

North Lanarkshire Council Report

Finance and Resources Committee

approval noting

Ref EK/KS/JQ

Date 18/09/19

Capital Programme 2019/20 Monitoring Report 1 April to 19 July 2019 (Period 4)

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Executive Summary

The purpose of the report is to provide an update on the 2019/20 resources and expenditure for the Council's Capital Programmes. The report also shows the 2019/20 provisional outturn position and the resultant variances.

Recommendations

It is recommended that the Committee notes the financial position of the Council's Capital Programmes as at 19 July 2019.

The Plan for North Lanarkshire

Priority Improve North Lanarkshire's resource base

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

1. Background

- 1.1 The Council General Fund Capital Investment Programme supported by General Fund resources incorporates a number of components including the Composite Service Core Investment Programme, Hub Campuses including the continuation of SC21 projects and the Early Years Expansion, Enterprise Projects including City Deal, and the Community Investment Fund. In addition, the Housing Revenue Account (HRA) resources support a number of HRA Capital Investment Programmes including Mainstream, New Build and Council Buy Back scheme.
- 1.2 The 2019/2020 General Fund Capital Investment programme is currently £101.430m with a £95.665m investment programme in relation to HRA capital projects. The budget reflects decisions made at the Strategic Capital Delivery Group (SCDG) in accordance with the SCDG terms of reference and where appropriate either by the individual service committees, Finance and Resource Committee or the Policy and Strategy Committee per the Scheme of Administration. Appendix 1 provides a breakdown of the overall 2019/20 budget by Service/ Programme and associated approved budget movements.

2. Report

2.1 Overall Council Capital Programme

- 2.1.1 The overall Council capital programme for 2019/20 and the projected outturn as at period 19 July 2019 (period 4) is summarised in table 1 below.

Capital Programme Summary 2019/20

Investment	Current Programme £000s	Projected Outturn £000s	Outturn Variance £000s
Composite Service Core Investment	69,707	69,707	0
Hub Campuses	13,905	13,905	0
Enterprise Projects	3,818	3,818	0
Community Investment Fund	14,000	14,000	0
Sub - Total General Fund Investment	101,430	101,430	0
HRA			
Total HRA Investment	95,665	95,689	(24)
Total Council Programme	197,095	197,119	(24)
Resources:			
External Grants & Contributions	77,095	77,095	0
Capital Receipts	4,525	4,525	0
Capital Receipts - Transfer to Capital Fund	(4,525)	(4,525)	0
CFCR	27,178	27,178	0
<i>Borrowing Requirement:</i>			
Composite	39,411	39,411	0
HRA Investment	53,411	53,435	(24)
Total Resources	197,095	197,119	(24)

Table 1- Overall Council Capital Programme 2019/20

- 2.1.2 On a budgeted programme of £197.095m an over spend of £0.024m is currently anticipated. Further financial performance information regarding each of the programmes is discussed in paragraphs 2.2 to 2.4 below.

2.2 General Fund Capital Programme and Projected Outturn by Service/ Programme

- 2.2.1 The financial performance of the overall General Fund Investment programme as at 19 July 2019 is detailed in Appendix 2 and summarised below.

Resources

- 2.2.2 Based on the revised programme of £101.430m approved by the SCDG it is expected the level of resources required to meet the current programme will be on target.
- 2.2.3 Appendix 2 indicates anticipated external grants and contributions of £61.987m for the General Fund investment programme which reflect known commitments from outside bodies to provide capital funding primarily from the Scottish Government General Capital Grant of £36.000m and other specific Scottish Government Grants including VDLF £5.900m, Town Centre Fund Capital Grant of £3.250m, Early Years Expansion Programme £7.700m and £3.282m for Enterprise Projects.
- 2.2.4 Receipts from sale of assets support the General fund investment programme. The 2019/20 Capital receipts budget is £4.525m and is currently projected on target. These receipts will continue to be closely monitored throughout the financial year. In accordance with previous approvals the anticipated £4.525m receipts will be transferred to the Capital Fund with the intention to draw down from this into revenue during 2020/21.
- 2.2.5 Appendix 2 indicates a requirement to borrow £39.411m to support the overall general fund programme. This reflects the approval to transfer £4.525m of capital receipts to the Capital Fund which increases the overall borrowing requirement, which will be managed within the overall resources of the 5 year general fund programme.
- 2.2.6 Actual expenditure for the 2019/20 General Fund Capital Programme to 19 July 2019 is £11.130m and committed expenditure is £36.174m, which represents 35.66% of the total projected spend of £101.430m Further analysis by service/ programme on projected outturn, actual expenditure and commitment to date are contained within Appendix 2, as follows;

Enterprise and Communities

- 2.2.7 The current budget of £58.832m for Enterprise and Communities is forecast to be on target, with no significant variances to report at this time, subject to the approval of virement requests outlined in paragraph 2.4 and detailed in Appendix 4. The expenditure at the end of period 4 is £9.193m which includes expenditure primarily in relation Roads (£2.441m), Street Lighting (£1.562m) and Vehicles Plant & Equipment (£1.516m).

