

NORTH LANARKSHIRE COUNCIL REPORT

To ENVIRONMENTAL SERVICES COMMITTEE	Subject: CAPITAL MONITORING REPORT
From: ASSISTANT CHIEF EXECUTIVE (INFRASTRUCTURE)	01.04.16 – 24.06.2016 (PERIOD 3)
Date: 16 August 2016	Ref: RS/RC/JM/P03
INFRASTRUCTURE COMPOSITE CAPITAL PROGRAMME FOR 2016/17	

1. Introduction

- 1.1 The purpose of this report is to advise the Environmental Services Committee on the overall projected financial position for the 2016/17 capital programme, for the period 1 April 2016 to 24 June 2016.

2. Service Overview

- 2.1 The Infrastructure base capital programme as approved by the Policy and Resources Committee on the 17th March 2016 is £15,311,000.
- 2.2 Adjustments to the programme, which have been approved and updated in the ledger total £5,955,717 and result in an approved programme of £21,266,717. The adjustments are:
- Carry forwards from the 2015/16 programme of £4,724,708
 - Strathclyde Partnership for Transport (SPT) grants within Roads of £385,000 for Ravenscraig Access Strategy, A71 Junction Improvements, Bus Infrastructure Improvements, Airdrie Station Park & Ride, M8 Strategic Investment Sites Cycle Access Improvements and Motherwell College Bus Facility Improvements.
 - A £300,000 interest free loan from Salix Finance Limited a not for profit company funded by the Department for Energy and Climate Change, for energy efficient street lighting in order to generate energy savings.
 - A contribution from Planning towards Baird street parking, Coatbridge £86,459 as this is project is within a conservation area.
 - Funding for 2018 Championships from Council reserves of £340,000 for the Finishing Tower.
 - Grant income from the Forrestry Commission £128,698 for Thornwood and Newarthill woods.
 - A transfer from Regeneration of £24,000 towards the woods project as above.
 - A reduction to the pool car budget based on finalised costs of £35,148 for this project

3. Monitoring Summary

- 3.1 The projected financial position is summarised in Appendix 1. To date, the Infrastructure programme is 29% committed. This compares with a 49% commitment level achieved at the same time last year. The overall capital programme is forecasting slippage of £1,378,862. This is an increase of £1,188,867 since Period 2. This is mainly due to slippage projected in relation to Bedlay Cemetery and Coats House.
- 3.2 The main variances within the overall capital programme are as follows:
- 3.2.1 Environmental Assets £810,847 Slippage

- 3.2.1.1 Slippage of £828,019 is projected at this stage in relation to Bedlay cemetery, as it is anticipated that this project will not be started this financial year. This project is dependent on progression by the developer on their plans for land surrounding Bedlay, and the subsequent transfer of land to the Council through a Section 75 agreement. In addition, there are delays in the Council's own planning permission at the cemetery, as we await approval from SEPA. This slippage has been partly managed by acceleration within Fleet of £30,000 for the purchase of an oil management system. A budget virement is requested to transfer £30,000 budget and a corresponding payback will take place in 2017/18.
- 3.2.1.2 The 7 lochs project requires Council match funding of £34,000 for the Crannog play area at Drumpellier Country Park. As a result a budget virement is requested to transfer funds from the general facilities maintenance budget to Greenspace as they are delivering this project.
- 3.2.1.3 Within Roads & Transportation there is slippage within Parking of £214,000 due to the profile of spending at Harthill Park and Ride. The Harthill project is anticipated to cost £400,000 in total. This project had previously been reported to Council as being delayed beyond the current capital planning period and the funding removed. However results from the Japanese knotweed treatment survey have meant that although the problem has not been eradicated, an alternative layout can now be developed to work around the problem areas. As this was an SPT grant funded project it is essential that this project continues to avoid risk of paying any grant funding back to SPT. Delays in other car parking projects has resulted in unallocated budget of £364,000. £150,000 of this will now be used to fund Harthill spend in 2016/17, £214,000 will be slipped into 2017/18 to continue the Harthill project, with the final balance of £36,000 required to complete the project being allocated from the 2017/18 mainstream Parking budget.
The slippage of £214,000 noted above has been managed within the overall Roads and Transportation budget by acceleration of carriageway and resurfacing works, these funds will then be repaid to Parking in 2017/18.
- 3.2.2 Corporate Property & Procurement £568,015 Slippage
- 3.2.2.1 The service will complete £597,000 of the refurbishment of Coats House, with slippage of £485,000 to 2017/18. Permission required from neighbouring premises has been agreed. The formal legal agreement is now awaited and this delay has resulted in the increased slippage now reported. The service also project a slippage of £83,000 on the plan for condition surveys as a more robust strategy is currently being developed.

4. Project Risks

- 4.1 There is a risk within the Roads and Transportation programme of £60,000 for Parking Provisions in Coatbridge, due to land acquisition delays as the legal agreements are not currently in place.

5. Financial Risks

- 5.1 There are no financial risks to note at present.

6. Financial Concurrence

This report has been prepared by service based Financial Solutions personnel in consultation with budget managers, in accordance with the Financial Regulations.

7. Recommendation

- 7.1 Committee is asked to:

7.1.1 Note the financial position of the Capital Programme as at 24th June 2016.

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

- 7.1.3 Approve the budget virement request in paragraph 3.2.1.1 to transfer budget of £30,000 from Land Management to Fleet for the purchase of an oil management system.
- 7.1.4 Approve the budget virement request in paragraph 3.2.1.2 to transfer £34,000 of budget from general facilities maintenance to Greenspace for the delivery of the Crannog play area at Drumpellier Country Park as part of the 7 Lochs project.



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	Environmental Assets (£)	Corporate Property & Procurement (£)	Regulatory Services & Waste Solutions (£)	Totals (£)
Approved Base Programme	£12,429,000	£2,672,000	£210,000	£15,311,000
Approved adjustments between P1 and P3	£3,206,956	£1,693,104	£1,055,657	£5,955,717
Approved programme as at P3	£15,635,956	£4,365,104	£1,265,657	£21,266,717
Proposed adjustments and virements	£0	£0	£0	£0
Reported programme as at P3	£15,635,956	£4,365,104	£1,265,657	£21,266,717
Committed Expenditure to date	£2,816,503	£2,208,479	£1,091,353	£6,116,334
Committed expenditure as a % of reported programme	18%	51%	86%	29%
Actual expenditure to date	£1,731,801	£92,734	£360,657	£2,185,192
Actual expenditure as a % of reported programme	11%	2%	28%	10%
Projected outturn at P3	£14,825,108	£3,797,089	£1,265,657	£19,887,854
Programme variance at P3	£810,847	£568,015	£0	£1,378,862