

# North Lanarkshire Council Report

## Communities and Housing Committee

approval  noting

Ref GT

Date 22/05/2019

## Enterprise and Communities – Capital Monitoring – Provisional Outturn

**From** Robert Steenson, Executive Director (Enterprise and Communities)  
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Finance Manager, 01698  
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### Executive Summary

This report introduces the provisional outturn capital monitoring reports for the former Enterprise and Housing Resources service and the former Infrastructure service.

The former Enterprise and Housing Resources provisional outturn reflects an underspend of £4.687m largely attributable to externally grant funded programmes which is detailed in Appendix A.

The former Infrastructure service outturn position reflects programme acceleration of £1.367m which is detailed in Appendix B.

### Recommendations

It is recommended that the Communities and Housing Committee:

- (1) Notes the financial position of the former Enterprise and Housing Resources capital budget for 2018/19.
- (2) Notes the financial position of the former Infrastructure capital budget for 2018/19.
- (3) Otherwise notes the contents of the report.

### Supporting Documents

**Council business plan to 2020** Improve the Council's resource base

**Appendix A** Enterprise and Housing Resources Capital Monitoring (Provisional Outturn) and supporting appendices.

**Appendix B** Infrastructure Capital Monitoring (Provisional Outturn) and supporting appendices.

## **1. Background**

- 1.1 In the 'We Aspire – A Shared Ambition for North Lanarkshire' report approved at Policy & Resources Committee on 27 September 2018 a number of service realignments were approved which created the new Enterprise and Communities service. This new service incorporates components of the former Infrastructure, Enterprise & Housing Resources and Education, Youth & Communities services. In addition, elements of the former services are now placed within the expanded Chief Executive's Office (i.e. Revenues and eGovernment).
  - 1.2 Following the approval of the new Committee structure at Council in December 2018, financial monitoring reports for the new Enterprise and Communities service will be reported to the Communities and Housing Committee.
  - 1.3 To ensure consistency of reporting, it has been agreed by the Council's Section 95 Officer that monitoring reports will continue to be prepared in line with the former Council structure for the remainder of the 2018/19 financial year.
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## **2. Report**

- 2.1 Appendix A contains the capital monitoring report for the former Enterprise and Housing Resources which highlights a provisional outturn of £4.687m slippage which is largely as a result of site acquisition and works delays in grant funded programmes.
  - 2.2 Appendix B contains the capital monitoring report for the former Infrastructure service which highlights overall programme acceleration of £1.367m.
  - 2.3 Specific details of significant variances are outlined in the respective reports contained in the appendices. The variances will be considered by the Strategic Capital Delivery Group.
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## **3. Equality and Diversity**

- 3.1 **Fairer Scotland**  
There are no specific impacts on Fairer Scotland.
  - 3.2 **Equality Impact Assessment**  
There are no specific Equality Impact Assessments to note.
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## **4. Implications**

- 4.1 **Financial Impact**  
Financial impacts are outlined in the respective reports for the former Enterprise and Housing Resources and Infrastructure services.
- 4.2 **HR/Policy/Legislative Impact**  
There are no HR / Policy / Legislative impacts linked to this report.
- 4.3 **Environmental Impact**  
There are no Environmental impacts linked to this report.

#### 4.4 **Risk Impact**

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.

Reflecting the risk analysis matrix included within the Risk Management Strategy, Service considers further delays or amendments to savings proposals could present an ongoing risk to the financial outturn for 2018/19.

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. There are no significant financial risks which have been identified at this stage in the financial year, however this will continue to be closely monitored.

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#### 5. **Measures of success**

5.1 The Service continues to operate within approved budget resources.

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**Robert Steenson**  
**Executive Director (Enterprise and Communities)**

# North Lanarkshire Council Report

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## Enterprise and Housing – Capital Monitoring Report (Provisional Outturn)

**From** Robert Steenson, Executive Director (Enterprise and Communities)  
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 Finance Manager, 01698  
 301836

### Executive Summary

This report highlights the financial performance and provisional outturn of 2018/19 Enterprise and Housing Resources Composite Capital Programme for the year ended 31 March 2019 (Period 13).

