

North Lanarkshire Council Report

Housing and Regeneration Committee

approval noting

Ref RS/GT/JM

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Enterprise and Communities – Capital Monitoring Report

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Executive Summary

This report highlights the financial performance of the 2019/20 Enterprise & Communities capital programme for period ended 3 January 2020 (Period 10).

In summary the Service has a total capital budget of £70.990m across all the work streams (Composite programme £51.671m, Enterprise Projects £2.267m, Schools and Centres Modernisation £5.121m, Early Years Expansion £11.314m and Community Investment Fund £0.617m). The Service is currently forecasting to be on target following management action as noted in Appendix 1 agreed by the Strategic Capital Delivery Group.

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 £14.922m resulting in a revised Composite capital programme of £51.671m.

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 (£2.267m); the Schools and Centres Modernisation capital programme (£5.121m); Early Years Expansion capital programme (£11.314m) and Community Investment Fund (£0.617m).

Overall the total Enterprise and Communities capital programme is £70.990m 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 to be on target 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 Internal & External Works (£0.792m) due to emerging issues; Core Works (£0.255m) due to rewire costs being higher than originally anticipated; and Roofing Contracts (£0.316m), Demolitions (£0.253m), Floor Coverings/Decorations (£0.149m) and NLL Condition Surveys (£0.133m). These are offset by the impact of reprofiled expenditure within Additional Support Needs (£0.798m) and Sustainable Estate (£0.682m) mainly related to timing delays in temporary modular units, Energy Efficiency (£0.271m) and Libraries (£0.122m).

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)

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. Total expenditure of £2.267m is now forecast for 2019/20 which represents a reduction of £1.551m to the previously planned programme. This is primarily due to procurement savings being achieved for the Ravenscraig Interchange Access South and East Airdrie Link Road projects coupled with delays in the Motherwell Transport Interchange delivery programme. The funding of this programme is managed externally by the City Deal Programme Board..

2.2.3 Early Years Expansion (On Target)

Although this work stream is forecasting to be on target a budget increase of £3.614m has been included in Appendix 1 to reflect the drawdown of the Early Years grant now that 6 of the 9 new build projects are in contract and updated cashflows have been received from the Contractor.

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 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.

4.4.3 The Service continues to monitor all projects over the winter period to manage any impact on progress throughout this time of year.

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 - 3rd January (PERIOD 10)	£	£	£	£	£	£
	Composite Programme Budget	Enterprise Projects	Schools & Centres 21	Early Years Expansion	Community Investment Fund	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	6,205,696	7,700,000	-	32,683,080
Additional Resources noted SCDG October 2019	1,144,214					1,144,214
Movements to Budget approved SCDG July 2019	698,005					698,005
Movements to Budget approved SCDG October 2019	(4,294,123)	75,000	(836,083)			(5,055,206)
Total Approved Movements	18,952,211	3,818,511	5,369,613	7,700,000	-	35,840,335
Approved Revised Budget	55,701,211	3,818,511	5,369,613	7,700,000	-	72,589,335

Management Action for Noting

Movements to 2019/20 Composite Programme Budget

(ii) Additional funding

Reduction of SLC Funding Horsely Brae	(400,000)					(400,000)
Reduction of SPT Funding Horsely Brae	(537,412)					(537,412)
SPT Croy Link Path	10,000					10,000
Reduction of SPT Funding Holytown Park & Ride	(60,000)					(60,000)
SCSP - cycleways improvements	(78,000)					(78,000)
HLF Funding	60,722					60,722
WIAT Funding	36,913					36,913
Drumbow Bond	242,847					242,847
SEPA Garrell Burn	(474,183)					(474,183)
St Brendan's PS MUGA Funding - PTA Contribution	10,000					10,000
Chapelside PS Memorial - PTA Contribution	21,970					21,970
Culture NL Catering Equipment (CFCR)	120,000					120,000
Heritage Centre Lift (CFCR)	30,000					30,000
Early Years Capital Grant				3,614,418		3,614,418
CIF Bellside Bridge					10,000	10,000
CIF Bellshill Project Funding					283,000	283,000
CIF Midforrest CGA					75,000	75,000
RCGF Orbiston Industrial Unit	(300,000)					(300,000)
Vacant & Derelict Land Fund	(307,000)					(307,000)
City Deal Grant		(1,240,302)				(1,240,302)
NLC City Deal Funding		(311,423)				(311,423)
Schools & Centres Phase 3 Reprofile			(248,902)			(248,902)
Local Development Programme	(451,827)					(451,827)
Street Lighting	(783,687)					(783,687)
Horsely Brae	(483,133)					(483,133)
Replacement cemetery development	(110,467)					(110,467)
A73 Corr Carlisle S Biggar Road	(557,304)					(557,304)
Holytown Park & Ride	(50,983)					(50,983)
Harthill Park & Ride	(492,000)					(492,000)
Fleet - New vehicles	497,779					497,779
Contaminated Land	26,000					26,000
CIF Parks Masterplan					59,000	59,000
CIF Office Accommodation					180,000	180,000
CIF Community Hubs					10,000	10,000
	(4,029,765)	(1,551,725)	(248,902)	3,614,418	617,000	(1,598,974)
Sub Total of Budget Movements	(4,029,765)	(1,551,725)	(248,902)	3,614,418	617,000	(1,598,974)
REVISED BUDGET TOTAL	51,671,446	2,266,786	5,120,711	11,314,418	617,000	70,990,361

