

**NORTH LANARKSHIRE COUNCIL  
REPORT**

To: ENVIRONMENTAL SERVICES		Subject: CAPITAL MONITORING REPORT  01.04.15 – 04.03.2016 (PERIOD 12)  REGENERATION AND ENVIRONMENTAL SERVICES COMPOSITE CAPITAL PROGRAMME FOR 2015/16
From: ACTING EXECUTIVE DIRECTOR OF REGENERATION AND ENVIRONMENTAL SERVICES		
Date: 26 April 2016	Ref: KW/RC/JM/CM/P12	

**1. Introduction**

- 1.1 The purpose of this report is to advise the Environmental Services Committee on the overall projected financial position for the 2015/16 capital programme, for the period 1<sup>st</sup> April 2015 to 4 March 2016.

**2. Service Overview**

- 2.1 The Regeneration and Environmental Services capital programme as reported to Committee at Period 9 was £30,674,573.
- 2.2 Adjustments to the programme, which have been approved and updated in the ledger by Finance and Customer Services, total £267,681 and result in an approved programme of £30,942,254. The adjustments were a Capital from Current Revenue (CFCR) budget of £198,931 for the Local Development programme, LDP project income of £10,000 from Play Services for Aldersyde Avenue Play Park, a virement to Learning & Leisure Play Services of £35,000 for the installation of play facilities at Frankfield Park, Cardowan, additional grant income from SEPA in relation to Stane Gardens £240,000 and Sustrans for Cycle Parking Projects £18,750. Partly offset by reductions in Roads and Transportation SPT grants for M8 Strategic Investment Sites of £115,000, Bus Infrastructure £30,000 and Airdrie Station Park and Ride £10,000 and a SPT grant reduction in Planning £10,000 for Cumbernauld Bus Stances.
- 2.3 A further proposed adjustment has also been included in this report within Roads and Transportation for £20,000 additional grant income from Sustrans in relation to cycle projects. This results in a reported programme of £30,962,254.

**3. Monitoring Summary**

- 3.1 The projected financial position is summarised in Appendix 1.
- 3.2 To date, the Regeneration and Environmental Services' programme is 82% committed. This compares with a 84% commitment level achieved at the same time last year.
- 3.3 The Overall capital programme is forecasting slippage of £4,253,795. This is an increase of £1,040,196 since that reported at Period 11. This movement is mainly due to further slippage within Regeneration due to a number of delays within the Physical Regeneration and VDLF Programme. Bellshill has increased by £70,000, Newhouse Plot 1A & Plot 2A have increased by £425,243 and £22,015 for other projects. Colzium Estate has increased by £100,000. Further slippage of £73,533 has been identified within the Local Development Programme.

There is slippage, previously recognised as a potential risk, within the NLC woodlands project, of £58,365 as a result of technical difficulties within the Forrestry Commission delaying the issue of contracts. Within Roads and Transportation there is £102,000 further slippage due to delays obtaining materials for the LED lighting project and £120,000 increased slippage due to lighting stock. There is also increased slippage within Traffic management and safety £56,927 and Flooding £41,250. This is partly offset by overspends within parking of £57,884 as the Loretta housing sale will now not take place this financial year and within operations £48,212 and structures maintenance £11,166. Within Protective Services there is £95,934 increased slippage within the Stane Gardens project due to delays in land acquisition and wet ground conditions.

3.4 The main variances within the overall capital programme are as follows:

**3.4.1 Environment and Estates £374,794 Slippage**

Within Environment and Estates, there is slippage on the Bedlay Cemetery project due to developer delays in relation to planning permission and the transfer of land, which are outwith the Council's control of £246,139 projected. In addition, there is reported slippage of £184,749 in Visitor Services, due to delays in the Palacerigg Park bothy contract. This is as a result of bats being found in the old bothy, and as a protected species, they cannot be disturbed until they finish nesting. Further, slippage of £58,365 has arisen within the Woodlands projects funds, as a result of technical difficulties within the Forrestry Commission delaying contracts, and £18,697 will be slipped into next year to fund a project at Dalziel Estate for landscape restoration work. These items are partly offset by emergency cemetery and drainage works required to be carried out in Airbles, Kilsyth and Moodiesburn totalling £67,233, additional contract costs at Benhar of £38,714, and fleet equipment £41,590. There is also slippage reported of £12,304 within Community Growth Area project due to an issue with the completion of the Transport Assessment.