The provisional outturn highlights project underspend of £4.687m as detailed at section 2.2. This is largely attributable to the profile of anticipated site acquisition and works of Vacant and Derelict Land Fund (VDLF) projects at Ravenscraig and delays in the Glenboig Life Centre Project (which is being led directly by Glenboig Development Trust).

### Recommendations

It is recommended that the Communities and Housing Committee:

- (1) Notes the financial position of the Enterprise and Housing Resources capital programme for 2018/19.

### Supporting Documents

**Council business plan to 2020** Improve economic opportunities and outcomes  
**Appendix 1** Budget Movements 2018/19  
**Appendix 2** Summary Expenditure by Theme

#### 1. Background

- 1.1 Financial year 2018/19 is the first year of the Composite capital programme for the 5 year period from 2018/19 to 2022/23.
- 1.2 The Enterprise and Housing Resources capital programme approved by the Policy and Resources Committee on 21 March 2018 was £1.820m. There have been further budget movements of £5.446m to the programme during 2018/19 (see appendix 1), resulting in a revised programme of £7.266m.

- 1.3 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 Summary of Financial Position**

- 2.1.1 The Service provision outturn reflects expenditure of £2.579m, with the major outturn variances directly linked to grant funded programmes. Appendix 2 outlines a summary of the financial position for each area of the programme (split by thematic category) and includes estimates for work in progress, retention payments and contractor claims.

### **2.2 Analysis of Significant Variations**

- 2.2.1 Antonine Wall (£0.030m variance)  
Slippage of £0.030m has occurred on Antonine Wall due to the delay on works at Auchinstarry Play Area.
- 2.2.2 Coatbridge CARS (£0.084m variance)  
The public realm works required to improve the pedestrian access at Carnegie Library are required to go out to tender. As a result the contract will not be awarded in this financial year and £0.084m is now expected to spend in 2019/20.
- 2.2.3 Regeneration and Town Centres (£0.210m variance)  
The service has spent £0.385m across these projects in 2018/19 to cover the cost of feasibility works and building acquisitions to support the Economic Regeneration Delivery Plan. In addition, expenditure of £0.011m has been spent on legacy Town Centre and Regeneration projects.
- 2.2.4 VDLF Projects (£3.364m variance)  
The Council received Scottish Government approval of the 2018/19 local delivery plan for VDLF works at Ravenscraig on 31 July 2018. NLC have a capital lease in place for the site and have let the capital works, meeting the requirements of Scottish Government to contractually commit the funding by the year end.

Due to the scale and nature of the project £2.584m of expenditure across the Ravenscraig programmes will slip into 2019/20.

Similarly, works at the Gartcosh site have largely been contractually committed, meeting Scottish Government grant conditions. Expenditure will be incurred during 2019/20.

Due to licensing issues the contract is not progressing for the site acquisition at Mill Road. Scottish Government have given approval to transfer the balance of £0.207m to the Ravenscraig programme.

- 2.2.5 Glenboig Life Centre (£1.000m variance)  
This programme is being led by Glenboig Development Trust following a successful application to the Regeneration Capital Grant Fund. Works are due to commence in 2019/20.
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### **3. Equality and Diversity**

#### **3.1 Fairer Scotland**

There are no specific impacts on Fairer Scotland.

#### **3.2 Equality Impact Assessment**

There are no specific Equability Impact Assessments to note.

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### **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 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.

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.

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### **5. Measures of success**