Enterprise & Communities Capital Programme 2019 - 2020 Thematic Category

APPENDIX 2

1st April 2019 - 3rd January (PERIOD 10)

Thematic Category	Budget £	YTD					OUTTURN	
		Actual £	Actual %	Committed £	Committed %	Uncommitted £	Projected Outturn £	Outturn variance £
Core Capital Programme								
Unavoidable	19,946,984	15,741,589	79%	19,591,263	98%	1,706,510	21,297,773	(1,350,789)
Key Ambition	5,709,935	2,575,990	45%	4,276,257	75%	622,195	4,898,451	811,484
External Funding	6,358,750	2,481,330	39%	4,257,115	67%	2,101,635	6,358,750	(0)
Statutory Obligation	324,947	172,253	53%	205,540	63%	17,404	222,944	102,003
Building Asset Expenditure	3,864,295	2,298,793	59%	2,972,462	77%	425,369	3,397,831	466,464
Revenue Savings	8,616,903	3,470,150	40%	8,169,918	95%	454,135	8,624,054	(7,151)
Road Asset Expenditure	3,471,526	1,429,262	41%	2,190,870	63%	1,302,665	3,493,536	(22,010)
Local Development Plan	3,378,107	1,910,189	57%	2,502,414	74%	875,693	3,378,106	(0)
	51,671,446	30,079,556	58%	44,165,840	85%	7,505,607	51,671,446	0
Enterprise Projects	2,266,786	867,255	38%	1,859,687	82%	407,098	2,266,786	(0)
Schools & Centres 21	5,120,711	3,158,213	62%	4,975,638	97%	145,073	5,120,711	(0)
Early Years Expansion	11,314,418	1,625,684	14%	9,365,616	83%	1,948,802	11,314,418	(0)
Community Investment Fund	617,000	3,675	1%	243,600	39%	373,400	617,000	0
Total	70,990,361	35,734,382	50%	60,610,381	85%	10,379,979	70,990,361	(0)

Enterprise & Communities Capital Programme 2019/20
Theme Expenditure Summary
1st April 2019 - 3rd January (PERIOD 10)

