

North Lanarkshire Council Report

Education and Families Committee

Agenda item _____ approval noting Ref RS/TO/JM Date 26/02/19

Capital Monitoring Report

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Executive Summary

This report highlights the financial performance and progress of the 2018/19 capital programme which was originally allocated to the Education, Youth and Communities (EY&C) Service. The report includes activity to period ended 4 January 2019 (Period 10) and reflects the updated capital monitoring and reporting procedures which were approved at the Policy and Resources Committee on 7 June 2018.

The Service is currently anticipating a net underspend of £2.278m primarily due to the preparatory work required to support the roll out of projects during the first year of Participatory Budgeting with the Local Development Plan (LDP). Further information on other project variances is included in Section 2.2 of this report.

During the year the Service has implemented a number of budget adjustments/virements which were approved at the Strategic Capital Delivery Group (SCDG) and Finance and Organisational Business Sub-Committee to help ensure available resources more closely reflect operational activity across projects.

Recommendations

It is recommended that the Education and Families Committee:

- (1) Notes the financial position of the 2018/19 capital programme.
- (2) Notes budget movements approved by the SCDG on 18 December as outlined in Appendix 1.
- (3) Notes future virement requests to the SCDG as outlined in Appendix 4 totalling £0.289m.

Supporting Documents

Council business plan to 2020	Improve the Council's resource base
Appendix 1	Budget Movements
Appendix 2	Summary Expenditure by Thematic Category
Appendix 3	Summary Expenditure by Theme
Appendix 4	Budget Virement requests

1. Background

- 1.1 Financial year 2018/19 is the first year of the new 5 year capital programme.
 - 1.2 The SCDG has a specified Terms of Reference which allow amendments to the programme budget. The Terms of Reference were previously approved at the Policy and Resources Committee on 7 June 2018.
 - 1.3 The Education and Families base capital programme for 2018/19 of £9.586m was approved by the Policy and Resources Committee on 21 March 2018. The current budget totals £46.984m and is reflective of a number of adjustments throughout the current financial year approved by the SCDG and Finance and Organisational Business Sub-Committee and the inclusion of long-term initiatives such as Schools & Centres 21 and the expansion of Early Learning and Childcare. These adjustments are outlined in Appendix 1.
 - 1.4 The Council's approved Financial Regulations require Executive Directors to remain within their approved budgetary provision, and to report all significant deviations – defined as the higher of £100,000 or 5% - within their budget monitoring reports. Where significant deviations are identified, Executive Directors must provide explanatory commentary, outline the action required to rectify such deviations and where relevant, must also highlight the impact this has on other budget headings.
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2 Report

- 2.1 The Service currently anticipates an underspend of £2.278m by financial year end. Capital budgets and expenditure are summarised into Thematic Categories (Appendix 2) and Divisional Themes (Appendix 3). The outturn forecast includes estimates for work in progress, retention payments and contractor claims.
- 2.2 The explanations of significant variances within each division are summarised below:
 - a Cultural Trust (Re-profiling £0.082m)

Updated works schedules for John McCormack CC (boiler), Westfied CC (toilet upgrades) and Greenfaulds CC (roof works) indicate that these projects will now be completed in April/May 2019, therefore, the Service will seek approval at the next SCDG meeting to re-profile £0.082m to 2019/20 financial year.
 - b Education (Acceleration £0.338m, Re-profiling £0.535m, Underspend £0.077m)

Curriculum Development – The Service has accelerated the upgrading of practical rooms including Home Economics (Dalziel HS), Art & Media (St Margaret's HS) and Art & Gym Suite (Cardinal Newman HS). Due to the requirement for additional fire stopping, ventilation and ceiling works there has been an overall increase in costs of £0.175m across these projects. In addition, the tender for the music room at Bellshill Academy has been awarded and works have commenced. These works will facilitate the

conversion of office space to support the relocation of the Community Learning & Development team.

The capital programme includes installation of new technical (£0.110m) and vocational equipment (£0.146m) across the school estate, including improvements to the outdoor learning space at Clydeview School and the installation of polytunnels at a number of school sites.

