

North Lanarkshire Council Report

Education and Families Committee

Agenda item _____ approval noting Ref RS/TO/JM Date 21/05/19

Capital Monitoring Report (Provisional Outturn)

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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 31 March 2019 (Provisional Outturn) and reflects the updated capital monitoring and reporting procedures which were approved at the Policy and Resources Committee on 7 June 2018.

The Service Provisional Outturn position highlights a net underspend of £3.306m primarily due to the preparatory work required to support the roll out of projects during the first year of Participatory Budgeting within 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 Strategic Capital Delivery Group (SCDG) meetings 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) Note the Provisional Outturn position of the 2018/19 capital programme.

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

1. Background

- 1.1 Financial year 2018/19 is the first year of the new 5 year capital programme.
 - 1.2 The SCDG has 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 £47.654m and is reflective of a number of adjustments throughout the current financial year approved by the SCDG and Finance and Organisational Business Committee and the inclusion of long-term initiatives such as Schools & Centres 21 and the expansion of Early Learning and Nursery Provision. 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 anticipates an underspend of £3.306m at 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 £0.011m)

Planned works for the provision of an IT suite within Coatbridge library began on site in late March and were completed in April 2019. The Service will request a minor re-alignment of budgets to reflect actual costs incurred within each financial year.
 - b Education

Curriculum Development (Re-profiling £0.084m, Underspend £0.011m)
Internal works have been completed at Cardinal Newman HS Art Classes & Gym Suite. The associated gym equipment will be installed in May 2019, resulting in a request to carry forward £0.033m into the new financial year. Works within Bellshill Academy music room were completed £0.011m below tender. The works to complete the conversion of internal office space to relocate the Community Learning & Development team are split over two financials years with £0.051m requiring to be re-profiled into 2019/20.
Sustainable Estate (Re-profiling £0.022m, Underspend £0.036m)

The new modular unit to accommodate catchment pupils at Ladywell Primary School is now fully operational with final fees (£0.022m) being recovered during 2019/20. The final measures for the Biomass boiler at Taylor HS and Cardinal Newman Multi Use Games Area have resulted in a minor underspend of £0.036m.

Health and Safety (Minor Underspend £0.004m)

Completed works include a bus turning circle at Our Lady's HS Cumbernauld, internal office relocation at Kilsyth Academy and fire alarm upgrades at St Monica's and Holy Family PS.

Core Works (Minor Underspend £0.001m)

The Cardinal Newman HS rewire has progressed on a modular basis and the final phase will be completed during 2019/20. Works to upgrade St Maurice's HS front entrance are nearing completion with a target handover date of 10 May.

ASN (Minor Re-profiling £0.016m)

Provision of temporary modular unit and structural work at Redburn school are complete with final fees payable in 2019/20.

Pitches (Minor Re-profiling £0.012m)

During 2018/19 works commenced at Kilsyth Academy MUGA & grass pitch and will be completed during 2019/20. The remaining pitch activity focussed on developing options for OLHS Motherwell and Croy Pitch and further information on these projects will be presented at a future committee.

Communication and Digital (Re-profiling, £0.028m)

Projects have been completed to upgrade servers and wireless communication within the secondary estate. A similar programme to roll out wireless, WAN upgrades, internet resilience and mobile device management within the primary estate will be undertaken during 2019/20.

Kilbowie (On Target)

The funding for projects linked to car parking, fire doors and roof works has previously been re-profiled to 2019/20.

c NLL

Condition Surveys (Acceleration £0.153m, Re-profiling £0.050m)

An accelerated programme of works at Tryst Sports Centre, Broadwood (Indoor Area), Shotts LC and Kilsyth LC has been completed. This is partially offset by re-phased roofing works at Broadwood SC and condition survey works at Bothwellhaugh Pavilion to comply with Building Warrant requirements. The net acceleration of £0.103m will be funded from future year allocations.

Major Maintenance (Acceleration £0.050m)

Essential works were undertaken at Kilsyth Pool.

Health & Safety (Re-profiling £0.086m)

Programmed works to upgrade the Time Capsule heating system (AHU) are now scheduled for installation by the end of May 2019, resulting in a request to re-profile £0.086m into 2019/20.

Sports Pitches (Re-profiling £0.030m)

Pitch upgrades are now complete at Ravenscraig (indoor & outdoor), Sir Matt Busby, Broadwood, and Wishaw Leisure Centre, with minor utility works at Airdrie Leisure Centre and some external fees payable during 2019/20.

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

The Service has drawn down £1.654m of the 1140hours Capital Grant to undertake works during 2018/19. Adaptations have been completed at St Gerard's PS NC and Hope Street NC, with St Serf's PS NC due for completion in 2019/20. Additional projects are currently being scoped for New Builds, Extensions and Major refurbishments.

e Schools and Centres 21 (Acceleration £0.542m, Re-profiling £0.051m)

Dunrobin/Petersburn works are currently ahead of the original project plan. The advancement of these works are partially offset by reduced expenditure profiles at St Edwards PS / Tollbrae PS and Carnbroe PS / Sikeside PS joint campus sites following the decision to de-couple St Stephen's PS, which will instead be constructed as a stand-alone school. The net impact of these movements has resulted in acceleration of £0.542m.

