

To: POLICY AND RESOURCES (FINANCE & CUSTOMER SERVICES) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2015/16 MONITORING REPORT 1 APRIL TO 16 OCTOBER 2015 (PERIOD 7)
From: EXECUTIVE DIRECTOR OF FINANCE & CUSTOMER SERVICES		
Date: 25 NOVEMBER 2015	Ref: PH/EK/VR	

1. Purpose of Report

1.1 The purpose of this report is to provide an update on resources and expenditure on the 2015/16 budgets 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 16 October 2015 (Period 7).

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 Schools and Centres 21 (SC21) initiative.
- 2.2 The current Composite Capital Programme is based on a target spend of £56.430m, representing a decrease in resources of £7.756m from the period 4 report to committee. This is mainly due to the outcome of the mid-year review of the capital programme whereby declared slippage of £12.682m was partly offset by accelerated projects of £2.245m along with additional funding of £0.718m from the emerging priorities fund, resulting in a net decrease to the programme of £9.719m. (It should be noted that the original budget included programmed slippage of £4.050m.) In addition the programme has been increased by £1.134m for the CCTV Wireless Transmission project as approved at the Policy and Resources Committee on 17 September 2015 with funding from future revenue savings.
- 2.3 The SC21 budgeted programme for the year remains at £14.773m, as reported following the Mid Year Review of the Capital Programme, approved by Committee in Sept 2015. Costs and spending profiles are indicative at this stage, and will continue to be so until construction contracts are in place. Confirmation is also awaited on final costs for projects linked to funding support from the Scottish Futures Trust.

3. Budget Monitoring Summary – Composite Capital Programme

3.1 The projected position of the Composite Capital Programme at period 7 is summarised below: -

	Current Programme £000s	Projected Outturn £000s	Outturn Variance £000s
Expenditure			
Corporate Services	6,278	5,605	673
Regeneration & Environmental Services	30,853	30,738	115
Finance & Customer Services	1,231	1,231	0
Social Work Services	5,865	5,625	240
Learning & Leisure Services	12,203	11,737	466
Total Expenditure	56,430	54,936	1,494

3.2 Actual expenditure to 16 October 2015 is £17.834m and committed expenditure is £41.217m which represents 73% of the current programme. An analysis of actual expenditure to date is contained in Appendix 1.

3.3 The programme has an anticipated outturn of £54.936m which is £1.494m less than the programmed expenditure budget.

4. Projected Outturn at 16 October (Period 7)

4.1 Corporate Services are forecasting spend of £5.605m, £0.673m less than current budget.

a) As previously reported, an underspend of £0.680m is forecast on the Houldsworth Centre (Wishaw Hub Programme). The centre has now opened with the remaining work of creating a new car park expected to be complete by March 2016.

4.2 Regeneration and Environmental Services are projecting spend of £30.738m which is £0.115m less than the current budget.

a) Projected spend has increased by £1.134m since the previous report as a result of the CCTV Wireless Network Transmission project, managed by Town Centre Activities, as approved at Policy and Resources Committee on 17 September 2015 with funding from future revenue savings.

b) Forecast reduction in spend for several projects that are funded by SPT grants consisting of £0.070m for various roads programmes and also £0.120m for the Cumbernauld Town Centre bus stances. This latter project will now span financial years 2015/16 and 2016/17 and the grant will be re-bid as part of the 2016/17 grant submissions to SPT.

c) The Service has highlighted new funding requirements for essential spend. These are currently being quantified and will be managed from within the Service's current budget with virements being proposed to a future Service Committee.

4.3 Finance & Customer Services project spend of £1.231m which is in line with the current budget.

4.4 Social Work Services are projecting spend of £5.625m which is £0.240m less than their current budget.

a) The forecast overspend on the Integrated Equipment and Adaptations Service is now £0.700m which is an increase of £0.300m from the previous report to committee. Discussions are continuing with NHS Lanarkshire to seek additional funding to address cost pressures within this area.

b) Projected overspends of £0.058m and £0.046m have been identified for completion of the Cumbernauld and Airdrie Day Centres respectively due to contractor claims and costs for road access. The overspend is partly offset by an underspend of £0.030m on the Westmarc NHS Facility which is complete.

c) Since the completion of the mid-year review, slippage of £0.763m is projected on the Chryston Short Stay Care Service due to a delayed start date; however in addition to this it is expected that the project will underspend by £0.250m as a result of reducing the project contingency allowance. The Service will consider using this underspend to partly offset cost pressures elsewhere.

d) In addition, it should be noted that the Wishaw Short Stay Care Service project is likely to incur additional costs which will be quantified when the final site investigation report is available late November 2015.