Sustainable Estate –The new modular unit to accommodate catchment pupils at Ladywell Primary School is now fully operational. The project has been completed under-budget and the service will request approval at the next SCDG meeting to re-profile £0.051m to 2019/20 financial year.

Health and Safety – The Service's fire alarm upgrade programme will be largely completed in the 2019/20 financial year resulting in slippage of £0.120m relating to five schools (Cleland PS, Muirhouse PS, Shawhead PS, St Serf's PS and Whitelees PS). In addition, a further four sites will now be progressed as part of a wider procurement of rewire and roofing contract in 2019/20 (Portland HS, St Augustine's PS, St Brendan's PS and Townhead PS).

Core Works – Cardinal Newman HS is currently in year two of a three year rewire project. Following agreement of an accelerated work profile from the contractor, the service will seek approval at the SCDG to reprofile £0.249m of budget into the current financial year.

ASN – Works to install a new modular unit at Redburn School and to reconfigure classroom spaces at Bothwellpark High School are now complete. The projects have been completed slightly under-budget and the Service will request approval at the next SCDG meeting to re-profile £0.025m to 2019/20 financial year.

The Service also continues to progress works to provide further building improvements at Redburn School.

Following an inspection of the roof at Willowbank School the Service has temporarily decanted pupils to Cardinal Newman HS annexe which already operates as an ASN unit. The Service is considering alternative options for accommodating the decanted pupils on a permanent basis.

Pitches – Progress continues on the pitch project in Croy, and on the multi use (MUGA) and grass pitch improvements at Kilsyth Academy. Updated work profiles indicate these works will be completed during 2019/20. As a result the Service will seek approval at the SCDG to reprofile £0.370m to 2019/20.

The installation of a new 3G pitch at Our Lady's High School in Motherwell is currently at the consultation and design stage with limited expenditure incurred in the current financial year.

The Service previously received committee approval to re-locate pitch side changing facilities at Airdrie Leisure Centre. The agreed joint funding package included contributions of £0.051m from the Service, NLL, and the Local Development Plan.

Communication and Digital – At the SCDG meeting of 22 October there was agreement to re-profile £0.635m to 2019/20 to allow a full assessment of costs to be determined on the implications of increasing WAN to ensure associated and ongoing revenue funding is available and sustainable. IT projects are progressing for wireless development, secondary school server upgrades and internet resilience with a minor underspend £0.044m due to efficiencies in procurement. The service will seek approval at the next SCDG to re-profile this balance to 2019/20.

Kilbowie – Projects for car parking, fire doors and roof works have been re-scheduled to 2019/20.

c NLL (Acceleration £0.645m)

The latest plans from NLL indicate they will accelerate full or part projects from future years. Examples of these works are highlighted below and the Service will request approval at the next SCDG meeting to re-profile resources from future year allocations.

Kilsyth Leisure Centre and Time Capsule currently have a number of health and safety issues in relation to swimming pool tank and water integrity and dilapidated changing rooms. A programme of works has been scheduled and will begin during 2018/19. Major maintenance works are also required for passenger lifts within Shotts and Wishaw Sports Centres.

Planned condition survey works at Bothwellhaugh Pavilion have been supplemented with additional upgrades to ensure the facility meets SFA compliance levels. A feasibility study on the proposed scope of works has been determined, informed by full structural, mechanical, electrical and asbestos surveys. The reconfiguration of changing room layouts and improved amenities will improve the asset to the standard required for SFA compliance including some spectator access. NLL currently has only one SFA compliant venue which is Broadwood Stadium and the above project would help address demand for a facility of this type within this locality.

As noted in paragraphs (b & f) the SCDG approved virements on 22 October of £0.051m from Education pitch theme and LDP Airdrie LAP to NLL Sports Pitches theme. Pitch upgrades are now complete at Ravenscraig (indoor & outdoor), Sir Matt Busby, Broadwood, and Wishaw Leisure Centre, with works at Airdrie Leisure Centre currently progressing on site for completion this financial year.

d External Funding – Children and Young People (On Target)

The Service has received additional Grant Allocation for 2018/19 of £6.6m for the 1140 hours expansion programme. Currently the service is progressing three projects totalling £1.784m with additional projects currently being scoped for New Builds, Extensions and Major refurbishments.

