

ABERDEEN CITY COUNCIL

COMMITTEE	Enterprise, Planning and Infrastructure
DATE	18 January 2011
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Capital Budget Progress Report
REPORT NUMBER:	EPI/11/004

1. PURPOSE OF REPORT

- 1.1 This report provides an update to Committee of the progress being made on the various projects within the Non-Housing Capital Programme, previously approved by Council, which are currently aligned to Enterprise, Planning and Infrastructure Service.

2. RECOMMENDATION(S)

It is recommended that the Committee:

- a) Notes the content of this report in relation to the projects outlined at Appendix A, and
- b) Instructs the relevant officers to work closely with the Corporate Asset Group and in particular the Head of Asset Management and Operations and the Head of Finance to review all projects with a view to bringing the programme down to the funded level for 2010/11 and to a more sustainable level for future years.

3. FINANCIAL IMPLICATIONS

- 3.1 The monies required to fund the capital programme are achieved through external borrowing, capital receipts and grant income. In recent years the overall programme has been set at a level which assumed a certain level of underspend would be achieved and thus the funding available was set on this basis. In previous years such underspend has been achievable but with significant spend this year on Corporate Accommodation, this is at risk.
- 3.2 This risk was reported to the Finance and Resources Committee which confirmed that funding for the programme should remain at the previously agreed level and instructed officers to proactively manage spend to be within that limit.

3.3 Since then, the Corporate Asset Group has worked with Services to determine their minimum spend requirement for the year. However, there is currently still a gap of £10.4 million between this requirement and the funding available.

3.4 Work has also been ongoing in relation to the programme from 2011/12 and beyond with the indications being that it will be difficult to sustain the previously agreed capital position moving into 2011/12 due to a number of factors including reducing capital funding support from the Scottish Government, increasing costs of borrowing and falling revenue funding. The revenue cost of financing borrowing to support the capital programme is a significant cost pressure going forward.

4. OTHER IMPLICATIONS

4.1 Failure to invest adequately in the Council's asset base may lead to the erosion of those assets and their value. It may also reduce the effectiveness and efficiency of service delivery and furthermore lead to the Council not complying with current health and safety requirements.

4.2 If the continuation of close budgetary control is not exercised and maintained the Council may operate out with the capital control mechanisms laid down by the Scottish Government in relation to the Prudential Code for the 2010/2011 Non Housing Capital Programme.

5. BACKGROUND/MAIN ISSUES

5.1 Appendix A outlines the projects aligned to Enterprise, Planning and Infrastructure and for each project shows the 2010/11 budget including any carry forward from 2009/10, the current service determined minimum spend requirement and actual spend to November 2010.

5.2 Actual spend only reflects payments made and thus excludes commitments made which will be due to be paid by the end of the year. Such commitments will be reflected in the minimum spend requirement.

5.3 Comments from project managers are included in the narrative where appropriate.

6. IMPACT

Corporate – the projects considered in this report contribute to a number of the key priorities within the Community Plan and the Single Outcome Agreement in relation to improving the transport infrastructure, redeveloping the city centre and supporting the economic development of the city.

Public – this report is likely to be of interest to the public as a number of the projects covered by this report involve significant amounts of capital expenditure and have a high public profile.

7. BACKGROUND PAPERS

Financial ledger data extracted for the period.

