

NORTH LANARKSHIRE COUNCIL

REPORT

To: POLICY AND RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2014/2015 MONITORING REPORT 1 APRIL TO 27 FEBRUARY 2015 (PERIOD 12)
From: EXECUTIVE DIRECTOR OF FINANCE & CUSTOMER SERVICES		
Date: 10 APRIL 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 27 February 2015 (Period 12).

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 £59.183m, £0.093m less than reported at period 10. This is a net reduction comprising of £1.510m grant funding returned to SPT as a result of project delays caused by land acquisition issues and lower than expected tender values and additional funding of £1.417m from grants and contributions including: Vacant and Derelict Land Fund (£0.574m); Sustrans Scotland (£0.294m); Commonwealth Games (£0.142m); and revenue contributions totalling £0.400m for the purchase of grounds maintenance plant machinery and the Roads Programme of works.

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 12 is as follows: -

	Current Programme	Projected Outturn	Outturn Variance
	£000s	£000s	£000s
Expenditure			
Corporate Services	4,463	3,670	793
Regeneration & Environmental Services	35,001	30,824	4,177
Finance & Customer Services	1,212	1,155	57
Social Work Services	5,038	4,682	356
Learning & Leisure Services	13,469	13,073	396
Total Expenditure	59,183	53,404	5,779

3.2 Actual expenditure to 27 February 2015 is £36.170m and committed expenditure is £51.888m, representing 87.7% of the current programme. An analysis of actual expenditure to date is contained in Appendix 1.

4. Projected Outturn at 27 February (Period 12)

4.1 The projected outturn on the programme is £53.404m, £5.779m less than the current expenditure budget. The major issues are discussed below.

4.2 Corporate Services project spend of £3.670m, £0.793m less than current budget mainly due to slippage for the Wishaw Hub project as previously reported (period 10 £1.296m). The contractor is continuing to attempt to recover delays with the project and as a result anticipated slippage is now £0.739m.

4.3 Regeneration and Environmental Services are projecting spend of £30.824m, £4.177m less than current budget. The main variances are discussed below:

- a) Slippage has increased by £0.600m to £1.480m for Stane Gardens remediation and river restoration project due to weather delays and more significantly the discovery of a mains power line across the site.
- b) Slippage has reduced to £0.500m (period 10 £0.700m) for Cumbernauld Community Enterprise Centre as a result of updated projections received from the contractor providing greater clarity on contract spend this financial year.
- c) As reported at period 10 slippage continues to be anticipated for Wishaw Main Street Phase 2 (£0.330m) and Palacerigg Country Park (£0.150m).
- d) The Roads and Transportation programme is anticipating slippage of £0.485m as a consequence of the main roads contractor being unable to fulfil contractual obligations this financial year. For this same reason, Drumpellier Country Park is anticipating slippage of £0.180m.
- e) Anticipated spend on Community Growth Area will slip £0.100m. Given the complexity of the projects and the requirement to interact with both internal and external parties to progress statutory processes, the project timescale cannot be directly controlled and has resulted in delays.
- 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 £1.155m, £0.057m less than current budget. The main variances are discussed below:

- a) As previously reported, slippage is anticipated for the Schools Hardware Refresh Project of £0.295m. The slippage however will accommodate the advance purchase of hardware in relation to the Core Site Telephone System Replacement project (£0.141m) in the current financial year. New priorities relating to the Automated Call Distribution project (£0.062m) and the Windows 2003 server upgrade (£0.044m) will offset the remainder of the slippage.

The Service has advised that the cost of these new priorities will be managed throughout the remainder of the 5-year capital programme.

