

To: EDUCATION COMMITTEE		Subject: CAPITAL PROGRAMME 2016/17  MONITORING REPORT 1 APRIL TO 6 JANUARY 2017 (PERIOD 10)
From: ASSISTANT CHIEF EXECUTIVE (EDUCATION, YOUTH AND COMMUNITIES)		
Date: 20 JANUARY 2017	Ref: TOH/LD	

**1. Purpose of Report**

- 1.1 This report highlights the financial performance and progress of the Education, Youth and Communities (E, Y & C) Services capital programme for 2016/17.

**2. Background**

- 2.1 The current capital programme budget is £21.497m, a movement of £12.547m on the budget approved at Policy & Resources Committee for the Service on 16 February 2016. The movement is attributable to:

- Transfer of Facility Support Services Capital Programme from Regeneration and Environmental Services (£0.120m)
- Carry forwards of budgets from 2015/16 from the former Learning and Leisure Services (£3.753m) and the former Facility Support Services (£0.003m)
- Contribution from Kilbowie Repairs & Renewals Fund (£0.644m)
- External contributions to Culture NL Play Areas programme (£0.240m)
- Contribution from Ear Marked Reserves: CNL Modular Unit (£0.017m), Taylor Biomass (£0.109m), St Dominic's P.S. (£0.098m), NLL Health and Safety (£0.148m) and Broadwood Fire Detection & CCTV system (£0.200m)
- Capital contribution from the St Dominic's PS insurance settlement (£1.915m)
- Additional grant support for implementation of the Children & Young People Act (£1.866m)
- Mid-Year Review adjustments (£21.812m net decrease)
- SC21 Virement from Infrastructure Services (£0.152m)

**3. Budget Monitoring Summary**

- 3.1 Appendix A summarises the capital monitoring position for each major budget category within Education, Youth and Communities.
- 3.2 The Service budget and commitments have been re-aligned following the Mid-Year Review process. Following this exercise the year-end expenditure forecast of £21.254m equates to 98.9% of the revised budget, which is a minor movement from the position reported to the previous Committee.
- 3.3 The year end forecast incorporates estimates for work in progress, retention payments and contractor claims.

#### 4. Projected Outturn Variances

4.1 The explanations of significant variances within each programme category are summarised below. The Service pro-actively manages under and overspends within each programme with the aim of delivering an overall balanced budget position at financial year-end.

##### 1. Schools & Centres 21:

###### **Phases 1 & 2 (on target)**

The Service is progressing projects to provide two primary joint campuses, two stand-alone primary schools, two secondary schools and one 3-18 year old campus. With the primary school projects only now nearing the construction phase, expenditure in the current financial year will be limited to design fees, enabling works and a small amount of construction.

###### **Motherwell Review (£0.566m acceleration)**

The Service is continuing to develop a programme of works to improve the condition of secondary schools in the Motherwell area. These works will incorporate fire and security upgrades in Dalziel HS which will be completed in the current financial year. Further plans are being prepared to replace windows, cladding and main entrance refurbishment in Taylor HS, and windows, doors, boilers and lift in Braidhurst HS. In addition a programme of works to rewire and internally refurbish Brannock HS and Our Lady's HS has started and will be completed in 2017/18. The variance (£0.566m) is attributable to works being progressed in advance of the original project timeline.

###### **Capacity Pressures (£0.087m overspend)**

In a report to Learning & Leisure Services Committee in February 2016, the Service outlined the requirement to install modular units on 5 primary school sites to ease capacity pressures. These modular units were all operational for the start of the 2016/17 academic session and the variance projected is in relation to additional ground works required on site.

##### 2. Curriculum Development (£0.108m slippage)

The Service is currently progressing a programme of works to provide improved specialised curricular spaces in three high schools with a conditioning gym suite at Cardinal Newman HS, music upgrade at Bellshill Academy and art and music facilities at St. Margaret's HS. The tender process for these projects is close to completion however it is anticipated the majority of building works will be completed during financial year 2017/18. This slippage is partially offset by works to upgrade ICT infrastructure within the school estate.

##### 3. Health & Safety (£0.442m slippage)

The Service has a number of works committed for fire safety and toilet upgrades throughout the estate. Updated procurement/tender timelines indicate the majority of these works will now be undertaken during 2017/18.

The Service requests a budget virement of £0.167m to the Sport expenditure head to enable suitable flooring to be provided within Ravenscraig for use at the forthcoming Transplant Games.

##### 4. Pre-Planned Preventative Maintenance (£0.283m overspend, £0.327m slippage, £0.040m underspend)

The Service is undertaking condition survey works including boilers, rewires and floor cover replacements across a number of school sites.