8. REPORT AUTHOR DETAILS

Brian Downie
Finance Manager
bdownie@aberdeencity.gov.uk
01224 814541

Non-Housing Capital Projects – Enterprise, Planning and Infrastructure

Project	Revised Budget £'000	Service Determined Minimum Requirement £'000	Actual Expenditure to Nov 2010 £'000	Variance (Actual to Minimum Requirement) £'000	Percent Spend to Requirement %
663 Corporate Office Accommodation	33,215	33,828	12,086	(21,742)	35.73%
Project Description/Project Cost					
For the acquisition and renovation of Marischal College for Corporate Office Accommodation. Current commitments include those for works to be undertaken in 2011/12.					
86 Lighting Improvements	500	500	45	(455)	9.00%
Project Description/Project Cost					
Replacement and enhancement of street lighting columns. An additional £200k was committed to this project at the Finance and Resources committee of 11 May 2010.					
88 Traffic Calming & Road Safety	166	166	7	(159)	4.22%
Project Description/Project Cost					
Various initiatives throughout the city to improve road safety and meet transportation strategy objectives. The budget for 2010/11 includes £16k carried forward from 2009/10					
217 MTS Associated Road Improvements - Wellington Rd Phase 5	79	79	118	39	149.37%
Project Description/Project Cost					
Work is progressing on finalising the contract with snagging work, settlement of variations and payment of retention monies. The 2010/11 budget includes £69k carried forward from 2009/10. This project will be overspent because additional payments had to be made for the purchase of land that was omitted in the original Compulsory Purchase Order.					
296 Roads Maintenance Resurfacing	2,833	2,081	1,159	(922)	55.69%
Project Description/Project Cost					
Reconstruction and resurfacing of roads throughout the City. Expenditure was reprofiled early in 2010 due to weather-related delays and an additional £1.85 million was committed to the project at the Finance and Resources committee on the 11 May 2010.					
413 Footway Improvements	732	655	257	(398)	39.24%
Project Description/Project Cost					
Reconstruction and resurfacing of footways throughout the city. A further £200k was committed to this project at the Finance and Resources committee on the 11 May 2010.					
470 Road Network - Weak Bridges	78	39	107	68	274.36%
Project Description/Project Cost					
Programme for upgrading or protecting of bridges to bring the structures up to an acceptable load bearing standard.					

Non-Housing Capital Projects – Enterprise, Planning and Infrastructure

Project	Revised Budget £'000	Service Determined Minimum Requirement £'000	Actual Expenditure to Nov 2010 £'000	Variance (Actual to Minimum Requirement) £'000	Percent Spend %
471 Road Network - Bridge Major Maintenance Programme	50	100	0	(100)	0.00%
Project Description/Project Cost Major maintenance works.					
550 Signage	73	73	10	(63)	13.70%
Project Description/Project Cost This budget is made up a number of schemes to improve existing and supply new signage throughout the city. This project includes £23k carried forward from 2009/10.					
551 Cycling, Walking & Safer Streets (CWSS)	365	365	17	(348)	4.66%
Project Description/Project Cost This budget is made up of a number of road improvement schemes and initiatives throughout the city to improve road safety and encourage cycling and walking. Grant funded by the Scottish Government.					
587 Access from the North	1,000	490	108	(382)	22.04%
Project Description/Project Cost This project relates to the proposed 3 rd Don crossing. Study and design work has already been undertaken					
627 Western Peripheral Route	4,200	1,700	1,141	(559)	67.10%
Project Description/Project Cost Estimated Aberdeen City Council contribution towards the construction of the Western Peripheral Route. Profile changed to reflect not for profit distribution model of funding but with current cost estimates and timescales. Will require to be updated following completion of the statutory procedures.					
647 Newhills Manse T Junction	103	30	2	(28)	6.67%
Project Description/Project Cost Residual payments in relation to improvements to the T Junction at Newhills Manse and surrounding road networks. An additional £95k was committed to this project at the Finance and Resources committee on 10 May 2010. A further £3k was carried forward from 2009/10.					
660 Central Aberdeen Transport Infrastructure	770	710	1	(709)	0.14%
Project Description/Project Cost To develop and progress the various traffic management and infrastructure improvements necessary to achieve the pedestrianisation of Union Street. The revised budget for 2010/11 includes £710 carried forward from 2009/10.					

Non-Housing Capital Projects – Enterprise, Planning and Infrastructure

Project	Revised Budget £'000	Service Determined Minimum Requirement £'000	Actual Expenditure to Nov 2010 £'000	Variance (Actual to Minimum Requirement) £'000	Percent Spend %
703 Traffic Signal Safety Upgrade	400	400	191	(209)	47.75%
Project Description/Project Cost Replacement of traffic signal equipment with low voltage units.					
715 MTS - Berryden Road Improvements	335	125	27	(98)	21.60%
Project Description/Project Cost Construction of a new dual carriageway road in Berryden which will make a substantial contribution to the reshaping of traffic systems within the City Centre. The current year's budget for this project includes £10k carried forward from 2009/10. It was agreed at the Finance and Resources committee of the 11 March 2010 that £200k of budget be brought forward from 2011/12.					
716 A96 Park & Ride/Dyce Drive Link Road	1,500	22	12	(10)	54.55%
Project Description/Project Cost Works proposed to assist in the early delivery of employment land and to assist in the linkages between transport infrastructure in the area.					
721 Wellington Bridge - Preservation Works Phase 2-4	161	161	35	(126)	21.74%
Project Description/Project Cost Preservation work & architectural lighting.					
757 Union Street Cable Support System for Banners & Festive Lights	82	10	7	(3)	70.00%
Project Description/Project Cost To undertake an assessment of the support system.					
216 Car Parking: Extend Pay & Display	225	225	74	(151)	32.89%
Project Description/Project Cost Work on this scheme was delayed due to adverse weather conditions during December 2009 – February 2010 and the timing of the expenditure was reprofiled between 2009/10 and 2010/11 as a result.					
739 Replacement Programme for Pay & Display Machines	100	100	0	(100)	0.00%
Project Description/Project Cost A replacement programme for pay and display machines as they reach the end of their working life. Weather-related delays over winter 2009/10 resulted in the spend being carried forward into 2010/11.					