Chief Executives: Business Solutions

- 2.2.8 Business Solutions is forecasting total expenditure in relation to DigitalNL project of £8.235m, which is in line with budget, with expenditure at period 4 being £0.178m.

Social Work

- 2.2.9 Social Work is forecasting total expenditure of £2.640m, which is in line with budget, with expenditure at period 4 being £0.488m.

Hub Campuses

- 2.2.10 The Hub campuses theme incorporates the continuation of the SC21 and Early Years Expansion programme. Actual expenditure across these areas to 19 July 2019 is £1.133m and committed expenditure is £4.537m which represents 32.63% of the projected targeted spend of £13.905m. An analysis of actual expenditure and commitment to date regarding the 2 main programmes is as follows;

Continuation of SC21 Projects (Phase 2& 3)

- 2.2.11 In 2019/20, there is a forecast total spend of £6.205m in relation to the continuation of projects approved under the SC21 phase 2 and 3 approvals, with no significant variances, the expenditure is expected to be on target, and actual expenditure at period 4 reported of £0.869m.

Early Years Expansion

- 2.2.12 In 2019/20, there is a forecast total spend of £7.700m in relation to the early years expansion, with no significant variances, the spend expected to be on target, and actual expenditure at period 4 reported of £0.264m.

Enterprise Projects

- 2.2.13 Enterprise projects primarily incorporate projects in relation to the City Deal which includes Pan Lanarkshire, A8/M8 improvements and other projects including Motherwell Park and Ride works. Actual and committed expenditure across these areas to 19 July 2019 is £0.511m, which represents 13.38% of the projected targeted spend of £3.818m.

Community Investment Fund (CIF)

- 2.2.14 The CIF is to support new investment over and above the Council core composite and other capital programmes. This programme is in the early stages of development with governance arrangements currently being established by the SCDG. An initial capital investment of £14.000m has been approved in 2019/20, and work continues to establish priorities for this fund in line with The Plan for North Lanarkshire. To date there is no reported actual expenditure or commitments against this fund.

2.3 HRA Capital Programme & Projected Outturn

- 2.3.1 The financial performance of the HRA Capital Programme is reported in detail to the Communities & Housing Committee. A summary of performance as at 19 July 2019 is provided at Appendix 3. An over spend of £0.024m is currently projected against a total programme of £95.665m, which relates to the mainstream programme. A commitment of £79.435m is currently reported, which is 83.01% of the projected outturn. As at period 4 expenditure of £19.374m has been incurred.

2.4 Service Virement Requests

- 2.4.1 As mentioned in paragraph 2.2.7, to ensure available resources more closely reflect operational activity across themes, there are a number of virement requests within the Enterprise & Communities programme. These are summarised within Appendix 4. As these requests are greater than £100,000 and are across thematic categories final approval will be required from the Communities and Housing Committee, following consideration by the SCDG.
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3. Equality and Diversity

3.1 Fairer Scotland Duty

There are no specific impacts on Fairer Scotland.

3.2 Equality Impact Assessment

There are specific equality impact assessments to note.

4. Implications

4.1 Financial Impact

There is no financial impact as a result of the contents of this report.

4.2 HR/Policy/Legislative Impact

There is no HR/Policy/Legislative impact as a result of the contents of this report.

4.3 Environmental Impact

There is no environmental impact as a result of the contents of this report.

4.4 Risk Impact

There is no risk impact as a result of the contents of this report.

5. Measures of success

5.1 N/A

6. Supporting documents

- 6.1 **Appendix 1** Council Capital Programme 2019/20 budget movements
Appendix 2 General Fund Investment Programme Summary 2019/20 – as at 19 July 2019 (Period 4)
Appendix 3 HRA Capital Investment Programme Summary 2019/20 – as at 19 July 2019 (Period 4)
Appendix 4 Summary of Virement Requests



Elaine Kemp
Head of Financial Solutions

2019/20 Council Capital Programme – budget movements

	Enterprise & Communities	Chief Exec - Business Solutions	Social Work	Hub Campuses	Community Investment Fund	Enterprise Projects	Total General Fund	HRA Capital	Overall Programme
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
2019/20 Opening programme	36,749	7,920	2,418	13,905	14,000	3,293	78,285	95,665	173,950
Additions; New Programmes	-	-	-	-	-	450	450	0	450
Budget Reductions	(200)	-	-	-	-	-	(200)	0	(200)
Impact of SCDG approvals in 2018/19	7,283	379	249	-	-	-	7,911	0	7,911
2018/19 carry forwards	(912)	(64)	(27)	-	-	-	(1,003)	0	(1,003)
19/20 acceleration of projects from future years	7,328	-	-	-	-	-	7,328	0	7,328
19/20 re-profiling of projects to future years	(6,430)	-	-	-	-	-	(6,430)	0	(6,430)
Additional Resources	15,089	-	-	-	-	-	15,089	0	15,089
Budget Transfers	(75)	-	-	-	-	75	0	0	0
Revised Capital Programme 2019/20	58,832	8,235	2,640	13,905	14,000	3,818	101,430	95,665	197,095

