

# North Lanarkshire Council Report

## Housing Committee

Does this report require to be approved?  Yes  No

Ref GT/JM

Date 06/11/24

## Enterprise and Communities – Capital Monitoring Report

**From** Andrew McPherson, Depute Chief Executive

**E-mail** telferg@northlan.gov.uk

**Telephone**

Greg Telfer, Business  
Finance Manager, 07583  
010692

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### Executive Summary

This report highlights the financial performance of 2024/25 Enterprise and Communities capital programme for the period ended 13 September 2024 (Period 6).

In summary the Service has a total capital budget of £137.634m. At this stage in the financial year the Service expects expenditure to be £11.955m lower than current programme.

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

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### Recommendations

It is recommended that the Committee:

- (1) Acknowledges the financial position of the 2024/25 Enterprise and Communities capital programme.

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### 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

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## 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 £10.147m. Reprofiling of £1.539m to future years and acceleration of £0.458m from future years was approved at the Council's Strategic Capital Delivery Group (SCDG) in June 2024. This results in a revised working capital budget of £137.634m.
- 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.

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## 2. Report

- 2.1 At this stage in the financial year the Service expects expenditure to be £11.955m 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 (£1.616m less than budget)**

- 2.2 Within Assets and Procurement works have been accelerated within the Office Reconfiguration Theme (£0.814m) to support the needs of services. There are emerging issues within the Time Capsule's water sports facility and lifts maintenance requirements which have resulted in forecast additional costs of £0.859m this financial year. The Service is working with tender returns to consider the package of works required and timing of their completion. A virement will be requested through the SCDG to resolve the funding for these works.

There have also been cost increases experienced on a major rewire project within Maintaining Existing assets (£0.819m) mainly linked to additional asbestos removal works. This has been offset by an underspend on roofing works and the reprofiling of the timing of other works into next financial year.

Within Sustainable Estates there has been additional unforeseen drainage works required for two modular accommodation projects resulting in increased costs of £0.223m. There have also been increased costs experienced to finalise the Heathery Park nursery project (£0.300m). It is also anticipated that it will now be possible to accelerate demolition works resulting in an in year variance of £0.469m. The Service will manage these increased budget requirements through their overall 5 year allocation.

The appointed contractor for delivery of the redevelopment works at the Edward Lawson Centre has gone into administration meaning there has been a pause on the works on the site. While the service is looking to implement solutions for the completion of the works, the programme timescales will shift into the new financial year.

Within the Town and Community Hub Theme in year expenditure on the St Kevin's Community Hub project is now expected to be £4.417m lower than budget due to a timing delay in financial close as a result of pollution control issues which have now been resolved.

### **Community Operations (£4.175m 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, an in year variance of £3.227m is projected at this stage in the financial year. The Service is actively considering other purchases that can be ordered and delivered this financial year in order to reduce the reliance on costs external hires. Within the overall projected outturn there is a forecast for £1.500m for mini bus purchases to be delivered by March 2025. However, until this tender return has been finalised there is a risk that the market will not be able to fulfil this order date.

Due to the delay in commencing the new Roads and Infrastructure contract an underspend of £1.000m is currently anticipated for the LED Infrastructure project. Engagement with the new Roads and Infrastructure provider are ongoing to establish delivery timescales.

### **Place (£6.164m less than budget)**

- 2.4 Following approval of the programme realignment by the City Deal Cabinet in August 2024, the project team has reviewed programme activity and delivery in the current financial year. The current projections reflect the realigned programme and are reflective of their latest estimates of deliverability during 2024/25. The position will be managed over the length of the programme with the Service seeking consideration to reprofile the budget at an upcoming meeting of SCDG.
- 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.

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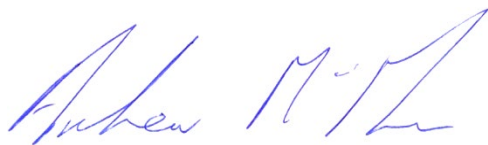
### **3. Measures of success**

- 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.

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### **4. Supporting documentation**

Appendix 1 Summary Expenditure by Project/Theme



**Andrew McPherson**  
**Depute Chief Executive**

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## 5. Impacts

<p><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?</p> <p>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"/></p>
<p><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?</p> <p>The Service aims to operate within approved funding levels and utilise budget virements to support emerging issues and mitigate variances across budget heads.</p>
<p><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?</p>
<p><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?</p>
<p><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"/></p>

