

North Lanarkshire Council Report

Communities and Housing Committee

approval noting

Ref RS/GT/JM

Date 20/11/19

Enterprise and Communities – Capital Monitoring Report

From Robert Steenson, Executive Director (Enterprise & Communities)

Email telferg@northlan.gov.uk

Telephone Greg Telfer, Business
Finance Manager, 01698
302836

Executive Summary

This report highlights the financial performance of the 2019/20 Enterprise & Communities capital programme for period ended 11 October 2019 (Period 7).

In summary the Service has a total capital budget of £72.251m across all the work streams (Composite programme £55.363m, Enterprise Projects £3.818m, Schools and Centres Modernisation £5.370m and Early Years Expansion £7.700m). The Service is currently forecasting a break even position.

Further explanation of project variances and management action taken by the Service is 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

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 and 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 £18.614m resulting in a revised Composite capital programme of £55.363m.

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 (£3.818m); the Schools and Centres Modernisation capital programme (£5.370m) and Early Years Expansion capital programme (£7.700m).

Overall the total Enterprise and Communities capital programme is £72.251m with Appendix 1 detailing in year 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 an overall break even position across all 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 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 (On Target)

Although the division is currently reporting on target there are a number of compensating variances between the themes. There are projected overspends in Core Works (£0.818m) as a result of rewire costs being higher than anticipated; Internal & External Works (£0.376m) due to emerging issues; and Roofing Contracts (£0.310m), re wiring (£0.160m) and Civic centre refurbishment (£0.109m). These are offset by underspends in Sustainable Estate (£0.472m), Energy efficiency (£0.327m), Curriculum Development (£0.228m), Pitches (£0.245m), Additional Support Needs (£0.176m), Libraries (£0.151m) and Disability Access (£0.114m).

The projected costs of each of the projects within the division and across themes are kept under continual review to consider the impact and timing of procurement processes and the inherent uncertainty of planning work over the winter period. The service will continue to proactively manage the programme both in year and across the 5 year programme to ensure effective delivery of capital investment.

2.2.2 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 overall programme will deliver on target. However, given the scope and scale of this programme there are a number of compensating variances between projects which align with programme activity. The programme and potential realignments are monitored through the NLC City Deal Board.

2.2.3 Environmental Assets (On Target)

Although the division is currently reporting on target, there are two compensating variances between the themes. There is a projected underspend on the Horsely Brae project, as the contract tender has come in lower than estimated (£0.117m). This has been offset by management action to accelerate further projects within carriageway works.

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 within the Early Years Expansion and Schools and Centres Modernisation programmes.

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



Robert Steenson
Executive Director (Enterprise & Communities)