Investment	Current Programme 2019/20 £000s	Projected Outturn 2019/20 £000s	Outturn Variance 2019/20 £000s	Committed Expenditure @ P4 £000s	Committed Expenditure % of Projected Outturn	Actual Expenditure @ P4 £000s
Enterprise & Communities	58,832	58,832	0	29,699	50.48%	9,193
Chief Executives: Business Solutions	8,235	8,235	0	939	11.40%	178
Social Work	2,640	2,640	0	488	18.48%	488
Sub - Total Composite Core Investment	69,707	69,707	0	31,126	44.65%	9,859
SC21 - Phase 2 & 3	6,205	6,205	0	4,078	65.72%	869
Early Years Expansion	7,700	7,700	0	459	5.96%	264
Sub - Total Hub Campuses	13,905	13,905	0	4,537	32.63%	1,133
City Deal	3,293	3,293	0	508	15.43%	135
Motherwell Park & Ride	525	525	0	3	0.57%	3
Sub - Total Enterprise Projects	3,818	3,818	0	511	13.38%	138
Community Investment Fund	14,000	14,000	0	0	0.00%	0
Total General Fund Investment	101,430	101,430	0	36,174	35.66%	11,130

General Fund Resources;			
External Grants & Contributions	61,987	61,987	0
CFCR	32	32	0
Capital Receipts	4,525	4,525	0
Capital Receipts - Transfer to Capital Fund	(4,525)	(4,525)	0
Sub -Total Resources Exc.Borrowing	62,019	62,019	0
<i>Borrowing Requirement:</i>			
Composite Core Investment	14,220	14,220	0
Add'l due to receipts to capital fund	4,525	4,525	0
SC21 Phase 2 & 3	6,205	6,205	0
Community Investment Fund	14,000	14,000	0
City Deal (14%)	461	461	0
Sub - Total Borrowing Requirement	39,411	39,411	0
Total Resources	101,430	101,430	0

HRA Capital Investment Programme Summary 2019/20 - as at 19 July 2019 (Period 4)

Appendix 3

Investment	Current Programme 2019/20 £000s	Projected Outturn 2019/20 £000s	Outturn Variance 2019/20 £000s	Committed Expenditure @ P4 £000s	Committed Expenditure % of Projected Outturn	Actual Expenditure @ P4 £000s
Mainstream Programme	63,450	63,474	(24)	57,930	91.27%	15,155
New Build Programme	19,715	19,715	0	18,156	92.09%	1,887
Council Buy Back Scheme	12,500	12,500	0	3,349	26.79%	2,332
Total HRA Investment	95,665	95,689	(24)	79,435	83.01%	19,374

HRA Capital Resources;			
External Grants & Contributions	15,108	15,108	0
CFCR	27,146	27,146	0
Sub - Total Resources exc. Borrowing	42,254	42,254	0
Borrowing Requirement:			
HRA - Mainstream	40,974	40,998	(24)
HRA - New Build	1,437	1,437	0
HRA - Buyback Scheme	11,000	11,000	0
Sub - Total Borrowing Requirement	53,411	53,435	(24)
Total Resources	95,665	95,689	(24)

SUMMARY OF VIREMENT REQUESTS

		From	To
Service : Enterprise & Communities	£		
In-year Budget Transfers across themes			
Civic centre refurbishment - to align with Ground Floor works	*478,203	AMP Transformation (Year 2: 2019/20)	Building Asset Expenditure: Civic Centre Refurbishment (Year 2: 2019/20)
Toilet Refurbishment Programme	*150,756	AMP Transformation (Year 2: 2019/20)	Building Asset Expenditure: Toilet Refurbishments (Year 2: 2019/20)
Disability Access at Various Sites	*105,104	AMP Transformation (Year 2: 2019/20)	Statutory Obligation: Disability Access DDA (Year 2: 2019/20)
Clyde Valley Window Replacement	*250,000	Curriculum Development (Year 2: 2019/20)	Building Asset Expenditure: Window Replacements (Year 2: 2019/20)
Total Enterprise & Communities	984,063		

* In excess of £100,000 therefore consideration by SCDG with final approval required by Communities and Housing Committee.