- e Schools and Centres 21 (Acceleration £1.070m, re-profile £0.367m)

Indicative project timelines and cash flows for Dunrobin/Petersburn are currently ahead of schedule with a number of internal works planned in February. The equivalent project timelines and cash flows for Carnbroe PS/Sikeside PS joint campus sites have been updated to reflect the construction of St Stephen's PS as a stand-alone site.

Works continue to progress at Braidhurst HS as part of the Motherwell Review. This now includes fire alarm upgrade works. A small variance of £0.017m will be re-profiled to 2019/20.

Forgewood FLC is progressing within the Children & Young People header funded from external grant funding, and it is currently anticipated £0.350m will be re-profiled to the SC21 programme future year allocation.

- f Local Development Plan (Underspend £3.270m)

As part of its approach to support Participatory Budgeting, the Council's 2018/19 budget included £6m to support Local Development Plans. It was anticipated there would be an underspend in year 1 of this programme, whilst an integrated governance and implementation process which enabled representatives from the seven LAP areas to consider, review and select project options was developed and embedded. The process for identifying and implementing projects has now been established and future reports will include further works agreed at the December 2018 LAP meetings.

3 Equality and Diversity

3.1 Fairer Scotland

There are no actions required per the Fairer Scotland duties included in this report.

3.2 Equality Impact Assessment

There are no Equality Impact Assessments required per the content of this report.

4 Implications

4.1 Financial Impact

The Service aims to operate within approved funding levels and will utilise budget virements to support emerging issues and mitigate variances across budget heads.

The final outturn position will be reflected in commitments and planning assumptions for future years capital programmes.

4.2 HR/Policy/Legislative Impact

There are no specific HR/Policy/Legislative impacts.

4.3 Environmental Impact

There are no specific environmental impacts.

4.4 Risk Impact

4.4.1 All activities undertaken by the Council are subject to risk, and in acknowledging the Council's approved Risk Management Strategy (September 2012), Services manage these as part of their overall corporate and service planning processes. The current economic climate, in particular, has the potential to impact upon the Council's ability to provide quality services within approved budget levels.

4.4.2 To minimise risk this report has been prepared by service based Financial Solutions personnel in consultation with budget managers, in accordance with the Financial Regulations.

5 Measures of success

5.1 The Service aim is to implement the approved 2018/19 capital programme within the available budget provision.

A handwritten signature in black ink, appearing to read 'D. Smith', is positioned below a horizontal line.

Joint Interim Executive Director Education and Families

	Appendix 1
Education and Families Capital Programme - Budget Movements 2018/19	
Period 10 (1st April - 4 January 2019)	
Approved Budget 2018/19	9,586,000
Movements to Budget approved by SCDG on 30 July 2018	7,019,069
Movements to Budget approved by Finance & Organisational Business Committee on 17 September 2018:	
<i>Virement from Thematic Unavoidable (Core Works Theme)</i>	-226,370
<i>Virement to Thematic Key Ambition(Pitch Theme)</i>	226,370
Movements to Budget approved by SCDG on 22 Oct 2018	
<i>Acceleration - OLHS CN Turning Circle</i>	394,800
<i>Re-profiling - IT spend in relation to WAN %Servers</i>	(635,000)
<i>Virement Core Works header to SC21 programme</i>	(100,000)
Approved Revised Budget	16,264,869
Movements to 2018/19 Composite Programme budget	
<i>(ii)Acceleration from Future Years</i>	
1 Increased tendered works at Cardinal Newman Art/Gym, St Margaret's Art & Bellshill Academy Music Room	174,869
2 Technical Equipment to meet safety shut off standards	110,000
3 Vocational Education programme for Outdoor Learning Space at Clydeview School and Polytunnel Installations at various schools (5 sites)	146,000
4 Acceleration from Core Works for overspends at St Maurice's Front Entrance & Clyde Valley high additional ground works	46,264
5 Improvement works at Redurn School	260,000
	737,133
<i>(iii)Reprofiling to Future Years</i>	
6 <i>Kilbowie Car Parking, Fire Doors</i>	(207,738)
7 <i>Kilbowie Roof Works</i>	(93,000)
8 <i>Croy Pitch</i>	(102,901)
	(403,639)
<i>(VI) Virements</i>	
9 <i>Community Facilities - Fire Safety</i>	(50,000)
10 <i>Community Facilities - Condition Surveys</i>	50,000
	0
Revised 2018/19 Composite Programme sub-total	16,598,363
Other E&F Capital Budgets	
14 External Funding: Children & Young People	1,783,754
15 Schools & Centre 21	28,601,870
Total 2018/19 Budget	46,983,987