<p><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?</p> <p>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 <input type="checkbox"/> No <input type="checkbox"/></p>
<p><b>5.7 Environmental / Carbon impact</b>  Does the report / project / practice contain information that has an impact on any environmental or carbon matters?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If Yes, please provide a brief summary of the impact?</p>
<p><b>5.8 Communications impact</b>  Does the report contain any information that has an impact on the council's communications activities?  Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>  If Yes, please provide a brief summary of the impact?</p>
<p><b>5.9 Risk impact</b>  Is there a risk impact?  Yes <input checked="" type="checkbox"/> No <input checked="" type="checkbox"/>  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?</p> <p>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.</p>
<p><b>5.10 Armed Forces Covenant Duty</b>  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 <input type="checkbox"/> No <input checked="" type="checkbox"/>  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.</p>
<p><b>5.11 Children's rights and wellbeing impact</b>  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 <input type="checkbox"/> No <input checked="" type="checkbox"/>  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).</p>

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 - 13th September 2024 (PERIOD 6)

Thematic Category	Revised Budget £	YTD			OUTTURN	
		Actual £	Committed £	Uncommitted £	Projected Outturn £	Outturn variance £
<b>ASSET &amp; PROCUREMENT</b>						
Maintaining Existing Assets - windows, re-roofing, re-wiring and condition survey works for the Council's building assets	5,646,592	3,023,986	4,890,016	1,734,077	6,624,092	(977,500)
Carbon Management	1,864,017	58,268	1,432,548	431,469	1,864,017	0
Office Rationalisation	937,312	932,627	1,600,589	150,000	1,750,589	(813,277)
Health & Wellbeing & Digital Classrooms	154,494	0	150,000	0	150,000	4,494
Rationalisation including ASN & Social Work	4,662,868	1,425,043	3,224,666	1,442,695	4,667,361	(4,493)
Curriculum Development	462,684	164,248	256,369	206,315	462,684	0
Sustainable Estate	1,356,117	841,195	1,500,579	78,226	1,578,805	(222,688)
Outdoor Education and Outdoor Spaces	3,234,060	111,675	3,313,936	0	3,313,936	(79,876)
Future Capital Receipts Investments	531,729	167,184	495,600	0	495,600	36,129
Design Fees	1,699,987	771,325	1,671,285	0	1,671,285	28,702
1140 Early Learning and Childcare Expansion	668,640	514,138	968,640	0	968,640	(300,000)
Water Quality	92,496	46,324	51,428	41,068	92,496	0
Demolitions	413,001	188,325	314,650	567,576	882,227	(469,226)
<b>TOTAL ASSET &amp; PROCUREMENT</b>	<b>21,723,997</b>	<b>8,244,338</b>	<b>19,870,306</b>	<b>4,651,426</b>	<b>24,521,731</b>	<b>(2,797,735)</b>
<b>TOWN AND COMMUNITY HUBS</b>						
Town and Community Hubs	43,573,724	11,331,834	26,319,234	12,840,751	39,159,985	4,413,739
<b>TOTAL TOWN AND COMMUNITY HUBS</b>	<b>43,573,724</b>	<b>11,331,834</b>	<b>26,319,234</b>	<b>12,840,751</b>	<b>39,159,985</b>	<b>4,413,739</b>
<b>COMMUNITY OPERATIONS</b>						
Operational and Infrastructure Development	12,761,834	1,812,768	6,683,874	2,903,035	9,586,909	3,174,925
Greenspace and Cemeteries	5,175,045	266,486	3,863,072	1,248,004	5,111,076	63,969
Greenspace Climate Resilience and Wellbeing	1,014,982	345,928	590,079	424,903	1,014,982	0
Parks Master Plan (including Strathclyde Park Watersports Centre Redevelopment)	3,406,521	147,036	267,219	3,203,271	3,470,490	(63,969)
Roads and Street Lighting/Asset Mgt	12,786,575	2,783,003	7,758,975	4,027,600	11,786,575	1,000,000
Contaminated Land and Resilience	581,223	170,396	218,791	362,432	581,223	0
<b>TOTAL COMMUNITY OPERATIONS</b>	<b>35,726,180</b>	<b>5,525,618</b>	<b>19,382,010</b>	<b>12,169,245</b>	<b>31,551,254</b>	<b>4,174,925</b>
<b>PLACE</b>						
Economic Regeneration	9,203,842	3,911,398	5,906,306	3,160,485	9,066,791	137,051
City Deal	15,316,247	3,572,384	5,766,006	3,523,247	9,289,253	6,026,994
Enterprise Projects	1,652,827	175,307	598,142	1,054,685	1,652,827	0
Infrastructure & Transportation Improvements	10,437,594	2,727,957	7,193,056	3,244,539	10,437,595	0
<b>TOTAL PLACE</b>	<b>36,610,510</b>	<b>10,387,045</b>	<b>19,463,510</b>	<b>10,982,956</b>	<b>30,446,465</b>	<b>6,164,045</b>
<b>TOTAL ENTERPRISE &amp; COMMUNITIES</b>	<b>137,634,411</b>	<b>35,488,836</b>	<b>85,035,059</b>	<b>40,644,377</b>	<b>125,679,436</b>	<b>11,954,974</b>