5.1 The successful delivery of the Enterprise and Housing Capital Programme.

5.2 The Service aim is to be in a balanced budget position (100% expenditure) at financial year-end.

**Robert Steenson**  
**Executive Director (Enterprise and Communities)**

## Enterprise and Communities Capital Programme - Budget Movements 2018/19

## Period 13 (1st April - 31st Mar 2019)

Antonine Wall	20,000	
Coatbridge Cars	150,000	
Our Ambition - Regeneration and Town Centres	1,650,000	
<b>APPROVED BUDGET 2018/19</b>		<b>1,820,000</b>
Movements to Budget approved by SCDG on 30 July 2018		<b>6,490,491</b>
Movements to Budget approved by SCDG on 22 October 2018		<b>(720,940)</b>
Movements to Budget approved by SCDG on 14 February 2019		<b>(323,228)</b>
<b>Approved Revised Budget</b>		<b><u>7,266,323</u></b>
<b>Budget movements:</b>		
<b>(a) Approved Carry Forwards from 2017/18</b>		
1 VDLF - Mid Year Review	800,000	
2 VDLF - Provisional Outturn 2017/18	2,210,000	
3 Coatbridge CARS	54,000	
4 Antonine Wall	30,491	
<b>Approved Carry Forwards Sub-Total</b>		<b>3,094,491</b>
<b>(b) Reprofiling to future years</b>		
5 Regeneration and Town Centres - anticipated underspend in 2018/19	(1,044,168)	
<b>Reprofiling to future years Sub-Total</b>		<b>(1,044,168)</b>
<b>(c) Additional Funding</b>		
6 VDLF 2018/19 Grant Award	2,396,000	
7 Regeneration Capital Grant Fund 2018/19 - Glenboig Life Centre	1,000,000	
<b>Additional Funding Sub-Total</b>		<b>3,396,000</b>
<b>Sub Total of Budget Movements</b>		<b><u>5,446,323</u></b>
<b>REVISED BUDGET TOTAL</b>		<b><u>7,266,323</u></b>

## Enterprise and Communities Capital Programme 2018/19

Period 13 (1st April - 31st Mar 2019)

Theme	Budget £	OUTTURN	
		Provisional Outturn £	Outturn Variance £
<b>Core Capital Programme</b>			
Antonine Wall	50,491	20,201	30,290
Coatbridge Cars	204,000	120,444	83,556
Regeneration and Town Centres	605,832	395,998	209,834
	<b>860,323</b>	<b>536,643</b>	<b>323,680</b>
<b>Externally Funded Programme</b>			
VDLF Projects	5,406,000	2,042,095	3,363,905
Glenboig Life Centre	1,000,000	0	1,000,000
<b>Externally Funded Programme Sub-Total</b>	<b>6,406,000</b>	<b>2,042,095</b>	<b>4,363,905</b>
<b>Enterprise and Housing Resources Total</b>	<b>7,266,323</b>	<b>2,578,738</b>	<b>4,687,585</b>



# North Lanarkshire Council Report

## Communities and Housing Committee

approval  noting

**Ref** RS/GT/JM

**Date** 22/05/19

## Infrastructure – Capital Monitoring Report (Provisional Outturn)

**From** Robert Steenson, Executive Director (Enterprise & Communities)

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**Telephone** Greg Telfer, Business  
Finance Manager, 01698  
302836

### Executive Summary

This report highlights the financial performance of the 2018/19 Infrastructure capital programme for period ended 31 March 2019 (Period 13 Provisional Outturn).

In summary, the Service's capital programme outturn position reflects £1.379m of programme acceleration mainly within roads, demolitions and also energy efficiency projects. This acceleration is supported by funding throughout the remainder of the five year capital planning period. Further explanation of project variances and management action taken by the Service are included the main report and attached Appendices.

### Recommendations

It is recommended that the Communities and Housing Committee:

- (1) Notes the financial position of the 2018/19 Infrastructure capital programme
- (2) Notes the budget movements per Appendix 1.

### Supporting Documents

**Council Business Plan to 2020** Improving the Council's resource base

**Appendix 1** Budget Movements

**Appendix 2** Summary Expenditure by Thematic Category

**Appendix 3** Summary Expenditure by Division

#### 1. Background

- 1.1 Financial year 2018/19 was the first year of a new 5 year capital programme.
- 1.2 The Infrastructure base capital programme of £27.838m was approved by the Policy and Resources Committee on 21 March 2018. A total of £3.857m of additional funding was added to the budget throughout 2018/19. The final budget totalled £31.695m and a reconciliation of the movements is shown at Appendix 1.

- 1.3 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 were 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's year end outturn position reflects overall programme acceleration of £1.379m mainly within road, demolitions and energy efficiency projects. Capital budgets and expenditure are summarised into Thematic Categories (see Appendix 2) and Divisional Themes (see Appendix 3). The provisional outturn position includes estimates for work in progress, retention payments and contractor claims.

- 2.2 The explanations of significant variances within each division are summarised below:

### **2.2.1 Assets & Procurement Solutions (£0.631m acceleration)**

The Assets & Procurement Solutions Capital Plan consisted of Core Projects and Legacy Projects which transferred from other Services at the previous year end. The outturn position for the service reflects acceleration of £0.631m throughout the programme as follows:

Demolition projects (£0.553m), energy efficiency works (£0.351m) have been accelerated to help generate future revenue savings. Health and safety projects of (£0.193m) have also been accelerated.