Non-Housing Capital Projects – Enterprise, Planning and Infrastructure

Project	Revised Budget £'000	Service Determined Minimum Requirement £'000	Actual Expenditure to Nov 2010 £'000	Variance (Actual to Minimum Requirement) £'000	Percent Spend %
781 Golden Square Car Parking	43	43	0	(43)	0.00%
Project Description/Project Cost					
Purchase of parking ticket machines, signage and lining as part of the Council taking over the parking in the square					
646 Glashieburn Flood Protection	165	165	3	(162)	1.82%
Project Description/Project Cost					
To prevent the flood of properties at Lochside Drive, which entails the construction of attenuation ponds. £35k was added to the estimate for 10/11 but this has been recovered.					
734 Flood Prevention	50	50	0	(50)	0.00%
Project Description/Project Cost					
Improvement to various sections of open watercourses and culverts throughout the city.					
Drainage Works	250	250	30	(220)	12.00%
Project Description/Project Cost					
It was approved at the Finance and Resources Committee of 11 May 2010 that an amount be allocated to carry out various drainage improvements across the City.					
462 Council Travel Plan	10	10	0	(10)	0.00%
Project Description/Project Cost					
This budget will purchase an electric car with match funding having been applied for from the Scottish Government.					
563 Vehicle Replacement	1,500	750	1,064	314	141.93%
Project Description/Project Cost					
Annual vehicle replacement programme.					
666 Corporate Asset Management System	200	200	81	(119)	40.71%
Project Description/Project Cost					
This project was transferred to EP&I from Corporate Governance. The 2010/11 budget includes £88k carried forward from 2009/10.					
758 Upgrade of MOT Station	35	35	0	(35)	0.00%
Project Description/Project Cost					
For the upgrading of the MOT station with an automatic test lane. The 2010/11 budget includes £35k carried forward from 2009/10.					
765 Nestrans - Capital Grant	1,411	1,411	1,411	0	100.00%
Project Description/Project Cost					
Amount included within the Council's General Capital Grant, which must be paid to Nestrans.					

Non-Housing Capital Projects – Enterprise, Planning and Infrastructure

Project	Revised Budget £'000	Service Determined Minimum Requirement £'000	Actual Expenditure to Nov 2010 £'000	Variance (Actual to Minimum Requirement) £'000	Percent Spend %
782 Biomass Heating – Duthie Park Winter Gardens	125	100	1	(99)	0.63%
Project Description/Project Cost					
Replacement of existing oil and gas heating systems at Duthie Park Winter Gardens with a biomass system.					
783 Wifi Infrastructure (Communities)	81	0	3	3	
Project Description/Project Cost					
This relates to the implementation of the wireless network across the city's regeneration areas.					
788 AECC Hard Standing Area	0	300	0	(300)	0.00%
Project Description/Project Cost					
It was approved at Finance and Resources Committee of 28 September 2010 that an amount be allocated to construct an improved hard-standing area for the erection of a modern, high quality temporary event space.					
294 Corp Property Replacement/Renewal	8,244	6,243	3,902	(2,341)	62.50%
Project Description/Project Cost					
Ongoing property renewals and replacements. Expenditure has been reprofiled for 09/10 and 10/11 due to weather-related delays and slippage in building programmes. The 2010/11 budget includes £464k carried forward from 2009/10.					
717 Regional Sports Facility – 50m Pool	6,000	1,600	514	(1,086)	32.10%
Project Description/Project Cost					
Project transferred to EP&I from Education, Culture & Sport for management purposes.					
Total Enterprise, Planning and Infrastructure	65,081	53,016	22,413	(30,603)	42.28%