4.5 Learning and Leisure Services are forecasting spend of £11.737m which is £0.466m less than their current budget.

a) An underspend of £0.116m is anticipated for the pre-planned preventative maintenance budget as a result of a reduction in the specification for heating works (£0.060m) and revisions to previously programmed works (£0.056m). In addition,

slippage of £0.228m is forecast in this area for Chryston Primary School where works will be delayed until summer 2016 to minimise disruption within the school.

- b) Slippage of £0.147m is projected within the sustainable estate programme as a result of the service's general area review with projects being developed for the new financial year.

4.6 The Learning & Leisure Services Committee at its recent meeting of 3 November 2015 considered a report in respect of essential corrosion repair work at the Time Capsule Coatbridge. Tenders have now been received for these works to a value of £385,010 excluding fees, and will be reported to the next scheduled committee meeting of Learning & Leisure Services in February 2016. In the meantime a programme of works will commence for completion by March 2016, and will be funded from within the Service's current revenue budget.

5. Budget Monitoring Summary – Schools and Centres 21

5.1 The Schools and Centres 21 programme is anticipating spend of £14.773m which is in line with the current programme following the mid-year review. The programme is currently progressing three primary school joint campuses, one standalone primary school and one secondary school. Cost estimates and profiles are indicative as there are no construction contracts in place at present. The service is also awaiting confirmation of final costs on projects linked to funding from the Scottish Futures Trust which may alter the profile of expenditure throughout the project life.

6. Capital Receipts

6.1 The capital programme is partially funded by capital receipts generated through the sale of Council land and buildings. The target for 2015/16 is £4.440m, made up of the approved budget of £3.000m and a shortfall of £1.440m carried forward from the 2014/15 programme.

6.2 Regeneration & Environmental Services have advised that, despite the market showing some early signs of recovery, it is likely that the actual level of capital receipts will be significantly below the target. Capital receipts received to date are £0.731m with an under-recovery of £3.125m projected for the year.

6.3 As a result of the level of slippage declared at mid-year review, the shortfall in receipts is unlikely to have a significant impact in the current year however the position will continue to be closely monitored with updates provided accordingly.

7. HRA Capital Programme 2015/16

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 16 October 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 16 October 2015.



Executive Director of Finance & Customer Services

COMPOSITE SERVICES CAPITAL PROGRAMME SUMMARY 2015/16: Period 7

Composite Capital Programme	Current Programme 2015/16 £000	Projected Outturn 2015/16 £000	Outturn Variance 2015/16 £000	Committed Expenditure 16-Oct-15 £000	Actual Expenditure 16-Oct-15 £000
Corporate Services	6,278	5,605	673	3,647	1,538
Regeneration & Environmental Services	30,853	30,738	115	22,481	9,750
Finance and Customer Services	1,231	1,231	0	833	168
Social Work Services	5,865	5,625	240	4,327	1,901
Learning and Leisure Services	12,203	11,737	466	9,929	4,477
Composite Capital Programme	56,430	54,936	1,494	41,217	17,834
Schools & Centres 21	14,773	14,773	0	9,372	9,334
Total Composite Capital Programme	71,203	69,709	1,494	50,589	27,168

HRA CAPITAL PROGRAMME SUMMARY 2015/16: Period 7

HRA Capital Programme	Current Programme 2015/16 £000	Projected Outturn 2015/16 £000	Outturn Variance 2015/16 £000	Committed Expenditure 16-Oct-15 £000	Actual Expenditure 16-Oct-15 £000
HRA Mainstream Programme	49,600	44,702	4,898	36,085	14,314
HRA New Build Programme	9,533	10,853	(1,320)	8,123	2,749