Theme	Revised Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
PLANNING & REGENERATION						
Unavoidable						
Coatbridge Cars	123,556	238,819	45,239	78,317	123,556	0
Antonine Wall Project	50,290	15,492	50,290	0	50,290	0
Key Ambition						
Regeneration and Town Centres	1,198,233	504,505	853,605	344,628	1,198,233	(0)
External Funding		0				
RCGF Fund	1,000,000	824,453	1,000,000	0	1,000,000	0
Vacant & Derelict Land Fund	2,908,750	1,647,715	2,835,750	73,000	2,908,750	(0)
Town Centre Fund	2,450,000	9,162	421,365	2,028,635	2,450,000	0
TOTAL PLANNING & REGENERATION	7,730,829	3,240,146	5,206,249	2,524,580	7,730,829	(0)
ASSET & PROCUREMENT						
Unavoidable						
Energy Efficiency	1,000,000	164,793	513,226	215,484	728,711	271,289
Demolitions	149,999	150,547	402,810	0	402,810	(252,811)
Asbestos Management	100,000	7,766	7,766	17,234	25,000	75,000
Health and Safety	569,217	476,498	546,649	0	546,649	22,568
Condition Surveys	100,000	29,487	29,487	70,513	100,000	0
Re-wiring Contracts	1,947,510	1,901,579	2,009,294	0	2,009,294	(61,784)
Boiler Upgrade and Replacement	0	30,249	30,249	0	30,249	(30,249)
Re-Roofing Contracts	944,000	922,318	1,260,077	0	1,260,077	(316,077)
Window Replacements	250,000	215,097	233,684	0	233,684	16,316
Internal and External Works	442,000	354,867	1,233,416	0	1,233,416	(791,416)
Estates - Capital Delivery	125,000	76,923	125,000	0	125,000	0
Core Works	740,251	825,522	995,280	0	995,280	(255,029)
Kilbowie	0	0	0	0	0	0
Community Facilities - Condition Survey Works	664,574	110,848	242,640	396,736	639,376	25,198
Libraries	161,159	37,818	38,866	0	38,866	122,293
Museums Arts - Air Conditioning Unit	82,227	45,927	75,927	0	75,927	6,300
NLL Condition Surveys	908,388	859,733	1,029,907	11,016	1,040,924	(132,536)
NLL Health & Safety	535,295	541,508	601,092	0	601,092	(65,797)
Key Ambition						
AMP Transformation	0	25,099	40,451	0	40,451	(40,451)
Curriculum Development	1,192,958	417,480	1,108,880	30,000	1,138,880	54,078
ASN	1,522,947	471,798	488,910	235,779	724,689	798,258
Pitches - Former Education	1,031,272	503,336	1,085,453	0	1,085,453	(54,181)
NLL Sports Pitches	764,525	653,772	698,957	11,788	710,745	53,780
Statutory Obligation						
Disability Access DDA	200,000	94,334	104,613	0	104,613	95,387
Health and Safety	107,543	77,919	100,927	0	100,927	6,616
Community Facilities - Fire Safety	17,404	0	0	17,404	17,404	0
Building Asset Expenditure						
Floor Coverings and Decoration	38,668	41,015	188,015	0	188,015	(149,347)
Toilet Refurbishments	78,000	104,170	120,883	0	120,883	(42,883)
Civic Centre Refurbishment	1,850,011	1,499,661	1,897,073	0	1,897,073	(47,062)
Office Accommodation	460,347	429,863	451,662	0	451,662	8,685
Refurbishment of Dining Counter Server Areas	60,000	0	0	0	0	60,000
Estates - CGA	70,000	35,929	34,813	35,187	70,000	0
Environmental Assets - Building Improvements	150,000	5,276	5,276	144,724	150,000	0
Sustainable Estate	1,023,364	66,357	96,791	244,938	341,729	681,635
NLL Major Maintenance	133,905	116,522	177,950	521	178,471	(44,566)
Revenue Savings						
Renewal of Building Cleaning Equipment	46,783	76,045	76,045	0	76,045	(29,261)
Renewal of Catering Equipment	60,000	7,154	43,955	0	43,955	16,045
TOTAL ASSET & PROCUREMENT	17,527,347	11,377,209	16,096,023	1,431,325	17,527,347	(0)

Enterprise & Communities Capital Programme 2019/20
Theme Expenditure Summary
1st April 2019 - 3rd January (PERIOD 10)