Enterprise & Communities Capital Programme - Budget Movements 2019/20

1st April 2019 - 11th October 2019 (PERIOD 7)	£	£	£	£	£
	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	15,033,873	3,743,511	6,205,695	7,700,000	32,683,079
Movements to Budget approved SCDG July 2019	698,005				
Total Approved Movements	22,102,120	3,743,511	6,205,695	7,700,000	39,751,326
Approved Revised Budget	58,851,120	3,743,511	6,205,695	7,700,000	76,500,326
Management Action for Noting					
Movements to 2019/20 Composite Programme Budget					
<u>(i) Acceleration from future years</u>					
Town Centre Fund	500,000				500,000
	500,000	0	0	0	500,000
<u>(ii) Reprofiting to future years</u>					
Vacant & Derelict Land Fund	(2,779,123)				(2,779,123)
RCGF (Orbiston Units)	(1,440,000)				(1,440,000)
Ambition	(500,000)				(500,000)
Schools & Centres Modernisation			(836,083)		(836,083)
	(4,719,123)	0	(836,083)	0	(5,555,206)
<u>(i) Budget Transfers (to)/from other Services</u>					
Motherwell Park and Ride	(75,000)	75,000			0
	(75,000)	75,000	0	0	0
<u>(ii) Additional funding</u>					
Vacant & Derelict Land Fund (transfer from ear-marked reserves)	32,000				32,000
SCSP - cycleways improvements	79,250				79,250
SCSP - the Loaning	35,000				35,000
LDP - Developers Contributions (West End Park & Juniper Rd)	20,400				20,400
LDP - Campsie Funding Allocations (C&K LAP)	777,564				777,564
Sustrans -Design Technical Support	160,000				160,000
Shotts Iron Works Wall	40,000				40,000
Reduction of SPT Funding Horsely Brae	(262,588)				
Reduction of SLC Funding Horsely Brae	(117,369)				
St Brendan's PS MUGA Funding	10,000				
Chapelside PS Memorial - PTA Contribution	21,970				
SPT Croy Link Path	10,000				
	806,227	0	0	0	1,144,214
<u>(v) Budget Reductions</u>					
					0
					0
					0
	0	0	0	0	0
Sub Total of Budget Movements	(3,487,896)	75,000	(836,083)	0	(4,248,979)
REVISED BUDGET TOTAL	55,363,224	3,818,511	5,369,612	7,700,000	72,251,347

Enterprise & Communities Capital Programme 2019 - 2020 Thematic Category**1st April 2019 - 11th October 2019 (PERIOD 7)**

Thematic Category	Budget £	YTD					OUTTURN	
		Actual £	Actual %	Committed £	Committed %	Uncommitted £	Projected Outturn £	Outturn variance £
Core Capital Programme								
Unavoidable	20,311,824	11,290,857	56%	18,261,903	90%	3,354,064	21,615,966	(1,304,143)
Key Ambition	5,709,935	1,897,414	33%	2,910,402	51%	2,106,032	5,016,435	693,501
External Funding	6,965,750	2,175,843	31%	4,150,926	60%	2,814,824	6,965,750	0
Statutory Obligation	324,947	78,006	24%	204,257	63%	21,754	226,011	98,936
Building Asset Expenditure	3,864,295	1,943,071	50%	2,780,437	72%	689,521	3,469,958	394,337
Revenue Savings	8,119,124	2,321,631	29%	6,099,321	75%	2,019,802	8,119,123	1
Road Asset Expenditure	6,237,416	784,600	13%	2,203,286	35%	3,916,761	6,120,048	117,368
Local Development Plan	3,829,933	1,702,434	44%	2,135,140	56%	1,694,794	3,829,933	(1)
	55,363,224	22,193,856	40%	38,745,672	70%	16,617,552	55,363,224	(1)
Enterprise Projects	3,818,511	564,297	15%	1,853,857	49%	1,964,654	3,818,511	(0)
Schools & Centres 21	5,369,613	1,844,465	34%	4,322,173	80%	1,047,440	5,369,613	0
Early Years Expansion	7,700,000	371,259	5%	539,716	7%	7,160,284	7,700,000	(0)
Total	72,251,348	24,973,877	35%	45,461,417	63%	26,789,930	72,251,347	(0)