Motherwell Review projects are now all in the retention period with re-profiling of £0.051m required as a result of some outstanding internal fees which will not be incurred until retention release. Therefore funding is requested to be carried forward into the 2019/20 capital programme.

f Local Development Plan (Underspend £3.608m)

As part of its approach to support Participatory Budgeting, the Council's 2018/19 budget allocated £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.

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

During the year the Service has operated within approved funding levels. Emerging issues have been managed through approved budget virements, acceleration and re-profiling resources.

The final outturn position will be reported to the next SCDG.

4.2 HR/Policy/Legislative Impact

There are no specific HR/Policy/Legislative impacts.

4.3 Environmental Impact

There are no specific environmental impacts.

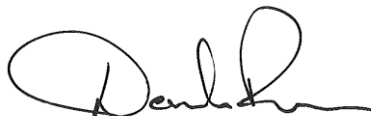
4.4 Risk Impact

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.

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.



Derek Brown
Executive Director, Education and Families

	Appendix 1
Education and Families Capital Programme - Budget Movements 2018/19	
Provisional Outturn (1 April - 31 March 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)
Movements to Budget approved by SCDG on 18 Dec 2018	333,494
Movements to Budget approved by SCDG on 14 Feb 2019	289,123
Approved Revised Budget	16,887,486
Movements to 2018/19 Composite Programme budget	
<i>(ii) Acceleration from Future Years</i>	
1 Westfield CC Toilet Upgrade - Closure has allowed full programme	40,366
2 Redburn School - programme of health & safety works	10,881
3 NLL Condition Surveys - Shotts Pool works	20,064
4 NLL Major Maintenance - Passenger lifts Shotts & Wishaw SC	37,040
	108,351
<i>(iii) Reprofiling to Future Years</i>	
5 John McCormack boiler Upgrade - pre start meeting only no works on site	(22,632)
6 Curriculum Development - Technical Equipment & Vocational Polytunnel programme	(135,860)
7 Health & Safety - Fire Alarm installations remaining reprofiling as no contract award	(30,677)
8 St Maurice's front entrance - contractor issues, 3rd time extension required	(165,171)
	(354,340)
<i>(v) Additional Funding</i>	
9 LDP Land Trust Grant	53,800
	53,800
Revised 2018/19 Composite Programme sub-total	16,695,297
Other E&F Capital Budgets	
External Funding: Children & Young People @ P12:	1,783,754
- P13 Removal of unspent grant	(129,826)
Schools & Centre 21	29,304,870
Total 2018/19 Budget	47,654,095

Education and Families Capital Programme 2018/19 Thematic Category			APPENDIX 2
		OUTTURN	
Thematic Category	Budget	Projected Outturn	Outturn variance
Provisional Outturn (1 April - 31 March 2019)			
Unavoidable	4,127,749	4,131,816	(4,067)
Key Ambition	4,640,504	4,459,923	180,581
Statutory Obligation	617,374	613,097	4,277
Building Asset Expenditure	937,391	929,597	7,794
Road Asset Expenditure	0	0	0
Local Development Plan	6,372,279	2,764,289	3,607,990
Composite Programme	16,695,297	12,898,722	3,796,575
External Funding : Children & Young People	1,653,928	1,653,928	0
Schools & Centres 21	29,304,870	29,795,696	(490,826)
Total	47,654,095	44,348,346	3,305,749

Education and Families Capital Programme 2018/19 Divisional Themes			APPENDIX 3
Theme	Budget	OUTTURN	
		Projected Outturn	Outturn variance
CULTURAL TRUST			
Community Facilities - Fire Safety	0	0	0
Community Facilities - Condition Survey Works	205,752	208,023	-2,271
Libraries	15,000	3,841	11,159
Museums Arts - Air conditioning unit	143,998	141,771	2,227
TOTAL CULTURAL TRUST - SUB-TOTAL	364,750	353,635	11,115
EDUCATION			
Curriculum Development	1,521,010	1,426,190	94,820
Sustainable Estate	530,351	471,986	58,365
Health & Safety	617,374	613,097	4,277
Core Works	1,721,285	1,720,379	906
Asn	817,846	801,595	16,251
Pitches	680,490	668,698	11,792
Communication and Digital	655,648	627,805	27,843
Kilbowie	0	0	0
TOTAL EDUCATION - SUB-TOTAL	6,544,004	6,329,751	214,253
LEISURE			
NLL Condition Surveys	1,469,064	1,571,588	-102,524
NLL Major Maintenance	407,040	457,611	-50,571
NLL Health & Safety	572,650	486,213	86,437
NLL Sports Pitches	965,510	935,635	29,875
TOTAL LEISURE - SUB-TOTAL	3,414,264	3,451,048	-36,784
LOCAL DEVELOPMENT PLAN	6,372,279	2,764,289	3,607,990
Composite Capital Programme - SUB-TOTAL	16,695,297	12,898,722	3,796,575
EXTERNAL FUNDING			
Children & Young People	1,653,928	1,653,928	0
External Funding Children & Young People - SUB-TOTAL	1,653,928	1,653,928	0
SCHOOLS & CENTRES 21			
SC21 Phase 2	25,695,198	26,234,717	-539,519
SC21 General	0	2,500	-2,500
Motherwell Review	3,609,672	3,558,479	51,193
Early Years	0	0	0
Capacity Pressures	0	0	0
Schools & Centres 21 - SUB-TOTAL	29,304,870	29,795,696	-490,826
TOTAL EDUCATION AND FAMILIES	47,654,095	44,348,346	3,305,749