

# North Lanarkshire Council Report

## Finance and Resources Committee

Does this report require to be approved?  Yes  No

Ref EK/GT/RM

Date 26/02/25

## Capital Programme 2024/25 Monitoring Report

From Elaine Kemp, Chief Officer (Finance)

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### Executive Summary

The purpose of the report is to provide an update on the 2024/25 resources and expenditure for the Council's Strategic Capital Investment Programme. The report shows the 2024/25 projected outturn position and the resultant variances.

It is currently anticipated that the General Fund programme will have a projected programme expenditure variance of £13.467m, primarily due to the ongoing reassessment of vehicle replacement programme requirements, timing delays within the Town and Community Hub programme and the new Roads and Infrastructure contract and public utilities works for City Deal projects within Enterprise and Communities.

The HRA programme is currently anticipating that expenditure will be £1.302m lower mainly due to the purchase of land being lower than previously projected, offset by a higher level of abnormal costs being identified within the New Build programme, together with a slight reduction in the number of projected acquisitions through the Mortgage to Rent scheme within the Buy Back programme.

### Recommendations

It is recommended that the Finance and Resources Committee:

- (1) Acknowledges the provisional outturn financial position of the Council's Strategic Capital Investment Programme as at 3 January 2025.

### 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
Programme of Work	Statutory / corporate / service requirement

## **1. Background**

- 1.1 The Strategic Capital Investment Programme 2024/25 to 2028/29 was approved at Policy and Strategy Committee in March 2024 and represents the total Community Investment Programme incorporating the General Services Capital Programme and HRA Capital Programmes. The programme was developed in conjunction with Services and led by the Strategic Capital Delivery Group (SCDG) using the principles established by the Council's Capital Strategy.
- 1.2 The General Services Capital Programme supported by General Services resources demonstrates to communities that the place making visions for towns remains a priority and that the approved 5-year capital investment plan supports delivery of The Plan for North Lanarkshire. The programme includes additional investment in Town and Community Hubs, the City Deal programme, and external grant funding.
- 1.3 In addition, the Housing Revenue Account (HRA) resources support several HRA Capital Investment Programmes including the Mainstream programme for investment in the Council's existing estate and delivery of the ambition for 5,000 additional supply through the New Build and Council Buy Back programmes.
- 1.4 The 2024/2025 General Services Capital Programme is currently £139.922m with a £111.291m investment programme in relation to the Housing Revenue Account. This reflects the approved budget in March 2024 at Policy and Strategy Committee and subsequent 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 Resources Committee or the Policy and Strategy Committee per the Scheme of Administration. Appendix 1 provides a breakdown of the overall 2024/25 budget by Service Programme and associated approved budget movements.

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## **2. Report**

### **Overall Council Strategic Capital Investment Programme**

- 2.1 The overall Council Strategic Capital Investment programme for 2024/25 and the provisional outturn to 31 March 2025 is summarised in Table 1 as follows:

## Community Capital Investment Programme Summary 2024/25

	Current Programme £000s	Projected Outturn £000s	Outturn Variance £000s
Enterprise & Communities	130,406	116,939	13,467
Chief Executives	7,345	7,345	0
Adult Health & Social Care	2,171	2,171	0
<b>General Services: Total Capital Investment</b>	<b>139,922</b>	<b>126,455</b>	<b>13,467</b>

### General Services Resources:

#### General Fund

External Grants & Contributions 2023/24	35,784	35,784	0
External Grants & Contributions b/f 2022/23	7,203	7,203	0
External Grants & Contributions Unapplied	(4,205)	(4,205)	0
Net External Grants & Contributions	38,782	38,782	0
Advanced Developers Contributions	1,507	1,507	0
City Deal Grant	1,000	1,000	0
Capital Receipts	3,250	6,300	3,050
Capital Receipts -Transfer to Capital Fund	0	0	0
CFCR	24,987	24,987	0
<b>General Services: Total Resources</b>	<b>69,526</b>	<b>72,576</b>	<b>3,050</b>

<b>General Services : Borrowing Requirement</b>	<b>70,396</b>	<b>53,879</b>	<b>(16,517)</b>
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<b>HRA : Total Capital Investment</b>	<b>111,291</b>	<b>109,989</b>	<b>1,302</b>
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#### HRA Resources:

Net External Grants & Contributions	15,452	15,587	135
Capital Receipts	0	8	8
CFCR	20,089	20,089	0

<b>HRA : Total Resources</b>	<b>35,541</b>	<b>35,684</b>	<b>143</b>
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<b>HRA : Borrowing Requirement</b>	<b>75,750</b>	<b>74,305</b>	<b>(1,445)</b>
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#### Summary

<b>Total Council : Capital Investment</b>	<b>251,213</b>	<b>236,444</b>	<b>14,769</b>
<b>Total Council : Resources</b>	<b>105,067</b>	<b>108,260</b>	<b>3,193</b>
<b>Total Council : Borrowing Requirement</b>	<b>146,146</b>	<b>128,184</b>	<b>(17,962)</b>

2.2 On a budgeted programme of £251.213m expenditure is anticipated to be £14.769m lower than current programme at this stage of the financial year. Further financial performance information regarding each of the programmes is discussed in section 2.3 and 2.20 below.

### General Services Capital Programme and Projected Outturn by Service/ Programme

2.3 The forecast financial performance of the overall General Services Investment programme at 31 March 2025 is detailed in Appendix 2 and summarised below.

## General Services Total Resources

- 2.4 The revised programme approved by the SCDG is £139.922m with total resources available to meet the current programme forecast to be £69.526m, resulting in a borrowing requirement of £70.396m.
- 2.5 In 2024/25 net external grants and contributions of £38.782m will be utilised. This capital resource primarily includes the Scottish Government (SG) General Capital Grant receivable of £22.270m and other specific SG Grants including Vacant and Derelict Land Fund (VDLF, £1.231m), Live Labs II (LLII £1.369m), Traffic Signals and Road Safety Fund (TSRS, £2.434m) and Shared Prosperity Fund (SPF £1.406m). It also includes contributions from other sources such as developer contributions of £4.483m. In addition, capital grants received in 2023/24 have been added to the programme to match expenditure in 2024/25 including £1.418m for VDLF, £1.841m for PBIP, £1.875m for Regeneration Capital Grant Fund, £1.477m for Live Labs II and £0.231m for Community Bus Fund. This has been offset by £4.205m of external grant and contributions for Live Labs II (LLII £1.864m), VDLF (£1.549m), PBIP (£0.766m) and the Scottish Wildlife Trust (£0.026m) which will not be applied in 2024/25 for projects which will now not be completed until 2025/26.
- 2.6 Receipts from the sale of assets are currently projected to be £6.300m, which is £3.050m greater than the budget of £3.250m. These receipts will continue to be closely monitored throughout the financial year.
- 2.7 Whilst the approved 5-year capital programme had assumed phasing of known utilisation of developer contributions, the accelerated timing of drawdown of these contributions of an additional £1.507m during 2024/25 to match in-year expenditure reduces the borrowing requirement for 2024/25 and will instead be required in the 2025/26 financial year.
- 2.8 In addition, the approved 5-year capital programme had assumed phasing of City Deal grant income with no receipt in 2024/25 forecast, accelerated timing of receipt of this grant of £1.000m during 2024/25 results in a corresponding reduction in the borrowing requirement for 2024/25 and will instead be required in the 2028/29 financial year.

## General Services Total Expenditure

- 2.9 As indicated in Table 1 the General Services investment programme is £139.922m. At Period 10, the provisional outturn spend is £13.467m lower than current programme. Further analysis by service/programme is outlined below and summarised within Appendix 2.
- 2.10 **Enterprise and Communities** is projecting outturn expenditure of £116.939m, which is a £13.467m variance from current programme. Within the Community Operations theme, the ongoing assessment of the Council's vehicle requirements has resulted in a positive in-year variance in the vehicle replacement programme of £4.551m. In addition, the timing of the commencement of the new Roads and Infrastructure contract has resulted in a positive variance of £1.260m for the LED Infrastructure project. Engagement with the new roads and infrastructure provider to establish the delivery timescales are ongoing. Works at the Pather Farm Cemetery project will now continue into the 2025/26 financial year with works at Cambusnethan Cemetery being taken forward in the current financial year to offset the variance. Within the Parks Masterplan theme, an in-year variance of £0.235m in relation to Bothwellhaugh Cottage works has arisen due to design stage delays and works will now span into 2025/26.

