

ABERDEEN CITY COUNCIL

COMMITTEE	Finance & Resources
DATE	21 February 2013
DIRECTOR	Gordon McIntosh
TITLE OF REPORT	Capital Monitoring – Non Housing Capital Programme 2012-15
REPORT NUMBER:	EPI/12/287

1. PURPOSE OF REPORT

To advise the Committee of the capital spend to date for all projects included within the Non-Housing Capital Programme.

2. RECOMMENDATION

The Committee note the current position.

3. FINANCIAL IMPLICATIONS

The monies required to fund these projects are achieved through external borrowing, capital receipts and grant income. These projects are all accommodated within the Non-Housing Capital Programme. Any underspend, carry forward or overspend will have implications for the programme. There are no issues at present that would result in such implications.

There are no other implications at this time but as projects progress, or indeed fail to progress, then other implications may arise and will be reported to this and any other appropriate Committee.

As part of the Council's three year business plan, capital expenditure is now monitored within a three year timescale where appropriate. This has given budget holders the ability to profile within a three year period. In year monitoring will continue, alongside monitoring the larger three year capital programme.

Some projects are now profiled for little or indeed no expenditure in the current financial year. In these instances, budget holders have profiled the intended expenditure in the appropriate financial year. Budget holders who are profiling slippage on a legally committed project into the next financial year(s) are also profiling this expenditure into the appropriate year. Additionally, the rolling programmes included in the

Capital programme (Police - Capital Grant, Corporate Property Condition & Suitability Programme and Planned Renewal & Replacement of Road Infrastructure) are now profiled and monitored on a similar three year basis..

4. BACKGROUND / MAIN ISSUES

The overall responsibility for the monitoring / management of the Capital Programme lies with the Head of Asset Management & Operations. The Planning & Monitoring Officer within Asset Management & Operations is in regular contact with service representatives and the capital accountant, reporting in the first instance to the Corporate Asset Group. This ensures that the spend figures are always up to date and accurate.

Changes to Programme

Two projects have been given permission to overspend by way of delegated authority from the Head of Asset Management & Operations. Contracts have been awarded to two construction projects, Item 777: Marchburn House and Item 796: Tullos Pool, on the basis of overspending less than 10% of the approved budget. The development cost for Tullos Pool has risen from an estimated £971,000 to £1.049 million, 7% over budget. The accepted development cost for Marchburn has risen from an estimated £912,000 to £981,000, 8% over budget. This will necessitate savings to be identified in other projects to assure the overall programme is delivered on budget.

Following the meeting of this committee on 15/1/13 approving the recommendations set out in report EPI-12-267, St. Nicholas House demolition will now be funded from the Council's capital fund. The total cost of the demolition and associated works is £3.692 million. This project has now been added to the capital programme and will be monitored in the same fashion as all other capital projects.

Following this addition, the programme now has a total of 30 projects, totalling £112,275 million allocated to it from the Non-Housing Capital fund over three years (2012-15).

The projects and total budget approved for each project included in the programme are:

Complete Programme

- 1) Data Centre Move
£175,000
- 2) Police - Capital Grant
£1,705,000

- 3) Information Communication Technology Connectivity
£34,000
- 4) Replacement Education Management Information System
£167,000
- 5) School Estate Strategy - Bucksburn / Newhills
£9,375,000
- 6) School Estate Strategy - Riverbank
£1,750,000
- 7) Provision for Children with Complex Needs
£12,886,000
- 8) Tullos Pool Refurbishment
£1,049,000
- 9) Corp Property Condition & Suitability Programme
£22,510,000 million
- 10) Cycling Walking Safer Streets Grant
£825,000
- 11) Access From the North
£430,000
- 12) Western Peripheral Route
£13,840,000
- 13) Corporate Office Accommodation
£1,000,000
- 14) NESTRANS - Capital Grant
£3,137,000
- 15) 3R's Furniture, Fittings & Equipment and Other Works
£50,000
- 16) Planned Renewal & Replacement of Road Infrastructure
£11,175,000 million
- 17) Land Acquisition - Contingency
£650,000
- 18) Frederick Street Relocations - Crombie Road
£43,000
- 19) Frederick Street Multi Storey Car Park
£2,345,000

- 20) Hydrogen Buses
£2,000,000
- 21) City Broadband
£2,000,000
- 22) St Nicholas House Demolition
£3,692,000
- 23) Duthie Park & Winter Gardens - Cost Net of HLF
£2,815,000
- 24) Ness Landfill Restoration
£4,000,000
- 25) Hill of Tramaud Landfill - Change of Law Costs
£449,000
- 26) Private Sector Housing Grant
£3,465,000
- 27) Duthie Park & Winter Gardens Replacement Greenhouses
£4,000
- 28) Victoria House
£2,543,000
- 29) Integrated Drugs Service
£650,000
- 30) Marchburn House
£981,000

Spend to Date

Spend for all projects to the end of December totals £15.131 million. Variances in monthly spend compared to predicted spend have been identified in some cases, which has resulted in spend profiles being amended. Presently, the anticipated out - turn for 2012/13 is £31.297 million.