Theme	Revised Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
PLANNING & REGENERATION						
Unavoidable						
Coalbridge Cars	123,556	161,367	46,552	77,004	123,556	0
Antonine Wall Project	50,290	8,224	50,290	0	50,290	0
Key Ambition						
Regeneration and Town Centres	1,198,233	294,572	753,702	444,531	1,198,233	(0)
External Funding						
RCGF Fund	1,300,000	546,289	1,000,000	300,000	1,300,000	0
Vacant & Derelict Land Fund	3,215,750	1,629,377	2,835,749	380,001	3,215,750	0
Town Centre Fund	2,450,000	176	315,176	2,134,824	2,450,000	0
TOTAL PLANNING & REGENERATION	8,337,829	2,640,005	5,001,471	3,336,358	8,337,829	(0)
ASSET & PROCUREMENT						
Unavoidable						
Energy Efficiency	1,000,000	124,343	422,570	250,000	672,570	327,430
Demolitions	149,999	103,110	116,213	30,000	146,213	3,786
Asbestos Management	100,000	7,626	7,626	92,374	100,000	0
Health and Safety	569,217	274,205	548,787	25,000	573,787	(4,570)
Condition Surveys	100,000	29,432	29,432	70,568	100,000	0
Re-wiring Contracts	1,947,510	1,399,068	2,107,823	0	2,107,823	(160,313)
Boiler Upgrade and Replacement	0	30,151	30,151	0	30,151	(30,151)
Re-Roofing Contracts	944,000	421,950	1,254,678	0	1,254,678	(310,678)
Window Replacements	250,000	207,979	234,601	0	234,601	15,399
Internal and External Works	442,000	280,198	817,772	0	817,772	(375,772)
Estates - Capital Delivery	125,000	57,692	125,000	0	125,000	0
Core Works	740,251	509,370	1,201,967	356,260	1,558,228	(817,977)
Kilbowie	0	0	0	0	0	0
Community Facilities - Condition Survey Works	544,574	104,746	125,818	396,736	522,554	22,020
Libraries	161,159	10,090	10,090	0	10,090	151,069
Museums Arts - Air Conditioning Unit	52,227	45,927	45,927	0	45,927	6,300
NLL Condition Surveys	908,388	549,842	855,793	7,246	863,039	45,349
NLL Health & Safety	535,295	416,546	593,961	0	593,961	(58,666)
Key Ambition						
AMP Transformation	0	13,731	13,731	0	13,731	(13,731)
Curriculum Development	1,192,958	244,384	583,545	381,170	964,715	228,243
ASN	1,522,947	331,596	426,839	920,400	1,347,239	175,708
Pitches - Former Education	1,031,272	371,693	435,297	351,360	786,657	244,615
NLL Sports Pitches	764,525	641,438	697,287	8,572	705,859	58,666
Statutory Obligation						
Disability Access DDA	200,000	62,934	86,091	0	86,091	113,909
Health and Safety	107,543	15,072	118,165	4,350	122,515	(14,972)
Community Facilities - Fire Safety	17,404	0	0	17,404	17,404	0
Building Asset Expenditure						
Floor Coverings and Decoration	38,668	40,415	40,415	0	40,415	(1,747)
Toilet Refurbishments	78,000	79,434	119,257	0	119,257	(41,257)
Civic Centre Refurbishment	1,850,011	1,377,063	1,958,604	0	1,958,604	(108,593)
Office Accommodation	460,347	347,862	400,731	0	400,731	59,616
Refurbishment of Dining Counter Server Areas	60,000	0	0	0	0	60,000
Estates - CGA	70,000	30,597	29,828	40,172	70,000	0
Environmental Assets - Building Improvements	150,000	2,345	2,345	147,655	150,000	0
Sustainable Estate	1,023,364	0	58,364	493,333	551,697	471,667
NLL Major Maintenance	133,905	65,355	170,892	8,361	179,254	(45,349)
Revenue Savings						
Renewal of Building Cleaning Equipment	46,783	43,825	43,825	2,958	46,783	1
Renewal of Catering Equipment	60,000	600	0	60,000	60,000	0
TOTAL ASSET & PROCUREMENT	17,377,347	8,240,618	13,713,426	3,663,921	17,377,347	1
ENVIRONMENTAL ASSETS						
Unavoidable						
Street Lighting Infrastructure/Carbon Restructure	5,203,786	2,069,418	3,809,347	1,394,439	5,203,786	0
Infrastructure Improvements - Roads (essential)	6,032,783	4,295,638	5,629,931	520,220	6,150,151	(117,368)
Infrastructure Improvements to Land - Cemetery Works	0	0	0	0	0	0
7 Lochs project	93,975	32,363	46,000	47,975	93,975	0
Road Asset Expenditure						
Infrastructure Improvements - Roads	2,236,651	311,119	825,139	1,294,143	2,119,283	117,368
Other Infrastructure Health and Wellbeing projects (walking & cycling network, sustainable travel)	2,330,378	205,402	284,306	2,046,072	2,330,378	0
Gartcosh/Glenboig Community Growth Area	0	0	0	0	0	0
Infrastructure Improvements to Land	956,627	191,744	411,423	545,204	956,627	0
Other Infrastructure Health and Wellbeing projects (parks, woodlands and local nature reserves)	713,760	76,335	682,418	31,342	713,760	0
Revenue Savings						
Plant, Machinery and Vehicles - Land Management Machinery and Vehicles	141,841	52,250	57,000	84,841	141,841	0
Plant, Machinery and Vehicles - Woodland Management	125,000	0	118,935	6,065	125,000	0
Plant, Machinery and Vehicles - Country Parks Equipment	59,031	(2,047)	45,500	13,530	59,030	0
TOTAL ENVIRONMENTAL ASSETS	17,893,832	7,232,222	11,910,000	5,983,831	17,893,831	(0)
REGULATORY SERVICES & WASTE SOLUTIONS						
Unavoidable						
Contaminated Land and Air Quality Monitoring	237,814	151,573	151,573	86,241	237,814	0
Revenue Savings						
Investment in New Vehicles	7,200,000	2,223,216	5,813,997	1,386,003	7,200,000	0
Plant, Machinery and Vehicles - Workshop Equipment	327,549	3,788	3,788	323,761	327,549	0
Plant, Machinery and Vehicles - HWRC Machinery & Equipment	158,920	0	16,277	142,643	158,920	0
TOTAL REGULATORY SERVICES & WASTE SOLUTIONS	7,924,283	2,378,577	5,985,635	1,938,648	7,924,283	0
COMMUNITIES						
Local Development Plan	3,829,933	1,702,434	2,135,140	1,694,794	3,829,933	(1)
TOTAL COMMUNITIES	3,829,933	1,702,434	2,135,140	1,694,794	3,829,933	(1)
TOTAL COMPOSITE CAPITAL PROGRAMME	55,363,224	22,193,856	38,745,672	16,617,552	55,363,224	(0)