- 2.11 Within the Town and Community Hub theme, in-year expenditure on the St Kevin's Community Hub project is now expected to result in a variance of £5.052m due to the requirement for additional pollution control testing and mitigation. These issues have now been resolved, and works are now underway. In addition, delays by Scottish Power in completing work to move an electricity sub-station prior to the pitch works taking place have resulted in a variance of £0.700m in relation to the grass pitch at Gartcosh.
- 2.12 These are partially offset by cost increases within Assets & Procurement, where works have been accelerated within the Office Accommodation theme of £1.606m to support the needs of services.
- 2.13 Within Maintaining Existing Assets a programme variance of £0.982m is projected, primarily due to an emerging issue within the Time Capsule for the water sports facility and lifts within the venue which have resulted in forecast additional costs of £0.633m this financial year. The Service is working with tender returns to decide on the package of works required and timing for these works. Within the theme, there have also been cost increases experienced on a major rewire project mainly linked to additional asbestos removal works of £0.963m but these have been offset by underspends on roofing works and the re-profiling of other works into next financial year.
- 2.14 Additional unforeseen drainage works for two modular accommodation projects within Sustainable Estate theme and completion of the Heathery Park nursery project within the 1140 Early Learning and Childcare Expansion theme have resulted in cost increases of £0.291m and £0.201m respectively. These increased budget requirements will be managed by the Service within their overall 5-year budget allocation.
- 2.15 These cost increases will be partially offset by variances of £0.819m within the ASN theme linked to the Carnbroe and the Edward Lawson Centre projects which are now planned to complete in 2025/26 and £0.262m within Outdoor Education where works on three pitch replacements are now anticipated to be completed in April 2025.
- 2.16 Within Place, it is anticipated that City Deal is now expecting a positive variance of £3.093m as a result of expenditure on public utilities works not expected to be incurred until early in the next financial year. This is partly offset by Economic Regeneration with an increase in costs of £0.374m, with £0.274m related to Braidhurst Industrial Estate however external funding is currently being sought to offset this, and a further £0.100m increase for Town Centre Fund which is being held in future years 2025/26. In addition, a delay in the award of the Roads and Infrastructure contract has meant that some works will not be complete until early 2025/26 resulting in a variance of £0.340m.
- 2.17 Committed expenditure of £102.885m is currently reported, which represents 87.98% of the targeted expenditure, and actual expenditure is £68.134m which represents 58.26% of targeted expenditure.
- 2.18 **Chief Executives** is projecting outturn expenditure of £7.345m, which is on budget. Committed expenditure of £5.276m is currently reported, which represents 71.83% of the targeted expenditure. Actual expenditure is £3.716m, which is 50.59% of targeted expenditure.
- 2.19 **Adult Health & Social Care** is projecting outturn expenditure of £2.171m, which is on budget. Committed expenditure of £1.462m is currently reported, which represents 67.34% of the targeted expenditure, and actual expenditure is £1.255m which is 57.81% of targeted expenditure.

## HRA Capital Investment

- 2.20 The financial performance of the HRA Capital Programme is reported in detail to the Housing Committee. A summary of performance as at 3 January 2025 is provided at Appendix 3. Total expenditure of £109.989m is forecast for 2024/25 which is a reduction in programmed expenditure of £1.302m. This is primarily due to £1.182m of lower than projected costs within the New Build programme relating to the purchase of land, offset by a higher level of abnormal costs within the New Build programme. In addition, a reduction in programmed expenditure of £0.120m is projected due to a slight reduction in acquisitions through the Mortgage to Rent scheme, within the Buy Back programme.
- 2.21 Committed expenditure of £108.889m is currently reported, which represents 99.00% of the targeted expenditure, and actual expenditure is £71.382m which is 64.90% of targeted expenditure.

