

North Lanarkshire Council Report

Communities and Housing Committee

approval noting

Ref RS/GT/JM

Date 11/09/19

Enterprise & Communities – Capital Monitoring Report

From Executive Director (Enterprise & Communities)

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Executive Summary

This report highlights the financial performance of the 2019/20 Enterprise & Communities capital programme for period ended 19 July 2019 (Period 4).

In summary the Service has a total capital budget of £76.557m across all the work streams (Composite programme £58.832m, Enterprise Projects £3.819m, Schools and Centres 21 £6.206m and Early Years expansion £7.700m). The Service is forecasting a balanced budget position at this early stage in the financial year. A number of management actions have been taken through the Strategic Capital Delivery Group to ensure this position.

Further explanation of project variances and management action taken by the Service are included in the main report and attached Appendices.

Recommendations

It is recommended that Committee:

- (1) Notes the financial position of the 2019/20 Enterprise & Communities capital programme
- (2) Approves the virement requests outlined within paragraph 2.2.2 and within Appendix 4.

The Plan for North Lanarkshire

Priority Improve economic opportunities and outcomes

Ambition statement (25) Ensure intelligent use of data and information to support fully evidence based decision making and future planning

1. Background

- 1.1 Financial year 2019/20 is the second year of the 5 year capital programme.
- 1.2 The Enterprise & Communities Composite capital programme of £36.749m was approved by the Policy and Resources Committee on 21 March 2018. The programme has since been increased by £22.083m resulting in a revised Composite capital programme of £58.832m.

In addition to the Composite programme the Service is responsible for the delivery of the following work streams: Enterprise Projects capital programme including City Deal and Motherwell Park and Ride (£3.819m); the Schools and Centres 21 capital programme (£6.206m) and Early Years expansion capital programme (£7.700m).

Overall the total Enterprise and Communities capital programme is £76.557m with Appendix 1 detailing the budget movements.

- 1.3 The Council's approved Financial Regulations required 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.

2. Report

- 2.1 The Service is projecting a balanced budget position for each of the capital streams of work. Capital budgets and expenditure are summarised into Thematic Categories (see Appendix 2 and Divisional Themes (see Appendix 3). The outturn included estimates for work in progress, retention payments and contractor claims.
- 2.2 The explanations of significant variances within each division were summarised below:
 - 2.2.1 Planning and Regeneration (On target)

There are no significant variances to note across Planning and Regeneration this period.

It is worth noting, however, that at the upcoming Strategic Capital Delivery Group the Service will request that £2.432m of budgets associated with externally funding programmes is reprofiled into 2020/21. This relates largely to Vacant and Derelict Land Fund and Town Centre Fund programmes and reflects the ongoing difficulty in delivering programmes in the year of funding announcements given the time required to effectively procure and deliver. There is no risk in the receipt of external funding because all contracts will be let prior to close of the current financial year.

- 2.2.2 Assets & Procurement (On target)

The division is currently reporting on target, with the exception of a number of virements as requested in Appendix 4 to help ensure available resources more closely reflect operational activity across themes. These are outlined below:

It is requested that £0.734m of the AMP transformation budget is transferred to the Civic Centre refurbishment programme (£0.478m), toilet refurbishments (£0.151m) and Disability Access DDA (£0.105m) to align with the current programmes of work. It is also requested that £0.250m is transferred from the curriculum development theme to window replacement to reflect a decision to reconfigure windows at the Clyde Valley campus.

2.2.3 Enterprise Projects (On Target)

The City Deal programme has multi-year budgets and service delivery objectives and is monitored through the Glasgow City Region Programme Management Office (PMO). At this stage within the current financial year, the service anticipates that the programme will deliver on target. However, given the scope and scale of these projects it is likely that a degree of in year budget realignment will be required to ensure budgets are aligned with programme activity. Any realignments will be monitored through the City Deal Steering Group and the Strategic Capital Delivery Group.

2.2.4 There are no other significant variances to note at this stage in the financial year in respect of the other Divisions of the Composite programme and also including the other capital work streams; Early Years Expansion and Schools and Centres 21.

3. Equality and Diversity

3.1 Fairer Scotland Duty

There were no specific impacts on Fairer Scotland.

3.2 Equality Impact Assessment

There were no specific Equability Impact Assessments to note.

4. Implications

4.1 Financial Impact

The Service aims to operate within approved funding levels and utilise budget virements 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, 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 was 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 be in a balanced budget position at financial year-end.