This heading now includes the wind and watertight improvement works at Kilbowie Outdoor Education Centre following the transfer of operational responsibility from NLL to Education. The outturn position reflects additional costs associated with a contractor claim at Kilbowie (£0.283m) fully offset by slippage in the school decoration programme (£0.186m) and phasing of expenditure on the re-wire project at Redburn School (£0.141m). Lower than anticipated tender values have resulted in a minor underspend of £0.040m.

**5. Sustainable Estate (£0.324m overspend)**

Following a review of the remaining 5 year capital programme the Service will now fund Energy Efficiency works across establishments from sustainable estate resources thereby mitigating the overall impact of slippage from other items. This is partially offset by reduced tender costs in a number of projects.

**6. Wind & Watertight (£0.225m slippage, £0.029m underspend)**

The Service is progressing roofing works at St. Gerard's PS, Golfhill PS, St Andrew's PS and St Mary's, Cleland through the procurement process. Whilst these tenders are nearing completion it is unlikely that the projects will be on site before the end of the financial year resulting in total slippage of £0.120m. The tender process to replace windows at Kilsyth PS has been finalised, however, due to a 12 week production lead in time it is now anticipated that £0.104m of works will be completed in financial year 2017/18. There are minor underspends totalling £0.029m in the finalisation of valuations of previous year roof and window projects.

**7. Children & Young People (£0.021m overspend)**

The Service is nearing completion of Phase 1 of the programme which includes the development of new nursery provision across 13 establishments. The small projected variance is in relation to increased ground work costs associated with installation of Modular Units across a number of sites.

**8. Sport (£0.103m overspend)**

The projected variance is primarily attributable to the purchase of flooring required for use at Ravenscraig to host the Transplant Games. The flooring is portable and will be available for use at other events in Council facilities. This overspend is partially offset by lower than anticipated final tender costs associated with the sub-station works at the Time Capsule (£0.064m).

The service requests a virement of £0.167m from the Health & Safety header as outlined in paragraph 4.1.3 above.

**9. NLL (£0.254m slippage)**

Refurbishment of the gym and studio areas at Airdrie Leisure Centre have been delayed as a result of ongoing discussions with Scottish Power regarding the installation of a new sub-station, leading to current year slippage of £0.254m. The Service retains landlord responsibilities for NLL properties and following a number of condition surveys and recommendations from external bodies, including the Scottish Fire and Rescue Service, a number of health and safety upgrades are progressing in areas such as fire alarm systems and lighting/electrical systems. Slippage has occurred in procurement of the fire door replacement programme which has been fully offset with remedial works required at John Smith swimming pool.

**10. Community Facilities (£0.087m slippage)**

CultureNL is progressing with planned fire safety, disability access and internal refurbishments works to a number of community facilities. Planned roofing works at Greenfaulds Community Centre will now be completed next financial year and, similarly, slippage of £0.059m is anticipated in planned toilet upgrade works at Pollock Community Centre and Hattonrigg Senior Citizen centre.

The Service requests a virement of £0.180m to Enterprise and Housing Resources to support the Colzium Clock Tower project.

**11. Libraries (£0.084m slippage)**

Slippage has occurred in works to address the roof and stonework at Motherwell Library while a detailed survey suitable to the age, condition and listing of the building is carried out. As a result these works will begin during next financial year.

**12. Play Areas (£0.029m slippage)**

The upgrade of play area provision at Juniper Road, Viewpark has been delayed as Culture NL are in discussions with a developer to increase the overall funding package for this project. Although this delay means the play area would not be completed this financial year it will eventually result in the provision of an enhanced play facility. The current budget will therefore be slipped to 2017/18 when the play area can be completed.

The Service requests virements of £0.042m to Chief Executive's and £0.020m to Infrastructure Services to support projects at Katherine Park and Crannog Park, Drumpellier respectively.

**13. Heritage & Arts (on target)**

There are scheduled works at Sir John Wilson Town Hall to address minor dry rot issues and planned spend to upgrade the acoustic equipment at Motherwell Concert Hall.

**14. Facility Support Services (On target)**

There are scheduled minor works within school kitchens and planned purchases of catering/cleaning machinery.

**5. Financial Concurrence**

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

**6. Recommendations**

**6.1 Committee is recommended to:**

- (i) Note the financial position of the Education, Youth and Communities Capital Programme.
- (ii) Approve the virements outlined above and in Appendix B.
- (iii) Note the transfer of Kilbowie Outdoor Centre from NLL to the Pre-Planned Preventative budget heading.