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### 3. Measures of success

- 3.1 N/A

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### 4. Supporting documentation

Appendix 1: Strategic Capital Investment Programme 2024/25 budget movements  
Appendix 2: General Services Capital Investment Programme Summary 2024/25  
Appendix 3: HRA Capital Investment Programme Summary 2024/25



**Elaine Kemp**  
**Chief Officer (Finance)**

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## 5. Impacts

<b>5.1 Public Sector Equality Duty and Fairer Scotland Duty</b> Does the report contain information that has an impact as a result of the Public Sector Equality Duty and/or Fairer Scotland Duty? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, please provide a brief summary of the impact?  If Yes, has an assessment been carried out and published on the council's website? <a href="https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments">https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments</a> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5.2 Financial impact</b> Does the report contain any financial impacts? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, have all relevant financial impacts been discussed and agreed with Finance? Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?  The financial impact is outlined within the report
<b>5.3 HR policy impact</b> Does the report contain any HR policy or procedure impacts? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant HR impacts been discussed and agreed with People Resources? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
<b>5.4 Legal impact</b> Does the report contain any legal impacts (such as general legal matters, statutory considerations (including employment law considerations), or new legislation)? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, have all relevant legal impacts been discussed and agreed with Legal and Democratic? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, please provide a brief summary of the impact?
<b>5.5 Data protection impact</b> Does the report / project / practice contain or involve the processing of personal data? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> If Yes, is the processing of this personal data likely to result in a high risk to the data subject? Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, has a Data Protection Impact Assessment (DPIA) been carried out and e-mailed to <a href="mailto:dataprotection@northlan.gov.uk">dataprotection@northlan.gov.uk</a> Yes <input type="checkbox"/> No <input type="checkbox"/>
<b>5.6 Technology / Digital impact</b> Does the report contain information that has an impact on either technology, digital transformation, service redesign / business change processes, data management, or connectivity / broadband / Wi-Fi? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

If Yes, please provide a brief summary of the impact?

Where the impact identifies a requirement for significant technology change, has an assessment been carried out (or is scheduled to be carried out) by the Enterprise Architecture Governance Group (EAGG)?

Yes  No

**5.7 Environmental / Carbon impact**

Does the report / project / practice contain information that has an impact on any environmental or carbon matters?

Yes  No

If Yes, please provide a brief summary of the impact?

**5.8 Communications impact**

Does the report contain any information that has an impact on the council's communications activities?

Yes  No

If Yes, please provide a brief summary of the impact?

**5.9 Risk impact**

Is there a risk impact?

Yes  No

If Yes, please provide a brief summary of the key risks and potential impacts, highlighting where the risk(s) are assessed and recorded (e.g. Corporate or Service or Project Risk Registers), and how they are managed?

Despite the updated programme approved at Policy and Strategy Committee in March 2024 the capital programme continues to face challenges in relation to the wider economic climate, linked to availability of materials, contractors and inflationary pressures. These are currently being managed by services and Project Boards associated with specific programme delivery and will continue to be monitored throughout the year in accordance with the SCDG Terms of Reference

**5.10 Armed Forces Covenant Duty**

Does the report require to take due regard of the Armed Forces Covenant Duty (i.e. does it relate to healthcare, housing, or education services for in-Service or ex-Service personnel, or their families, or widow(er)s)?

Yes  No

If Yes, please provide a brief summary of the provision which has been made to ensure there has been appropriate consideration of the particular needs of the Armed Forces community to make sure that they do not face disadvantage compared to other citizens in the provision of public services.

**5.11 Children's rights and wellbeing impact**

Does the report contain any information regarding any council activity, service delivery, policy, or plan that has an impact on children and young people up to the age of 18, or on a specific group of these?

Yes  No

If Yes, please provide a brief summary of the impact and the provision that has been made to ensure there has been appropriate consideration of the relevant Articles from the United Nations Convention on the Rights of the Child (UNCRC).

If Yes, has a Children's Rights and Wellbeing Impact Assessment (CRWIA) been carried out?

Yes  No



**2024/25 Strategic Capital Investment Programme – budget movements**

**Appendix 1**

	Enterprise & Communities	Chief Executives	Adult Health & Social Care	Corporate	Total General Services Investment Programme	Total HRA Investment Programme	Total Community Investment Programme
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
24/25 Opening programme approved Policy & Strategy Committee 1 March '24	99,161	5,589	2,200	450	<b>107,400</b>	115,291	<b>222,691</b>
23/24 Overs/Unders Carry Forward	15,802	4,506	(29)	(37)	<b>20,242</b>	0	<b>20,242</b>
24/25 Budget adjustments approved by SCDG	872	0	0	(872)	<b>0</b>	0	<b>0</b>
Increase/(Decrease) in Externally Funded Projects	17,984	1,031	0	0	<b>19,015</b>	0	<b>19,015</b>
Increase/(Decrease) in Council Funded Projects	(1,000)	0	0	0	<b>(1,000)</b>	0	<b>(1,000)</b>
Increase/(Decrease) in CFCR	3,614	0	0	0	<b>3,614</b>	0	<b>3,614</b>
24/25 Re-profiling of projects to future years approved by SCDG	(6,027)	(3,781)	0	459	<b>(9,349)</b>	(4,000)	<b>(13,349)</b>
<b>Revised Capital Programme 2024/25</b>	<b>130,406</b>	<b>7,345</b>	<b>2,171</b>	<b>0</b>	<b>139,922</b>	<b>111,291</b>	<b>251,213</b>