6. Supporting documents

6.1 Appendix 1: Budget Movements

Appendix 2: Summary Expenditure by Thematic Category

Appendix 3: Summary Expenditure by Division

Appendix 4: Virement requests



Robert Steenson
Executive Director (Enterprise & Communities)

Enterprise & Communities Capital Programme - Budget Movements 2019/20

Period 4 (1st April - 19th July 2019)	£	£	£	£	£
	Composite Programme Budget	Enterprise Projects	Schools & Centres 21	Early Years Expansion	Total
Total Approved Budget 2019/20	36,749,000				36,749,000
Adjustments Approved in 2018/19	7,282,655				7,282,655
Impact of 2018/19 Carry Forward	(912,413)				(912,413)
Additional Resources	14,943,873	3,743,511	6,205,695	7,700,000	32,593,079
Total Approved Movements	21,314,115	3,743,511	6,205,695	7,700,000	38,963,321
Approved Revised Budget	58,063,115	3,743,511	6,205,695	7,700,000	75,712,321

Management Action for Noting

Movements to 2019/20 Composite Programme Budget

(i) Acceleration from future years

Curriculum Development	649,566				649,566
Pitches	437,515				437,515
ASN	1,224,541				1,224,541
NLL Condition Survey Works	160,874				160,874
NLL Health & Safety Works	100,476				100,476
Museums	50,000				50,000
Re-wiring Contracts	900,000				900,000
Civic Centre Refurbishment	1,250,010				1,250,010
Office Accommodation	140,566				140,566
Capitalisation of Fleet Purchases	2,415,394				2,415,394
	7,328,942	0	0	0	7,328,942

(ii) Reprofitting to future years

Core Works	(203,262)				(203,262)
Kilbowie	(186,000)				(186,000)
Pitches	(641,250)				(641,250)
Sustainable Estate	(194,656)				(194,656)
Regeneration and Town Centres	(2,205,769)				(2,205,769)
Town Centre Fund	(1,300,000)				(1,300,000)
Improvements to Land	(1,700,000)				(1,700,000)
	(6,430,937)	0	0	0	(6,430,937)

(iii) Budget Transfers (to)/from other Services

Motherwell Park and Ride	(75,000)	75,000			
	(75,000)	75,000	0	0	0

(iv) Additional funding

Vacant & Derelict Land Fund (transfer from ear-marked reserves)	32,000				
SCSP - cycleways improvements	79,250				
SCSP - the Loaning	35,000				
	146,250	0	0	0	0

(v) Budget Reductions

Viewpark Refurbishment reduced programme	(100,000)				(100,000)
Other Infrastructure Health and Wellbeing projects (walking & cycling network, sustainable travel)	(100,000)				(100,000)
	(200,000)	0	0	0	(200,000)

Sub Total of Budget Movements

	769,255	75,000	0	0	844,255
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REVISED BUDGET TOTAL

	58,832,370	3,818,511	6,205,695	7,700,000	76,556,576
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APPENDIX 2

Enterprise & Communities Capital Programme 2019 - 2020 Thematic Category**Period 4 (1st April - 19th July 2019)**

Thematic Category	Budget £	YTD					OUTTURN	
		Actual £	Actual %	Committed £	Committed %	Uncommitted £	Projected Outturn £	Outturn variance £
Core Capital Programme								
Unavoidable	20,050,339	5,140,201	26%	16,058,567	80%	4,191,989	20,250,556	(200,217)
Key Ambition	7,193,998	720,999	10%	2,964,288	41%	3,245,647	6,209,935	984,063
External Funding	10,684,873	610,062	6%	3,797,169	36%	6,887,704	10,684,873	0
Statutory Obligation	219,843	5,504	3%	232,975	106%	91,972	324,947	(105,104)
Building Asset Expenditure	3,161,820	974,040	31%	2,541,262	80%	1,276,084	3,817,346	(655,526)
Revenue Savings	8,119,124	1,541,204	19%	1,628,225	20%	6,504,116	8,132,341	(13,217)
Road Asset Expenditure	6,402,373	91,341	1%	1,800,783	28%	4,611,589	6,412,373	(10,000)
Local Development Plan	3,000,000	109,881	4%	675,973	23%	2,324,027	3,000,000	0
	58,832,370	9,193,233	16%	29,699,242	50%	29,133,128	58,832,370	(0)
Enterprise Projects	3,818,511	137,890	4%	511,112	13%	3,307,399	3,818,511	0
Schools & Centres 21	6,205,696	869,064	14%	4,077,980	66%	2,127,716	6,205,696	(0)
Early Years Expansion	7,700,000	263,570	3%	458,984	6%	7,241,016	7,700,000	0
Total	76,556,577	10,463,757	14%	34,747,319	45%	41,809,258	76,556,577	(0)

Enterprise & Communities Capital Programme 2019/20
Theme Expenditure Summary
Period 4 (1st April - 19th July 2019)