Education and Families Capital Programme 2018/19 Thematic Category								APPENDIX 2	
Thematic Category	Budget	YTD				OUTTURN			
		Actual	% Actual	Committed	% Committed	Uncommitted	Projected Outturn	Outturn variance	
Period 10 (1st April - 4 January 2019)									
Unavoidable	3,649,279	1,688,947	46%	3,861,844	106%	393,278	4,255,122	(605,843)	
Key Ambition	5,190,167	2,373,218	46%	4,504,654	87%	260,830	4,765,484	424,684	
Statutory Obligation	679,738	300,862	44%	606,047	89%	42,004	648,051	31,687	
Building Asset Expenditure	760,700	517,618	68%	879,915	116%	20,435	900,351	(139,651)	
Road Asset Expenditure	-	-	0%	-	0%	-	-	0	
Local Development Plan	6,318,479	1,530,012	24%	2,399,264	38%	649,110	3,048,375	3,270,104	
Composite Programme	16,598,363	6,410,658	39%	12,251,725	74%	1,365,657	13,617,382	2,980,982	
External Funding : Children & Young People	1,783,754	443,664	24.9%	1,763,536	99%	20,218	1,783,754	0	
Schools & Centres 21	28,601,870	23,072,647	81%	29,305,286	102%	-	29,305,286	(703,416)	
Total	46,983,987	29,926,969	64%	43,320,547	92%	1,385,874	44,706,422	2,277,566	

Education and Families Capital Programme 2018/19 Divisional Themes

APPENDIX 3

Theme	Budget	YTD				OUTTURN		
		Actual	% Actual	Committed	% Committed	Uncommitted	Projected Outturn	Outturn variance
CULTURAL TRUST								
Community Facilities - Fire Safety	-	0.00	0%	0.00	0%	-	-	0
Community Facilities - Condition Survey Works	270,000	90,680	34%	137,304	51%	50,714	188,018	81,982
Libraries	15,000	-	0%	15,000	100%	-	15,000	0
Museums Arts - Air conditioning unit	143,998	116,297	81%	116,297	81%	27,701	143,998	0
TOTAL CULTURAL TRUST - SUB-TOTAL	428,998	206,977	48%	268,602	63%	78,415	347,016	81,982
EDUCATION								
Curriculum Development	1,656,870	1,024,995	62%	1,499,169	90%	157,702	1,656,871	(0)
Sustainable Estate	581,700	423,200	73%	530,351	91%	-	530,351	51,349
Health & Safety	679,738	300,862	44%	606,047	89%	42,004	648,051	31,687
Core Works	1,637,281	1,181,979	72%	1,885,034	115%	1,422	1,886,456	(249,175)
Asn	832,333	493,982	59%	802,300	96%	4,665	806,965	25,368
Pitches	1,050,804	522,530	50%	633,472	60%	47,018	680,490	370,314
Communication and Digital	700,000	50,596	7%	619,566	89%	36,082	655,648	44,352
Kilbowie	-	0.00	0%	0	0%	-	-	0
TOTAL EDUCATION - SUB-TOTAL	7,138,726	3,998,143	56%	6,575,938	92%	288,893	6,864,831	273,895
LEISURE								
NLL Condition Surveys	1,369,000	238,145	17%	1,382,555	101%	66,445	1,449,000	(80,000)
NLL Major Maintenance	179,000	94,419	53%	349,565	195%	20,435	370,000	(191,000)
NLL Health & Safety	214,000	61,847	29%	325,653	152%	246,996	572,650	(358,650)
NLL Sports Pitches	950,160	281,116	30%	950,147	100%	15,363	965,510	(15,350)
TOTAL LEISURE - SUB-TOTAL	2,712,160	675,526	25%	3,007,921	111%	349,239	3,357,160	(645,000)
LOCAL DEVELOPMENT PLAN	6,318,479	1,530,012	24%	2,399,264	38%	649,110	3,048,375	3,270,104
Composite Capital Programme - SUB-TOTAL	16,598,363	6,410,658	39%	12,251,725	74%	1,365,657	13,617,382	2,980,982
EXTERNAL FUNDING								
Children & Young People	1,783,754	443,664	24.9%	1,763,536	99%	20,218	1,783,754	0
External Funding Children & Young People - SUB-TOTAL	1,783,754	443,664	24.9%	1,763,536	99%	20,218	1,783,754	0
SCHOOLS & CENTRES 21								
SC21 Phase 2	24,625,198	20,088,300	82%	25,695,628	104%	-	25,695,628	(1,070,430)
Motherwell Review	3,626,672	2,984,331	82%	3,609,658	100%	-	3,609,658	17,014
Early Years	350,000	16	0%	0.00	0%	-	-	350,000
Capacity Pressures	-	-	0%	-	0%	-	-	0
Schools & Centres 21 - SUB-TOTAL	28,601,870	23,072,647	81%	29,305,286	102%	-	29,305,286	(703,416)
TOTAL EDUCATION AND FAMILIES	46,983,987	29,926,969	64%	43,320,547	92%	1,385,874	44,706,422	2,277,566

