

North Lanarkshire Council Report

Housing Committee

Does this report require to be approved? Yes No

Ref VR/JM

Date 07/05/25

Enterprise and Communities – Capital Monitoring Report

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Executive Summary

This report highlights the financial performance of 2024/25 Enterprise and Communities capital programme for the period ended 28th February 2025 (Period 12).

In summary, the Service has a total capital budget of £129.060m. At this stage in the financial year the Service expects expenditure to be £15.418m lower than current programme which is largely as a result of the changing profile of project expenditure. The variance will be carried forward into the 2025/26 financial year to support the completion of works.

Further explanation of project variances and management action taken by the Service is included within the main report and attached appendices.

Recommendations

It is recommended that the Committee:

- (1) Acknowledges the financial position of the 2024/25 Enterprise and 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
Programme of Work	Statutory / corporate / service requirement

1. Background

- 1.1 Financial year 2024/25 is the first year of the 5 year capital programme which was approved by the Policy and Strategy Committee on 14 March 2024.
- 1.2 The Enterprise and Communities 2024/25 capital programme of £112.803m was approved by the Policy and Strategy Committee on 14 March 2024. The programme has since been increased by £15.765m relating to carry forwards from 2023/24 and increased external funding £7.600m. Reprofiling of £1.539m to future years and acceleration of £0.459m from future years was approved at the Council's Strategic Capital Delivery Group (SCDG) in June 2024. In addition, the October SCDG approved the reprofiling of £6.027m from the 2024/25 City Deal budget, resulting in a revised working capital budget for Enterprise and Communities of £129.060m.
- 1.3 The Council's approved Financial Regulations requires services to remain within their approved budgetary provision, and to report all significant deviations – defined as the higher of £0.100m or 5% - within their budget monitoring reports. Where significant deviations were identified, services 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 At this stage in the financial year the Service expects expenditure to be £15.418m lower than current programme. Given delivery challenges in the capital programme, the Service continues to review the potential to accelerate the profile of already planned works and will report this in future reports. Capital budgets and expenditure are summarised into Project/Themes (see Appendix 1).

Assets and Procurement (£3.628m less than budget)

- 2.2 Within Assets and Procurement, works have been accelerated within the Office Accommodation Theme (£1.918m) to support the needs of services.

Within Maintaining Existing assets a programme variance of £0.958m is projected, primarily due to an emerging issue within the Time Capsule's water sports facility and lifts maintenance requirements which have resulted in forecast additional costs of £0.574m this financial year. The Service is working with the contractor to mobilise the works. This acceleration was approved at the SCDG in October 2024. Within this theme, there have also been cost increases experienced on a major rewire project at Glencryan School mainly linked to additional asbestos removal works resulting in a variance of £0.963m. However, these have been offset by positive variances on roofing works of £0.293m and the re-profiling of other works into next financial year of £0.285m.

Within Sustainable Estates there has been additional unforeseen drainage works required for two modular accommodation projects resulting in increased costs of £0.300m. There have also been increased costs experienced to finalise the Heathery Park nurse project (£0.124m). The Service will manage these increased budget requirements through their overall 5 year allocation.

Within the ASN theme there is an in year variance of £1.497m this financial year linked to the Carnbroe project and the Edward Lawson centre project which are now planned to complete in 2025/26.

Outdoor Education is also reporting an in year variance of £0.425m linked to three pitch replacements projects where the contractor is on site and additional works have been required this work also will now span into April 2025 and the overspend will be managed within the overall 5 year capital allocation.

Within the Town and Community Hub Theme there is an in year variance of £5.308m which is mainly in relation to the St Kevin's Community Hub project (£4.418m) due to a timing delay in financial close as a result of pollution control issues which have now been resolved. In addition, there is a variance of £1.011m in relation to the Grass Pitch at Gartcosh where there is a delay with Scottish Power completing work to move a sub station to allow the pitch works to take place. There is an in year variance of £0.496m in relation to the St Stephen's Community Hub project due to delays in the contractor providing initial valuations. There is also a variance of £0.467m in relation to Glenboig Community Hub due to delays in the project start date. There is a variance of £0.108m in relation to the Chryston High School Extension due to a timing delay in the financial close of the project. These underspend have been partially offset by increased in year spend on Gartcosh Primary Schools £1.649m where updated cashflows have now been received from the contractor on the spend that is achievable this financial year.