Appendix 3
CONT

Theme	Revised Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
ENVIRONMENTAL ASSETS						
Unavoidable						
Street Lighting Infrastructure/Carbon Restructure	4,420,099	3,036,555	3,814,984	488,802	4,303,786	116,313
Infrastructure Improvements - Roads (essential)	6,275,630	5,435,424	6,018,375	357,624	6,375,999	(100,369)
Infrastructure Improvements to Land – Cemetery Works	0	0	0	0	0	0
7 Lochs project	93,975	32,813	56,000	37,975	93,975	0
Road Asset Expenditure						
Infrastructure Improvements - Roads	1,196,063	646,330	931,236	340,827	1,272,064	(76,001)
Other Infrastructure Health and Wellbeing projects (walking & cycling network, sustainable travel)	1,092,091	308,216	378,508	658,582	1,037,091	55,000
Gartcosh/Glenboig Community Growth Area		0				
Infrastructure Improvements to Land	846,160	267,226	561,914	282,254	844,168	1,992
Other Infrastructure Health and Wellbeing projects (parks, woodlands and local nature reserves)	337,212	207,490	319,212	21,000	340,212	(3,000)
Revenue Savings						
Plant, Machinery and Vehicles - Land Management Machinery and Vehicles	141,841	59,662	129,662	12,179	141,841	0
Plant, Machinery and Vehicles - Woodland Management	125,000	0	118,935	0	118,935	6,065
Plant, Machinery and Vehicles - Country Parks Equipment	59,031	0	54,000	5,030	59,030	0
TOTAL ENVIRONMENTAL ASSETS	14,587,102	9,993,716	12,382,827	2,204,273	14,587,101	1
REGULATORY SERVICES & WASTE SOLUTIONS						
Unavoidable						
Contaminated Land and Air Quality Monitoring	263,814	231,006	231,006	32,808	263,814	0
Revenue Savings						
Investment in New Vehicles	7,697,779	3,285,274	7,617,779	80,000	7,697,779	0
Plant, Machinery and Vehicles - Workshop Equipment	327,549	33,491	107,115	220,434	327,549	0
Plant, Machinery and Vehicles - HWRC Machinery & Equipment	158,920	8,524	22,428	136,492	158,920	0
TOTAL REGULATORY SERVICES & WASTE SOLUTIONS	8,448,062	3,558,295	7,978,327	469,735	8,448,062	0
COMMUNITIES						
Local Development Plan	3,378,107	1,910,189	2,502,414	875,693	3,378,106	(0)
TOTAL COMMUNITIES	3,378,107	1,910,189	2,502,414	875,693	3,378,106	(0)
TOTAL COMPOSITE CAPITAL PROGRAMME	51,671,446	30,079,556	44,165,840	7,505,606	51,671,445	0
ENTERPRISE PROJECTS						
CITY DEAL						
Pan Lanarkshire	1,374,138	607,245	1,052,145	321,992	1,374,138	(0)
A8/M8 Improvements	126,840	36,665	102,412	24,427	126,839	0
Gartcosh/Glenboig CGA	240,808	72,312	131,079	109,729	240,808	(0)
Benefits Realisation Monitoring	0	0	0	0	0	0
TOTAL CITY DEAL	1,741,786	716,222	1,285,637	456,148	1,741,786	(0)
Motherwell Park & Ride	525,000	151,032	574,051	(49,051)	525,000	0
TOTAL ENTERPRISE PROJECTS	2,266,786	867,255	1,859,687	407,098	2,266,786	(0)
SCHOOLS & CENTRES MODERNISATION						
TOTAL SCHOOLS & CENTRE MODERNISATION	5,120,711	3,158,213	4,975,638	145,073	5,120,711	(0)
EARLY YEARS EXPANSION						
CYP (600hrs 0-2 Year Grant)	0	0	0	0	0	0
1140 Extensions	737,315	217,244	217,244	520,070	737,315	(0)
1140 Remodel	0	0	0	0	0	0
1140 Adaption	469,441	350,302	350,302	119,138	469,441	0
1140 Newbuilds	9,745,662	1,058,137	8,636,069	1,109,594	9,745,662	0
1140 Kitchens/Catering Equipment	362,000	0	162,000	200,000	362,000	0
1140 Outdoor Play Equipment	0	0	0	0	0	0
1140 Educational Equipment	0	0	0	0	0	0
TOTAL EARLY YEARS EXPANSION	11,314,418	1,625,684	9,365,616	1,948,802	11,314,418	(0)
COMMUNITY INVESTMENT FUND						
Midforrest Community Growth Area	75,000	0	0	75,000	75,000	0
Bellside Bridge	10,000	675	1,600	8,400	10,000	0
Depot Rationalisation	283,000	0	0	283,000	283,000	0
S/clyde Park Masterplan	59,000	0	59,000	0	59,000	0
Office Accommodation	180,000	0	180,000	0	180,000	0
Community Hubs	10,000	3,000	3,000	7,000	10,000	0
TOTAL COMMUNITY INVESTMENT FUND	617,000	3,675	243,600	373,400	617,000	0
TOTAL ENTERPRISE AND COMMUNITIES	70,990,361	35,734,382	60,610,381	10,379,978	70,990,360	(0)