Theme	Revised Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
PLANNING & REGENERATION						
Unavoidable						
Coatbridge Cars	123,556	11,936	11,936	111,620	123,556	0
Antonine Wall Project	50,290	2,330		0	50,290	0
Key Ambition						
Regeneration and Town Centres	1,698,233	201,832	700,719	997,514	1,698,233	0
External Funding						
RCGF Fund	2,740,000	117,544	1,000,000	1,740,000	2,740,000	0
Vacant & Derelict Land Fund	5,994,873	492,519	2,797,169	3,197,704	5,994,873	0
Town Centre Fund	1,950,000	0	0	1,950,000	1,950,000	0
TOTAL PLANNING & REGENERATION	12,556,952	826,160	4,560,114	7,996,838	12,556,952	0
ASSET & PROCUREMENT						
Unavoidable						
Energy Efficiency	1,000,000	49,409	498,936	501,064	1,000,000	0
Demolitions	149,999	52,618	199,452	0	199,452	(49,453)
Asbestos Management	100,000	6,622	6,622	93,378	100,000	0
Health and Safety	529,217	(43,469)	391,904	0	391,904	137,313
Condition Surveys	100,000	21,359	21,359	78,641	100,000	0
Re-wiring Contracts	1,947,510	147,119	1,771,187	159,659	1,930,846	16,664
Boiler Upgrade and Replacement	0	30,151	30,151	0	30,151	(30,151)
Re-Roofing Contracts	944,000	146,212	778,590	200,000	978,590	(34,590)
Window Replacements	0	0	250,000	0	250,000	(250,000)
Internal and External Works	442,000	1,850	201,850	240,150	442,000	0
Estates - Capital Delivery	125,000	0	125,000	0	125,000	0
Core Works	740,251	184,649	740,251	0	740,251	0
Kilbowie	0	0	0	0	0	0
Community Facilities - Condition Survey Works	544,573	85,918	137,928	406,645	544,573	0
Libraries	161,159	(311)	12,599	148,560	161,159	-0
Museums Arts - Air Conditioning Unit	52,227	44,951	52,227	0	52,227	0
NLL Condition Surveys	1,110,286	233,396	250,574	695,798	946,372	163,914
NLL Health & Safety	406,913	153,809	144,634	426,193	570,827	-163,914
Key Ambition						
AMP Transformation	734,063	0	0	0	0	734,063
Curriculum Development	1,442,958	139,362	898,048	294,910	1,192,958	250,000
ASN	1,522,947	12,037	7,783	1,515,164	1,522,947	0
Pitches - Former Education	1,031,272	123,952	1,031,272	0	1,031,272	-0
NLL Sports Pitches	764,525	243,816	326,466	438,059	764,525	0
Statutory Obligation						
Disability Access DDA	94,896	429	196,500	3,500	200,000	(105,104)
Health and Safety	107,543	5,075	36,475	71,068	107,543	0
Community Facilities - Fire Safety	17,404	0	0	17,404	17,404	0
Building Asset Expenditure						
Floor Coverings and Decoration	38,668	40,415	40,418	0	40,418	-1,750
Toilet Refurbishments	(72,756)	68,591	102,817	0	102,817	(175,573)
Civic Centre Refurbishment	1,371,807	767,034	1,850,010	0	1,850,010	(478,203)
Office Accommodation	460,348	68,696	460,348	0	460,348	0
Refurbishment of Dining Counter Server Areas	60,000	0	0	60,000	60,000	0
Estates - CGA	70,000	20,914	20,914	49,086	70,000	0
Environmental Assets - Building Improvements	150,000	0	0	150,000	150,000	0
Sustainable Estate	1,023,364	0	58,364	965,000	1,023,364	0
NLL Major Maintenance	60,389	8,391	8,391	51,998	60,389	0
Revenue Savings						
Renewal of Building Cleaning Equipment	46,783	22,075	22,075	37,925	60,000	-13,217
Renewal of Catering Equipment	60,000	0	0	60,000	60,000	0
TOTAL ASSET & PROCUREMENT	17,337,346	2,635,069	10,673,144	6,664,203	17,337,347	-0
ENVIRONMENTAL ASSETS						
Unavoidable						
Street Lighting Infrastructure/Carbon Restructure	5,203,786	1,561,605	4,703,786	500,000	5,203,786	0
Infrastructure Improvements - Roads (essential)	5,987,783	2,426,380	5,625,781	352,003	5,977,783	10,000
Infrastructure Improvements to Land - Cemetery Works	0	0	0	0	0	0
7 Lochs project	93,975	10,156	40,000	53,975	93,975	0
Road Asset Expenditure						
Infrastructure Improvements - Roads	3,406,608	14,366	797,493	2,609,114	3,406,608	0
Other Infrastructure Health and Wellbeing projects (walking & cycling network, sustainable travel)	1,325,378	5,001	104,360	1,221,018	1,325,378	0
Infrastructure Improvements to Land	956,627	35,096	297,167	669,460	966,627	-10,000
Other Infrastructure Health and Wellbeing projects (parks, woodlands and local nature reserves)	713,760	36,877	601,763	111,997	713,760	0
Revenue Savings						
Plant, Machinery and Vehicles - Land Management Machinery and Vehicles	141,841	979	57,000	84,841	141,841	0
Plant, Machinery and Vehicles - Woodland Management	125,000	0	0	125,000	125,000	0
Plant, Machinery and Vehicles - Country Parks Equipment	59,031	-0	31,000	28,031	59,031	0
TOTAL ENVIRONMENTAL ASSETS	18,013,789	4,090,461	12,258,350	5,755,439	18,013,789	0
REGULATORY SERVICES & WASTE SOLUTIONS						
Unavoidable						
Contaminated Land and Air Quality Monitoring	237,814	13,511	13,511	224,303	237,814	0
Revenue Savings						
Investment in New Vehicles	7,200,000	1,516,432	1,516,432	5,683,568	7,200,000	0
Plant, Machinery and Vehicles - Workshop Equipment	327,549	1,719	1,719	325,830	327,549	0
Plant, Machinery and Vehicles - HWRC Machinery & Equipment	158,920	0	0	158,920	158,920	0
TOTAL REGULATORY SERVICES & WASTE SOLUTIONS	7,924,283	1,531,662	1,531,662	6,392,621	7,924,283	0
COMMUNITIES						
Local Development Plan	3,000,000	109,881	675,973	2,324,027	3,000,000	0
TOTAL COMMUNITIES	3,000,000	109,881	675,973	2,324,027	3,000,000	0
TOTAL COMPOSITE CAPITAL PROGRAMME	58,832,370	9,193,233	29,699,242	29,133,128	58,832,370	0