Community Operations (£9.066m less than budget)

- 2.3 Within Community Operations the Service is undertaking an ongoing review of the Council's vehicle requirements including the timing of delivery of new vehicles. As a result, a year end variance of £4.662m is projected. The Service is now considering other purchases that can be ordered and delivered early next financial year in order to reduce the reliance on external hires.

Due to the delay in commencing the new Roads and Infrastructure contract an underspend of £1.551m is currently anticipated for the LED Infrastructure & Street lighting. Delivery of works will be completed in the new financial year.

Within the Infrastructure renewal programme there is a £0.429m underspend for Vehicle Restraint Systems. The underspend is due to the installation of the barrier requiring an element of design and there has been a delay by the contractor providing this information due to the high volume of other quotations being requested from them for major projects. This underspend will be carried forward into 25/26 financial year for completion of works. There is also an underspend of £0.209m for carparks, due to other competing priorities there has been a delay in identifying and designs works relating to the carpark works, it would be anticipated that this will be delivered next financial year.

Programme delivery schedules have now been received from the appointed contractor at Pather Farm Cemetery which has highlighted works will continue into 2025/26 with a cost of £0.679m.

The Service are also experiencing delays in orders for HWRC equipment and replacement litter bins which has resulted in an in year variance of £0.569m.

Within the Parks Masterplan theme there is an in year variance of £0.286m in relation to Bothwell Haugh Cottage works where there has been a delay in the design stage therefore this will now span into 2025/26. Tree Asset management is reporting an in year underspend of £0.105m. This spend is in part related to the Team moving to a new location and because that project is delayed this has impacted on our ability to spend on an agricultural shed. Also Ash Dieback Roads contracts have been delayed with the introduction of the new Enterprise contract mechanism and securing a contract

has been difficult. EMR will be carried to allow further Ash Dieback works for roadside trees in 2025/26.

Place (£2.724m less than budget)

- 2.4 The Newhouse project has been accelerated within Economic Regeneration to facilitate external works resulting in an in year overspend of £1.125m, this budget is held in future years (Acceleration of this project was approved at SCDG May 2024) this has been partly offset by vacancy savings and other projects which will now outturn in 2025/26.

An underspend in the current year of £3.149m is anticipated for City Deal projects due to delays relating to external factors such as the need for additional ecological works, reduced public utility diversion costs and design costs being less than estimated. Also response from the market has been more challenging around key procurements.

Infrastructure & Transportation are reporting an underspend of £0.509m. This is the result of staffing vacancies and delay in the Roads and Infrastructure contract being awarded which has meant that some works will not be complete until early 2025/26.

- 2.5 It is also worth noting that with continuing increases in the cost of delivering capital programmes all service areas continue to face significant challenges managing the delivery of capital programmes within the available envelope of resources. The Service will continue to seek to manage within existing resources.

3. Measures of success

- 3.1 The Service aim is to be in a balanced budget position at financial year-end and will take current reprofile requests to Committee

4. Supporting documentation

- 4.1 Appendix 1 Summary Expenditure by Project/Theme



Andrew McPherson
Depute Chief Executive

5. Impacts

5.1 Public Sector Equality Duty and Fairer Scotland Duty 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? https://www.northlanarkshire.gov.uk/your-community/equalities/equality-and-fairer-scotland-duty-impact-assessments Yes <input type="checkbox"/> No <input type="checkbox"/>
5.2 Financial impact 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 Service aims to operate within approved funding levels and utilise budget virements to support emerging issues and mitigate variances across budget heads.
5.3 HR policy impact 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?
5.4 Legal impact 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?
5.5 Data protection impact 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 dataprotection@northlan.gov.uk Yes <input type="checkbox"/> No <input type="checkbox"/>
5.6 Technology / Digital impact 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 No

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?

