

To: POLICY & RESOURCES (FINANCE AND CUSTOMER SERVICES) SUB-COMMITTEE		Subject: COMPOSITE CAPITAL PROGRAMME 2016/17 MONITORING REPORT 1 APRIL 2016 TO 6 JANUARY 2017 (PERIOD 10)
From: HEAD OF BUSINESS FOR FINANCIAL SOLUTIONS		
Date: 7 FEBRUARY 2017	Ref: PH/EK/RM	

1. Purpose of Report

- 1.1 The purpose of this report is to provide an update on resources and expenditure on the 2016/17 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 6 January 2017 (Period 10).

2. Background

- 2.1 The current Capital Programme is made up of three components, the Composite Capital Programme, the continuation of the Council's Schools and Centres 21 (SC21) initiative and the Glasgow City Region City Deal.
- 2.2 The current Composite Capital Programme is based on a target spend of £44.654m. This is a minor increase of £0.127m from the period 7 report to committee.
- 2.3 The SC21 budget is unchanged at £10.222m. The City Deal budget has been reduced by £0.904m to £3.024m following a re-profiling exercise carried out across all Local Authority City Deal partners.

3. Overall Composite Programme Position

- 3.1 The projected position of the Composite Capital programme as at period 10 is summarised in table 1 below (excluding SC21 and City Deal budgets).

	Current Programme £000	Projected Outturn £000	Outturn Variance £000
Investment			
Education, Youth & Communities	11,275	10,380	895
Infrastructure	21,857	21,234	623
Enterprise & Housing	9,211	8,490	721
Chief Executive's	2,311	2,294	17
Total Service Investment	44,654	42,398	2,256
Resources	(30,964)	(30,964)	0
Capital Receipts	(4,362)	(1,930)	(2,432)
Previously Unutilised Resources	(10,381)	(10,381)	0
Total Resources	(45,707)	(43,275)	(2,432)

Table 1 – Total Composite Programme Outturn Position

- 3.2 The projected investment outturn is £42.398m which is £2.256m less than the current programme, and is a reduction of £0.543m from period 7. Capital receipts are expected to under-recover by £2.432m. This results in a net surplus in resources in the year of £0.877m.

3.3 The Council is required to spend its capital grant from the Scottish Government in the year it is received. A focus on progressing capital expenditure is required to ensure the council spends its full capital grant allocation in-year.

4. Investment Outturn Projection

4.1 Actual expenditure to 6 January 2017 is £22.340m, and committed expenditure is £35.424m which represents 79% of the current programme. An analysis of actual expenditure and commitment to date is contained in Appendix 1.

4.2 The major issues contributing to the investment outturn position of £42.398m and the resultant variance of £2.256m are as follows:

4.3 Education, Youth and Communities is projecting spend of £0.895m less than the current budget, a decreased spend of £0.844m from period 7. Total slippage of £1.556m is now projected including, Airdrie Leisure Centre (£0.254m), wind and watertight works (£0.225m), curriculum development (£0.108m), health & safety (£0.442m) and pre-planned maintenance (£0.327m). The slippage is partially offset by increased spend on energy efficiency (£0.324m), Kilbowie Outdoor Centre (£0.283m) and equipment for the Transplant Games (£0.167m), all of which will be managed within the overall programme. In addition there are a number of minor underspends amounting to £0.133m. It should be noted that the SC21 programme is projecting accelerated spend of £0.653m due mainly to advanced works under the Motherwell Review (para 6).

4.4 Infrastructure is projecting spend of £0.623m less than the current budget, an increased spend of £0.478m from period 7. As previously reported this is mainly attributable to the confirmed underspend on the Houldsworth Centre of £1.050m alongwith slippage of £0.413m within the parking programme offset by accelerated spend on carriageways and bridges of £0.605m. The increase spend is mainly attributable to additional costs of £0.272m within the Smarter Working programme in relation to the refurbishment of the Dalziel Building.

4.5 Enterprise and Housing Resources is projecting spend of £0.721m less than the current budget, a decreased spend of £0.044m from period 7. As previously reported slippage is anticipated within Vacant and Derelict Land Fund projects of £0.338m (an increase £0.138m from period 7), alongwith underspends in Social Work's minor works programme of £0.142m and on both the Airdrie Day Centre and Chryston Short-Stay Centre of £0.118m and £0.089m respectively. An overspend of £0.216m is now projected within the integrated equipment and adaptations service and will be funded by virement within the service. In addition, the Coatbridge Town Centre programme projects an underspend of £0.100m, while the Motherwell programme reports potential slippage of £0.154m as a result of additional funding.

4.6 Chief Executive's projected spend is £0.017m less than the current budget.

5. Resources Outturn Projection

5.1 The capital receipts budget of £4.362m comprises the 2016/17 approved budget of £1.000m and prior year under-recoveries of £3.362m. As previously reported, an under-recovery is anticipated in the current year of £2.432m (£2.383m at period 7).

6. Schools and Centres 21 Projection

6.1 The 2016/17 programme has projected spend of £0.653m above the current budget. This mainly represents an acceleration of works forming part of the Motherwell Review programme. The current programme, projected outturn, spend to-date and commitments are outlined in Appendix 1.

7. City Deal Projection

7.1 The 2016/17 programme projects spend of £2.450m compared to the re-profiled budget of £3.024m resulting in slippage of £0.574m. This is mainly in relation to ongoing work associated with the design and tender stage for the Glenboig/Gartcosh Link Road project. The current programme, projected outturn, spend to-date and commitments are outlined in Appendix 1.

8. HRA Capital Programme 2016/17

8.1 The HRA Mainstream and New Build programmes are reported by Enterprise and Housing Resources to the Housing and Social Work Committee. A summary of the position of the HRA capital programme at 6 January 2017 is included within Appendix 1 for information.

9. Recommendations

9.1 Committee is asked to note the financial position of the Capital Programme as at 6 January 2017.

A handwritten signature in black ink, appearing to be 'DJ', is located above the title of the Head of Business for Financial Solutions.

Head of Business for Financial Solutions

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 2016/17: Period 10

Total Composite Capital Programme	Current Programme 2016/17 £000	Projected Outturn 2016/17 £000	Outturn Variance 2016/17 £000	Committed Expenditure 06-Jan-17 £000	Actual Expenditure 06-Jan-17 £000
Investment					
Education, Youth & Communities	11,275	10,380	895	9,107	5,730
Infrastructure	21,857	21,234	623	18,794	10,361
Enterprise and Housing	9,211	8,490	721	6,116	5,143
Chief Executive	2,311	2,294	17	1,407	1,106
Total Investment	44,654	42,398	2,256	35,424	22,340
Schools & Centres 21	10,222	10,875	(653)	6,984	5,823
City Deal	3,024	2,450	574	1,142	1,142
Total Composite Capital Investment Programme	57,900	55,723	2,177	43,550	29,305

HRA CAPITAL PROGRAMME SUMMARY 2016/17: Period 10

HRA Capital Programme	Current Programme 2016/17 £000	Projected Outturn 2016/17 £000	Outturn Variance 2016/17 £000	Committed Expenditure 06-Jan-17 £000	Actual Expenditure 06-Jan-17 £000
Mainstream Programme	56,641	51,453	5,188	50,166	32,494
New Build Programme	22,192	11,136	11,056	4,531	2,571