Education and Families Virement Request				APPENDIX 4		
Virement request	Virement amount £	From		To		Committee approval required Y/N
		Thematic category	Theme	Thematic category	Theme	
Acceleration						
Period 10 (1st April - 4 January 2019)						
Our Lady's High School Turning Circle	88,412	Key Ambition	Curriculum Development	Statutory Obligation	Health & Safety	N
Cardinal Newman Rewire	249,175	Unavoidable	Core Works	Unavoidable	Core Works	N
NLL Condition Surveys	80,000	Unavoidable	NLL Condition Surveys	Unavoidable	NLL Condition Surveys	N
NLL Major Maintenance	191,000	Building Asset Maintenance	NLL Major Maintenance	Building Asset Maintenance	NLL Major Maintenance	N
NLL Health & Safety	358,650	Unavoidable	NLL Health & Safety	Unavoidable	NLL Health & Safety	N
NLL Sports Pitches	15,350	Key Ambition	NLL Sports Pitches	Key Ambition	NLL Sports Pitches	N
Sub Total Acceleration	982,587					
Slippage						
Greenfaulds Meeting Rooms	-48,176	Unavoidable	Community Facilities - Condition Survey Works	Unavoidable	Community Facilities - Condition Survey Works	N
John McCormack Boiler Replacement	-14,248	Unavoidable	Community Facilities - Condition Survey Works	Unavoidable	Community Facilities - Condition Survey Works	N
Westfield Toilet Upgrade	-19,558	Unavoidable	Community Facilities - Condition Survey Works	Unavoidable	Community Facilities - Condition Survey Works	N
Ladywell Modular Units	-51,349	Building Asset Maintenance	Sustainable Estate	Building Asset Maintenance	Sustainable Estate	N
Fire Alarms Upgrades	-120,099	Statutory Obligation	Health & Safety	Statutory Obligation	Health & Safety	N
Redburn Modular Units	-25,368	Key Ambition	ASN	Key Ambition	ASN	N
Croy Pitch	-200,001	Key Ambition	Pitches	Key Ambition	Pitches	N
Kilsyth Academy MUGA & Pitch	-170,313	Key Ambition	Pitches	Key Ambition	Pitches	N
Phasing of Wireless Deployment	-44,352	Key Ambition	Communication and Digital	Key Ambition	Communication and Digital	N
Sub Total Slippage	-693,464					
TOTAL E&F	289,123					