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.

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

Enterprise & Communities Capital Programme 2024/25
Theme Expenditure Summary
1st April 2024 - 28th February 2025 (PERIOD 12)

Lvl 8	Thematic Category	Revised Budget £	YTD			OUTTURN	
			Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
CXA1	ASSET & PROCUREMENT						
CXA1A	Maintaining Existing Assets - windows, re-roofing, re-wiring and condition survey works for the Council's building assets	5,863,352	6,136,356	6,771,625	50,000	6,821,624	(958,272)
CXA1B	Carbon Management	1,856,959	263,838	1,590,159	0	1,590,159	266,800
CXA1C	Office Accommodation	937,312	2,366,322	2,858,545	0	2,858,545	(1,921,233)
CXA1H	Health & Wellbeing & Digital Classrooms	154,494	125,185	152,250	0	152,250	2,244
CXA1I	Rationalisation including ASN & Social Work	4,868,873	2,443,941	3,251,539	120,614	3,372,153	1,496,720
CXA1J	Curriculum Development	462,684	326,293	326,292	0	326,292	136,392
CXA1K	Sustainable Estate	1,356,117	1,444,895	1,576,342	0	1,576,342	(220,225)
CXA1L	Outdoor Education and Outdoor Spaces	3,456,060	2,447,461	3,880,546	0	3,880,546	(424,486)
CXA1F	Future Capital Receipts Investments	531,729	435,608	492,246	0	492,246	39,483
CXA1M	Design Fees	1,699,987	1,554,406	1,683,940	0	1,683,940	16,047
CXA1N	1140 Early Learning and Childcare Expansion	818,640	644,942	861,581	81,315	942,896	(124,256)
CXA1P	Water Quality	92,496	71,487	100,203	0	100,203	(7,707)
CXA1E	Demolitions	413,001	396,258	395,043	0	395,044	17,957
	TOTAL ASSET & PROCUREMENT	22,511,704	18,656,990	23,940,310	251,929	24,192,239	(1,680,536)
CXA2	TOWN AND COMMUNITY HUBS						
CXA2A	Town and Community Hubs	43,573,724	27,787,008	37,965,553	300,000	38,265,553	5,308,171
	TOTAL TOWN AND COMMUNITY HUBS	43,573,724	27,787,008	37,965,553	300,000	38,265,553	5,308,171
	COMMUNITY OPERATIONS						
CXC8	Operational and Infrastructure Development	13,408,968	7,265,265	8,072,856	95,398	8,168,254	5,240,714
CXC6A	Greenspace and Cemeteries	4,601,085	1,980,364	3,660,901	0	3,660,901	940,184
CXC4A	Greenspace Climate Resilience and Wellbeing	828,264	536,113	675,059	0	675,059	153,205
CXC5A	Parks Master Plan (including Strathclyde Park Watersports Centre Redevelopment)	1,250,183	825,076	905,203	0	905,203	344,980
CXC7A	Roads and Street Lighting/Asset Mgt	12,646,575	8,077,301	10,471,911	11,644	10,483,555	2,163,020
CXC2A	Contaminated Land and Resilience	581,223	282,532	357,032	0	357,032	224,191
	TOTAL COMMUNITY OPERATIONS	33,316,298	18,966,651	24,142,962	107,042	24,250,004	9,066,294
	PLACE						
CXB2B	Economic Regeneration	9,518,106	7,120,730	10,433,486	18,808	10,452,294	(934,188)
CXB3A	City Deal	9,289,253	5,445,323	6,124,143	16,105	6,140,248	3,149,005
CXB3B	Enterprise Projects	1,087,949	583,859	1,038,741	49,208	1,087,949	0
CXB1A	Infrastructure & Transportation Improvements	9,763,325	5,729,439	8,809,835	443,993	9,253,829	509,496
	TOTAL PLACE	29,658,633	18,879,351	26,406,205	528,114	26,934,319	2,724,313
	TOTAL ENTERPRISE & COMMUNITIES	129,060,359	84,289,999	112,455,030	1,187,085	113,642,116	15,418,242