Theme	Revised Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
ENTERPRISE PROJECTS						
CITY DEAL						
Pan Lanarkshire	2,338,328	421,734	1,170,837	1,167,491	2,338,328	0
A8/M8 Improvements	189,166	18,067	91,397	97,769	189,166	0
Gartcosh/Glenboig CGA	766,017	61,723	66,623	699,394	766,017	(0)
Benefits Realisation Monitoring	0	0	0	0	0	0
TOTAL CITY DEAL	3,293,511	501,524	1,328,857	1,964,654	3,293,511	(0)
Motherwell Park & Ride	525,000	62,773	525,000	0	525,000	0
TOTAL ENTERPRISE PROJECTS	3,818,511	564,297	1,853,857	1,964,654	3,818,511	(0)
SCHOOLS & CENTRES MODERNISATION						
SC Phase 1	0	0	0	0	0	0
SC Phase 2	4,754,360	1,822,500	4,086,500	667,860	4,754,360	0
SC Phase 3	542,580	3,000	163,000	379,580	542,580	0
Motherwell Review	72,673	18,964	72,673	0	72,673	0
TOTAL SCHOOLS & CENTRE MODERNISATION	5,369,613	1,844,465	4,322,173	1,047,440	5,369,613	0
EARLY YEARS EXPANSION	7,700,000	266,648	458,162	7,241,838	7,700,000	0
TOTAL EARLY YEARS EXPANSION	7,700,000	371,259	539,716	7,160,284	7,700,000	(0)
TOTAL ENTERPRISE AND COMMUNITIES	72,251,348	24,973,877	45,461,417	26,789,930	72,251,347	0