General Services Capital Investment Programme Summary 2024/25 - as at 31 March 2025

Appendix 2

Investment	Current Programme 2024/25 £000s	Projected Outturn 2024/25 £000s	Outturn Variance 2024/25 £000s	Committed Expenditure @ P10 £000s	Committed Expenditure % of Projected Outturn	Actual Expenditure @ P10 £000s	Actual Expenditure % of Projected Outturn
Enterprise & Communities	130,406	116,939	13,467	102,885	87.98%	68,134	58.26%
Chief Executives	7,345	7,345	0	5,276	71.83%	3,716	50.59%
Adult Health & Social Care	2,171	2,171	0	1,462	67.34%	1,255	57.81%
<b>Total General Services Investment</b>	<b>139,922</b>	<b>126,455</b>	<b>13,467</b>	<b>109,623</b>	<b>86.69%</b>	<b>73,105</b>	<b>57.81%</b>

<b>General Services Resources;</b>			
External Grants & Contributions 2024/25	35,784	35,784	0
External Grants & Contributions b/f 2023/24	7,203	7,203	0
External Grants & Contributions Unapplied cfwd to 2025/26	(4,205)	(4,205)	0
Net External Grants & Contributions	38,782	38,782	0
Advanced Developers Contributions	1,507	1,507	0
City Deal Grant	1,000	1,000	0
CFCR	24,987	24,987	0
Capital Receipts	3,250	6,300	3,050
<b>Total Resources</b>	<b>69,526</b>	<b>72,576</b>	<b>3,050</b>
<i>Borrowing Requirement:</i>			
General Services	70,396	53,879	(16,517)
<b>Total General Services Borrowing Requirement</b>	<b>70,396</b>	<b>53,879</b>	<b>(16,517)</b>
<b>Total Resources incl Borrowing Requirement</b>	<b>139,922</b>	<b>126,455</b>	<b>(13,467)</b>

HRA Capital Investment Programme Summary 2024/25 - as at 31 March 2025

Appendix 3

Investment	Current Programme 2024/25 £000s	Projected Outturn 2024/25 £000s	Outturn Variance 2024/25 £000s	Committed Expenditure @ P10 £000s	Committed Expenditure % of Projected Outturn	Actual Expenditure @ P10 £000s	Actual Expenditure % of Projected Outturn
Mainstream Programme	63,114	63,114	0	63,011	99.84%	40,597	64.32%
New Build Programme	35,541	34,359	1,182	34,359	100.00%	24,032	69.94%
Council Buy Back Scheme	12,636	12,516	120	11,519	92.03%	6,753	53.95%
<b>Total HRA Investment</b>	<b>111,291</b>	<b>109,989</b>	<b>1,302</b>	<b>108,889</b>	<b>99.00%</b>	<b>71,382</b>	<b>64.90%</b>

<b>HRA Capital Resources;</b>			
External Grants & Contributions	15,452	15,587	135
External Grants & Contributions Unapplied	0	0	0
Net External Grants & Contributions	15,452	15,587	135
CFCR	20,089	20,089	0
Capital Receipts	0	8	8
<b>Total Resources</b>	<b>35,541</b>	<b>35,684</b>	<b>143</b>
<i>Borrowing Requirement:</i>			
HRA - Mainstream	47,695	47,687	(8)
HRA - New Build	19,925	18,641	(1,284)
HRA - Buyback Scheme	8,130	7,977	(153)
<b>Total Borrowing Requirement</b>	<b>75,750</b>	<b>74,305</b>	<b>(1,445)</b>
<b>Total Resources incl Borrowing Requirement</b>	<b>111,291</b>	<b>109,989</b>	<b>(1,302)</b>