4.5 Social Work Services are projecting spend of £4.682m, £0.356m less than their current budget. This is a movement of £0.747m from that reported at period 10. The main variances are discussed below:

- a) Slippage of £0.950m is anticipated for the development of the Short Stay Care Services, a movement of £0.517m from that reported at period 10 (£0.433m). This is due to a delay with Wishaw Short Stay Care Service's site investigation and ground condition reports. Agreement is also being sought with Scottish water in relation to the water network with negotiations expected to take some time.
- b) Motherwell Day Centre's previously reported overspend (£0.435m period 10) has reduced to £0.388m for 2014/15, with the balance of £0.047m slipping into 2015/16. This is due to a delay in fitting the CHP unit and remedial works to the fan.
- c) Cumbernauld Day Centre's previously reported overspend (£0.998m period 10) has reduced to £0.811m for 2014/15, with the balance of £0.187m slipping into 2015/16. This is due to a delay as a result of inclement weather.
- d) Overspends remain unchanged for Integrated Equipment and Adaptations Service (£0.287m) but have increased slightly for Airdrie Day Centre to £0.041m due to consultant fees (£0.039m period 10).

4.6 Learning and Leisure Services are forecasting spend of £13.073m, £0.396m less than current budget. This is a movement of £0.768m from that reported at period 10. The main variances are discussed below:

- a) As highlighted previously, the wind and watertight budget is forecast to spend £0.156m (£0.141m period 10) less than budget and Pre-Planned Preventative Maintenance is projecting an overspend of £0.196m (£0.187m period 10).
- b) The Sport budget heading is forecasting an in year underspend of £0.089m compared to the previous reported overspend (period 10 £0.318m). Based on contractor projections for the Time Capsule sub-station, only the associated car park works will take place this financial year resulting in an overspend of £0.089m for 2014/15 (period 11 £0.307m). In addition to this, the Wishaw hybrid pitch is now reporting slippage of £0.106m, compared to the previous reported overspend (£0.009m), due to timing of the tender. It should be noted that these overspends will still require to be addressed in 2015/16.
- c) CultureNL is forecast to spend £0.119m less than budget mainly due to slippage in a number of areas: Isa Money Centre (£0.076m), Airdrie Library (£0.052m) and Calder Play Area (£0.030m).

5. Budget Monitoring Summary – Schools and Centres 21

5.1 The Council has reached financial close with the South West Hub on the projects to construct the new Clyde Valley Campus and Greenfaulds High School. An underspend of £2.877m is forecast for 2014/15 and reflects the updated expenditure profile for the SC21 Phase 2 projects. The projected position at period 12 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 27 February 2015 are £4.066m, largely attributable to the sale of the Smithstone site (£3.750m). Approximately £0.524m 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 £1.458m unless additional receipts materialise prior to the end of the financial year. 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 27 February 2015 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 27 February 2015.



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 12

Composite Capital Programme	Current Programme 2014/15 £000	Projected Outturn 2014/15 £000	Outturn Variance 2014/15 £000	Committed Expenditure 27-Feb-15 £000	Actual Expenditure 27-Feb-15 £000
Corporate Services	4,463	3,670	793	3,504	1,944
Regeneration and Environmental Services	35,001	30,824	4,177	29,605	20,178
Finance and Customer Services	1,212	1,155	57	1,136	723
Social Work Services	5,038	4,682	356	4,682	3,739
Learning and Leisure Services	13,469	13,073	396	12,961	9,586
Total Composite Capital Programme (excl SC21)	59,183	53,404	5,779	51,888	36,170
Schools & Centres 21	13,806	10,929	2,877	7,627	7,493
Total Composite Capital Programme	72,989	64,333	8,656	59,515	43,663

HRA CAPITAL PROGRAMME SUMMARY 2014/15: Period 12

HRA Capital Programme	Current Programme 2014/15 £000	Projected Outturn 2014/15 £000	Outturn Variance 2014/15 £000	Committed Expenditure 27-Feb-15 £000	Actual Expenditure 27-Feb-15 £000
HRA Mainstream Programme	44,476	40,195	4,281	40,428	26,810
HRA New Build Programme	11,262	7,379	3,883	3,244	5,096