Assistant Chief Executive (Education, Youth and Communities)

Table 1. Capital Performance 2016/17 - Period 10 (1 April to 6 January 2017)

APPENDIX A

Main Element	Original Budget	Current Budget	Expenditure to Date	Projected Outturn	Projected Outturn Variance, ie Slippage / Overspend	Committed to Date
		£	£	£	£	£
<b>S&amp;C 21</b>						
Schools and Centres 21 - Phase 1	0	68,815	0	68,815	0	0
Schools and Centres 21 - Phase 2	19,038,484	7,591,077	3,652,102	7,591,077	0	4,062,633
Schools and Centres 21 - Motherwell Review	2,000,000	1,331,967	1,216,622	1,897,739	-565,772	1,897,739
Schools and Centres 21 - Ph4 CYP Early Years Exp	0	0	0	0	0	0
Schools and Centres 21 - Ph5 Capacity Pressures	0	1,230,000	954,373	1,317,429	-87,429	1,317,429
<b>S&amp;C 21 TOTAL</b>	<b>21,038,484</b>	<b>10,221,859</b>	<b>5,823,098</b>	<b>10,875,060</b>	<b>-653,201</b>	<b>7,277,801</b>
<b>SCHOOLS</b>						
Curriculum Development	540,000	316,654	42,035	207,980	108,674	116,442
Health & Safety	700,000	966,186	296,243	524,350	441,836	524,350
Pre Planned Preventative Maintenance	2,445,000	2,607,356	1,504,634	2,522,932	84,424	2,377,435
Sustainable Estate	950,000	1,240,262	630,689	1,563,544	-323,282	1,558,635
Wind & Watertight	525,000	708,729	227,587	454,098	254,631	426,385
Children & Young People	5,700,424	2,646,920	2,099,658	2,668,629	-21,709	2,668,411
<b>SCHOOLS TOTAL</b>	<b>10,860,424</b>	<b>8,486,107</b>	<b>4,800,847</b>	<b>7,941,533</b>	<b>544,574</b>	<b>7,671,657</b>
<b>SPORT &amp; LEISURE</b>						
Sport	300,000	193,189	64,805	296,852	-103,663	81,525
NLL	230,000	997,715	316,518	743,418	254,297	230,392
<b>SPORT &amp; LEISURE TOTAL</b>	<b>530,000</b>	<b>1,190,904</b>	<b>381,323</b>	<b>1,040,270</b>	<b>150,634</b>	<b>311,916</b>
<b>CULTURAL</b>						
Community Facilities	1,123,000	565,544	62,715	478,841	86,703	280,910
Libraries	18,000	157,093	16,599	72,762	84,331	22,500
Play Areas	120,000	432,407	333,713	403,283	29,124	382,274
Heritage and Arts	354,000	320,074	59,288	320,074	0	148,359
<b>CULTURAL TOTAL</b>	<b>1,615,000</b>	<b>1,475,118</b>	<b>472,314</b>	<b>1,274,959</b>	<b>200,159</b>	<b>834,043</b>
<b>FACILITY SUPPORT SERVICES TOTALS</b>	<b>120,000</b>	<b>123,000</b>	<b>62,277</b>	<b>123,000</b>	<b>0</b>	<b>62,277</b>
<b>EDUCATION, YOUTH AND COMMUNITIES</b>	<b>34,163,908</b>	<b>21,496,988</b>	<b>11,539,859</b>	<b>21,254,822</b>	<b>242,166</b>	<b>16,157,694</b>

Budget Elements	Budget prior to virement	Proposed virement	Budget post virement	Reason for virement/effect on future years programme/effect on the budget providing the virement
Schools and Centres 21 - Phase 1	68,815		68,815	
Schools and Centres 21 - Phase 2	7,591,077		7,591,077	
CS21 - Motherwell Review Phase 3	1,331,967		1,331,967	
SC 21 Phase 4 - CYP Early Years Expansion	0		0	
SC21 Phase 5 - Capacity Pressures	1,230,000		1,230,000	
Curriculum Development	316,654		316,654	
Health & Safety	966,186	(167,000)	799,186	To support installation of flooring at Ravenscraig for Transplant Games.
Pre Planned Preventative Maintenance	2,607,356		2,607,356	
Sustainable Estate	1,240,262		1,240,262	
Wind & Watertight	708,729		708,729	
Children & Young People	2,646,920		2,646,920	
Sport	193,189	167,000	360,189	Virement from Health & Safety header to support installation of flooring at Ravenscraig for Transplant Games.
NLL	997,715		997,715	
Community Facilities	565,544	(180,000)	385,544	To support the Colzium Clock Tower project within Enterprise and Housing Resources.
Libraries	157,093		157,093	
Play Areas	432,407	(62,446)	369,961	To support the Katherine Park project (£44,446) within Chief Executive's and the Crannog Park project (£20,000) within Infrastructure.
Heritage and Arts	320,074		320,074	
Facility Support Services	123,000		123,000	
<b>Total</b>	<b>21,496,988</b>	<b>(242,446)</b>	<b>21,254,542</b>	