The accelerated projects have been offset by re-profiling condition survey works (£0.126m) and the AMP Transformation budget allocation (£0.137m)

In addition, there was an underspend this financial year within Civic Centre refurbishment projects (£0.122m) and Office accommodation projects (£0.127m) as costs for the original projects were lower than anticipated.

The overall acceleration of £0.631m will be managed within the overall 5 year capital programme.

### **2.2.2 Environmental Assets (£0.572m acceleration)**

A number of Street lighting and road refurbishment projects were accelerated from 2019/20 totalling £0.609m. This in-year overspend will be managed within the overall 5 year capital programme.

### **2.2.3 Regulatory Services & Waste Solutions (£0.083m acceleration)**

There was acceleration of £0.108m in relation to fleet purchases mainly as a result of the delivery of 1 replacement RCV being earlier than previously anticipated. This in-year overspend will be managed within the overall 5 year capital programme.

## 2.2.4 Revenues & e-Government (£0.092m acceleration)

The 2018/19 capital outturn reflects server replacements costs from the prior capital planning period of £0.059m. Further costs of £0.100m in relation to the enhancement of Network / Server based infrastructure pertaining to Geographic Information Systems (GIS) and Uninterruptible Power Supply (UPS) were also experienced in the year. These additional costs are being offset through reduced expenditure within the current years LAN Refresh programme.

In addition £0.107m of Digital NL project costs were incurred for the initial development phase of the project.

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## 3. Equality and Diversity

### 3.1 Fairer Scotland

There were no specific impacts on Fairer Scotland.

### 3.2 Equality Impact Assessment

There were no specific Equability Impact Assessments to note.

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## 4. Implications

### 4.1 Financial Impact

The Service aims to operate within approved funding levels across the five year capital planning period and utilised budget virements and budget reprofiling to support emerging issues and mitigate variances across budget heads.

### 4.2 HR/Policy/Legislative Impact

There were no specific HR/Policy/Legislative impacts.

### 4.3 Environmental Impact

There were 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, Services managed these as part of their overall corporate and service planning processes. The current economic climate, in particular, had 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 was prepared by service based Financial Solutions personnel in consultation with budget managers, in accordance with the Financial Regulations.

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## 5. Measures of success

5.1 The Service aim is to be in a balanced budget position at financial year-end.

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**Robert Steenson**  
**Executive Director (Enterprise & Communities)**

## Appendix 1

### Infrastructure Capital Programme - Budget Movements 2018/19

Period 13 (1st April - 31st March 2019)	£
Composite Programme Budget	27,376,000
Specific Grants: Cycling Walking Safer Street	462,000
<b>Total Approved Budget 2018/19</b>	<b>27,838,000</b>
Movements to Budget approved by SCDG on 30 July 2018	10,329,795
Movements to Budget approved by Finance & Organisational Business Committee on 17 September 2018	520,000
Movements to Budget approved by SCDG on 22 October 2018	(3,276,503)
Movements to Budget approved by SCDG on 18 December 2018	(50,000)
Movements to Budget approved by SCDG on 14 February 2019	473,712
<b>Total Approved Movements</b>	<b>7,997,004</b>
<b>Approved Revised Budget</b>	<b>35,835,004</b>
<b>Management Action for Noting</b>	
<b>Movements to 2018/19 Composite Programme Budget</b>	
<i>(ii) Acceleration from future years</i>	
Windows 10 Upgrade	300,000
Contaminated Land and Air Quality Monitoring	30,372
	<b>330,372</b>
<i>(iii) Reprofiling to future years</i>	
Capitalisation of Fleet Purchases	(4,152,123)
Woodland management equipment	(125,000)
Palacerigg Infrastructure	(85,000)
Chapelhall WIAT funding	(32,655)
Replacement cemetery investigations	(41,082)
Fly Tipping Equipment	(17,183)
	<b>(4,453,043)</b>
<i>(v) Additional funding</i>	
Additional HLF funding -7 Lochs project	35,000
SPT funding -Airdrie P & R	5,000
Downturn of SPT funding A71 Horsely Brae	(18,000)
Downturn of WIAT funding - Chapelhall phase 1	(8,020)
Downturn CWSS funding	(31,320)
	<b>(17,340)</b>
<b>Sub Total of Budget Movements</b>	<b>(4,140,011)</b>
<b>REVISED BUDGET TOTAL</b>	<b>31,694,993</b>