**3.4.2 Protective Services £1,036,934 Slippage**

As a result of wet weather delays throughout the summer and winter period, and additional mine shaft workings which have now been resolved, slippage of £1,036,934 is forecast within the Stane Gardens project.

**3.4.3 Planning & Regeneration £2,167,574 Slippage**

Within Planning delays in identifying projects have resulted in slippage of £67,015 within Cumbernauld Town Centre. Motherwell Town Centre is reporting slippage of £110,607 as a result of delays in finalising the Charettes report. This means that whilst projects should be identified and tendered, they are unlikely to be started this financial year. In addition slippage of £281,032 is anticipated within Wishaw Town Centre, which will be required in 2016/17 to fund work as a result of the noise impact surveys in Kitchener Street. The Council is legally obligated to complete these works and whilst an approach has been agreed with Legal Services, this now needs to be applied to each potentially affected property to assess the level of work on each. This will not be completed this financial year.

Current slippage is being reported within the Local Development Programme of £177,084 in relation to Play Services projects being delivered by Culture NL and £139,650 for parking and traffic calming projects. This is due to delays in starting these projects, therefore they will now not be completed until next financial year. Colzium Clock theatre project has now been realised at £550,000 due to delays in the tender process, listed building consent and planning approval. Slippage within the 2015/16 VDLF programme has been identified at Bellshill of £270,000, Newhouse Plot 1A of £535,243, Newhouse Plot 2A of £15,000 and QS Support of £4,000, these are all due to site delays caused by ground conditions and wet weather. Slippage of the VDLF programme has been authorised by Scottish Government. There is also a further £18,015 on other minor projects.

#### 3.4.4 **Roads & Transportation £683,977 Slippage**

There is slippage of £326,000 due to delays in obtaining materials for LED lighting projects and also £120,000 slippage due to lighting stock. Slippage of £447,475 in road traffic management is mainly due to delays in the A80 traffic signal upgrades due to issues with the contractor £249,500, and £200,000 due delays in speed limit review projects. There is £341,558 of slippage in flood risk management due to staff resources being diverted from programmed project management, to reactive work as a direct result of the sustained period of adverse weather. Minor slippage of £12,248 on DDA expenditure. This overall slippage is being partly offset by managed overspends of £376,421 on structures investment. – mostly due to an accelerated payment being made to Network Rail (as agreed at Committee) for Benhar Road bridge, and £232,251 on road refurbishment. Parking provisions are forecasting slippage of £45,369 as a result of delays in land acquisition.

#### 4. **Project Risks**

- 4.1 There is potential risk of £20,000 slippage in the Benhar cemetery contract, due to delays in pre-contract work by design services.

#### 5. **Financial Concurrence**

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 following assessment and due diligence by service-based finance personnel.

#### 6. **Recommendation**

- 6.1 Committee is asked to:

6.1.1 Note the financial position of the Capital Programme as at 4<sup>th</sup> March 2016.

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



**Kenneth Wilson**

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	Environment and Estates (£)	Facility Support Services (£)	Protective Services (£)	Planning and Regeneration (£)	Roads and Transportation (£)	Totals (£)
Approved Programme as at P9	£2,275,772	£104,516	£2,010,229	£13,478,705	£12,805,351	£30,674,573
Approved adjustments between P9 and P12	-£6,414	£157,601	£237,491	£112,168	-£233,165	£267,681
Approved programme as at P12	£2,269,358	£262,117	£2,247,720	£13,590,873	£12,572,186	£30,942,254
Proposed adjustments and virements	£0	£0	£0	£0	£20,000	£20,000
Reported programme as at P12	£2,269,358	£262,117	£2,247,720	£13,590,873	£12,592,186	£30,962,254
Committed Expenditure to date	£1,887,845	£271,600	£1,204,526	£11,030,718	£10,977,536	£25,372,224
Committed expenditure as a % of reported programme	83%	104%	54%	81%	87%	82%
Actual expenditure to date	£1,218,614	£114,349	£1,200,287	£8,240,713	£8,444,881	£19,218,843
Actual expenditure as a % of reported programme	54%	44%	53%	61%	67%	62%
Projected outturn at P12	£1,894,564	£271,601	£1,210,786	£11,423,299	£11,908,209	£26,708,458
Programme variance at P12	£374,794	(£9,484)	£1,036,934	£2,167,574	£683,977	£4,253,795