Enterprise & Communities Capital Programme 2019/20
Theme Expenditure Summary
Period 4 (1st April - 19th July 2019)

Theme	Revised Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
ENTERPRISE PROJECTS						
CITY DEAL						
Pan Lanarkshire	2,865,694	97,281	470,503	2,375,078	2,845,581	20,113
A8/M8 Improvements	297,000	9,641	9,641	213,044	222,684	74,316
Gartcosh/Glenboig CGA	130,817	27,999	27,999	136,943	164,942	-34,125
Benefits Realisation Monitoring	0	(0)	(0)	60,304	60,304	-60,304
TOTAL CITY DEAL	3,293,511	134,920	508,142	2,785,369	3,293,511	0
Motherwell Park & Ride	525,000	2,970	2,970	522,030	525,000	0
TOTAL ENTERPRISE PROJECTS	3,818,511	137,890	511,112	3,307,399	3,818,511	0
SCHOOLS & CENTRES 21						
SC21 Phase 1	0	0	0	0	0	0
SC21 Phase 2	5,518,140	851,378	4,006,585	1,511,555	5,518,140	0
SC21 Phase 3	619,161	3,000	3,000	616,161	619,161	0
Motherwell Review	68,395	14,686	68,395	0	68,395	-0
TOTAL SCHOOLS & CENTRE 21	6,205,696	869,064	4,077,980	2,127,716	6,205,696	-0
EARLY YEARS EXPANSION						
CYP (600hrs 0-2 Year Grant)	18,619	0	18,619	0	18,619	0
1140 Extensions	1,376,198	27,159	27,159	1,349,039	1,376,198	0
1140 Remodel	0	0	0	0	0	0
1140 Adaption	391,727	214,931	391,727	0	391,727	0
1140 Newbuilds	5,913,456	21,479	21,479	5,891,976	5,913,456	0
1140 Kitchens/Catering Equipment	0	0	0	0	0	0
1140 Outdoor Play Equipment	0	0	0	0	0	0
1140 Educational Equipment	0	0	0	0	0	0
TOTAL EARLY YEARS EXPANSION	7,700,000	263,570	458,984	7,241,016	7,700,000	0
TOTAL ENTERPRISE AND COMMUNITIES	76,556,577	10,463,757	34,747,319	41,809,258	76,556,577	0

APPENDIX 4

Enterprise & Communities Capital Programme 2019-20 - Committee Budget Virement Requests

Period 4 (1st April - 19th July 2019)

Virement request	Virement amount £	From	To	Committee approval required
Internal Virement				
Civic centre refurbishment - to align with Ground Floor works	478,203	AMP Transformation (Year 2)	Civic Centre Refurbishment (Year 2)	Yes - Com & Housing Committee
Toilet Refurbishment Programme	150,756	AMP Transformation (Year 2)	Toilet Refurbishments (Year 2)	Yes - Com & Housing Committee
Disability Access at Various Sites	105,104	AMP Transformation (Year 2)	Disability Access DDA (Year 2)	Yes - Com & Housing Committee
Clyde Valley Window Replacement	250,000	Curriculum Development (Year 2)	Window Replacements (Year 2)	Yes - Com & Housing Committee
Total Enterprise & Communities	984,063			