**Infrastructure Capital Programme 2018 - 2019 Thematic Category APPENDIX 2**

**Period 13 (1st April - 31st March 2019)**

Thematic Category	Budget £	OUTTURN	
		Outturn £	Variance £
Unavoidable	19,109,277	19,966,596	(857,319)
Key Ambition	800,000	754,560	45,440
Statutory Obligation	50,000	55,104	(5,104)
Building Asset Expenditure	4,141,982	4,553,533	(411,551)
Revenue Savings	3,964,326	4,137,685	(173,359)
Road Asset Expenditure	3,629,408	3,606,273	23,135
<b>Total</b>	<b>31,694,993</b>	<b>33,073,751</b>	<b>(1,378,758)</b>

Period 13 (1st April - 31st March 2019)

Theme	Budget £	OUTTURN	
		Provisional Outturn £	Outturn variance £
<b>ASSET &amp; PROCUREMENT</b>			
<b>Unavoidable</b>			
Energy Efficiency	1,300,000	1,650,683	(350,683)
Demolitions	150,000	703,055	(553,055)
Health and Safety	350,000	543,454	(193,454)
Condition Surveys	4,520,000	4,393,956	126,044
Estates - Capital Receipts Delivery	125,000	125,000	0
<b>Key Ambition</b>			
AMP Transformation	200,000	62,637	137,363
<b>Building Asset Expenditure</b>			
Civic Centre Refurbishment	2,345,000	2,223,203	121,797
Office Accommodation	1,305,000	1,178,466	126,534
Environmental Assets - Building Improvements	80,000	31,369	48,631
Equipment Building Cleaning / Catering	140,000	216,775	(76,775)
Estates	70,000	87,735	(17,735)
<b>TOTAL ASSET &amp; PROCUREMENT</b>	<b>10,585,000</b>	<b>11,216,334</b>	<b>(631,334)</b>
<b>ENVIRONMENTAL ASSETS</b>			
<b>Unavoidable</b>			
Street Lighting Infrastructure/Carbon Restructure	5,874,000	6,020,214	(146,214)
Infrastructure Improvements - Roads	6,151,887	6,614,104	(462,217)
7 Lochs project	590,000	560,025	29,975
<b>Road and Environmental Land Asset Expenditure</b>			
Infrastructure Improvements - Roads	1,202,000	1,200,392	1,608
Other Infrastructure Health and Wellbeing projects	1,230,987	1,237,753	(6,766)
Gartcosh/Glenboig Community Growth Area	0	0	0
Infrastructure Improvements to Land	1,196,421	1,170,876	25,545
<b>Revenue Savings</b>			
Plant, Machinery and Vehicles - Land Management	873,000	887,128	(14,128)
Machinery and Vehicles			
<b>ENVIRONMENTAL ASSETS TOTAL</b>	<b>17,118,295</b>	<b>17,690,492</b>	<b>(572,197)</b>
<b>REGULATORY SERVICES &amp; WASTE SOLUTIONS</b>			
<b>Unavoidable</b>			
Contaminated Land and Air Quality Monitoring	420,372	395,186	25,186
<b>Revenue Savings</b>			
Plant, Machinery and Vehicles	2,971,326	3,079,816	(108,490)
<b>REGULATORY SERVICES &amp; WASTE SOLUTIONS TOTAL</b>	<b>3,391,698</b>	<b>3,475,002</b>	<b>(83,304)</b>
<b>REVENUES &amp; EGOVERNMENT</b>			
<b>Key Ambition</b>			
Digitisation	300,000	579,656	(279,656)
LAN Refresh	300,000	112,267	187,733
<b>REVENUES &amp; EGOVERNMENT TOTAL</b>	<b>600,000</b>	<b>691,923</b>	<b>(91,923)</b>
<b>INFRASTRUCTURE TOTAL</b>	<b>31,694,993</b>	<b>33,073,751</b>	<b>(1,378,758)</b>