future incidents an architect was engaged to remodel the entrance to address the issues that have arisen. Work was completed by the original contractor at the end of November at a cost of £17,700 plus fees.

In order to facilitate the staff cycle to work scheme, shower facilities are being installed within the Civic Centre. The total anticipated cost is £39,750 with a contribution of £10,000 received from Chief Executives Service, and £9,750 to be claimed through the Air Quality Action Plan grant. The increased cost of ensuring that the showers are built to be fully accessible will be met from the Disabled Access budget and a £20,000 budget adjustment has been made to reflect this. Work is expected to start on site in mid-March with completion by the end of the financial year.

### 3.10 Corporate Energy

A number of projects have been identified, and instructed including a water reduction measures, voltage optimisation and other energy saving measures such as the installation of LED lighting. Works are progressing, with full spend expected.

### 3.11 Fleming House Windows

These works were programmed to run concurrently with the First Stop Shop works and are now complete. Final bills and fees are still to be paid, with total costs for the year anticipated to amount to £75,000. A contribution from the change management fund of £15,000 has been reflected within the budget in respect of increased costs associated with the windows for the First Stop Shop.

## 4. **FINANCIAL CONCURRENCE**

- 4.1 The Head of Financial Services has confirmed that the information detailed within this report reflects the anticipated financial position of the Service.

## 5. **RECOMMENDATION**

- 5.1 The Committee is asked to note the financial position of the Corporate Services Capital Programme as at 31<sup>st</sup> March 2014.



**Head of Corporate Property & Procurement**

Members seeking further information on the contents of this report are asked to contact Eric Hislop on Tel, 01698 302372.

## CORPORATE SERVICES

## CAPITAL PROGRAMME 2014/15

	Current Programme £	Current Expenditure £	Current Commitment £	Projected Outturn £	Projected Year-end Variance £
<b>Capital Schemes</b>					
AX023 - COUNCIL CHAMBER -DIGITAL CONGRESS NETWORK	67,000	0	0	67,000	0
XP013 - DEMOLITIONS	219,715	136,672	192,000	192,000	27,715
XP015 - WISHAW HUB PROGRAMME	2,936,292	1,094,236	2,197,735	2,197,735	738,557
XP105 - CORP PROP ADVERSE WEATHER FUND	1,159	1,159	1,159	1,159	0
XP106 - CORP PROP - CONDITION SURVEYS	100,000	14,028	64,028	64,028	35,972
XP107 - CORP PROP - HEALTH & SAFETY	49,789	8,953	49,789	49,789	0
XP112 - CIVIC CENTRE - LIFT REPAIRS	125,000	90,221	125,000	125,000	0
XP114 - FSS SET UP - DALZIEL BLDNG	12,000	10,237	12,000	12,000	0
XP115 - FSS SET UP - FLEMING HOUSE	195,000	177,720	195,000	195,000	0
XP116 - AMP RATIONALISATION	103,835	120,111	128,528	128,528	-24,693
XP117 - FSS UPGRADES	11,420	1,229	11,420	11,420	0
XP118 - COATS HOUSE REFURBISHMENT	0	960	960	960	-960
XP119 - CIVIC CENTRE - TOILET UPGRADES	64,929	0	64,929	64,929	0
XP120 - CIVIC CENTRE - SHOWERS	39,750	550	39,750	39,750	0
XP401 - DISABLED ACCESS	101,357	24,728	85,000	85,000	16,357
XP403 - ASBESTOS-CORPORATE PROP	105,646	105,646	105,646	105,646	0
XP406 - CORPORATE ENERGY	255,351	94,057	155,664	255,351	0
XP408 - FLEMING HOUSE WINDOWS	75,000	63,987	75,000	75,000	0
<b>Total Corporate Services</b>	<b>4,463,243</b>	<b>1,944,494</b>	<b>3,503,608</b>	<b>3,670,295</b>	<b>792,948</b>