Appendix A provides a breakdown of all spend to date and relevant supporting information as necessary. Two tables are included for each service. The first is for in – year monitoring and shows total adjusted budgets and spend to date for each service. The second table shows each project’s full budget over three years and the expected outturn as profiled by budget holders for each service. Following these, a final table detailing each project’s expected outturn for 2012/13 and total three year expected outturn is included. The inclusion of each table will highlight the variances in spend compared to yearly budgets but will

also highlight where slippage is being picked up in future years as part of the three year programme.

An update on the capital position will be reported to this Committee on 25 April 2013.

5. IMPACT

Corporate - The capital programme encompasses projects which link to the Community Plan, Single Outcome Agreement, Corporate and Individual Service Plans.

Public - This report will be of interest to the public as it outlines the Council's capital spending to date.

6. BACKGROUND PAPERS

Capital Monitoring – Non Housing Capital Programme 12/13: Report approved at Finance & Resources Committee on 6 December 2012.

Finance & Resources Committee, 15 January 2013, EPI/12/267. St Nicholas House Demolition.

7. REPORT AUTHOR DETAILS

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Appendix A: Capital Monitoring – Non Housing Capital Programme 12/13

Expenditure to end of December 2012 – all services

Total funding 12/13 £'000	Year projection 12/13 £'000	Total Spend 12/13 £'000
38,482	31,057	15,131

Expenditure to end of December 2012 – by service

	Total budget 2012-13 £'000	Year projection 12-13 £'000	Spend to date £'000
Enterprise, Planning & Infrastructure	23,488	18,854	8,520
Housing & Environment	9,815	8,553	5,686
Education, Culture & Sport	2,715	1,359	78
Corporate Governance	1,880	1,310	503
Social Care & Wellbeing	1,631	981	343
Totals	39,529	31,057	15,131

Capital projects which are currently profiled to underspend this financial year will be carried forward to the 2013 /14 budget (and beyond where applicable) as part of the three year Capital plan.

Capital Funding 12/13

	£'000
Capital Grant	16,085
Capital Fund (use of receipts)	7,000
Other Funding	15,397
Total	38,482

Enterprise, Planning & Infrastructure: 2012/13 monitor

Project Description	12/13 revised budget	Spend to end Dec.	Spend to date
	£'000	£'000	%
Corp Property Condition & Suitability Programme	7,710	3,077	40
Cycling Walking Safer Streets Grant	252	69	27
Access From the North	430	141	33
Western Peripheral Route	4,100	0	0
Corporate Office Accommodation	1,000	54	5
NESTRANS - Capital Grant	960	480	50
3R's Furniture, Fittings & Equipment and Other Works	50	17	35
Planned Renewal & Replacement of Road Infrastructure	3,748	2,091	56
Land Acquisition - Contingency	650	1	0
Frederick Street Relocations - Crombie Road	43	254	591
Frederick Street Multi Storey Car Park	2,345	2,305	98
Hydrogen Buses	400	0	0
City Broadband	1,000	30	3
St. Nicholas House Demolition	800	0	0
Totals	23,488	8,520	

Enterprise, Planning & Infrastructure: 2012-15 monitor

Project Description	Budget 12/13-14/15	Total profiled outturn	Variance
	£'000	£'000	%
Corp Property Condition & Suitability Programme	22,510	22,510	100
Cycling Walking Safer Streets Grant	825	825	100
Access From the North	13,840	13,830	100
Western Peripheral Route	5,700	5,700	100
Corporate Office Accommodation	1,000	1,000	100
NESTRANS - Capital Grant	3,137	3,137	100
3R's Furniture, Fittings & Equipment and Other Works	50	50	100
Planned Renewal & Replacement of Road Infrastructure	11,175	11,175	100
Land Acquisition - Contingency	650	650	100
Frederick Street Relocations - Crombie Road	43	254	591
Frederick Street Multi Storey Car Park	2,345	2,345	100
Hydrogen Buses	2,000	2,000	100
City Broadband	2,000	2,000	100
St. Nicholas House Demolition	3,692	3,692	100
Totals	68,967	65,477	

Enterprise, Planning & Infrastructure: By Project

Item 294: Corp Property Condition & Suitability Programme

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
22,510	5,744	3,077	14

- 25 projects have been practically completed from this year's Condition & Suitability programme to end of December.
- Over £4,000,000 has been committed to this budget.
- Any underspend from this year's rolling programme will be carried forward to the 2013/14 budget.

Item 551: Cycling Walking Safer Streets Grant

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
825	252	69	8

- Profiles show this budget will be spent in full by the end of this financial year.

Item 587: Access From the North

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
13,840	420	141	1

- Asset Management now have scenario budgeting from the budget holder of this project. This will enable more robust future years profiling should there be significant changes to the programme of works.

Item 627: Western Peripheral Route

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
5,700	4,100	0	0

- Following the successful UK Supreme Court decision to proceed with this project, no revised spend profile has been produced as yet, given the relatively short timescale. This will be made available as soon as possible.

Item 663: Corporate Office Accommodation

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
1,000	184	54	5

- A contract for the refurbishment of the ground floor of Frederick Street has now been accepted. The majority of these works are funded through the Condition & Suitability budget, however approximately £130,000 will be funded through the Corporate Office Accommodation budget.
- To date, no other commitments have been made on this budget. It is expected that the majority will be spent in 2013/14.

Item 765: NESTRANS - Capital Grant

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
3,137	960	480	15

- The NESTRANS Grant is paid in two equal instalments, the first of which was paid in December. The second is profiled for payment in February.

Item 778: 3R's Furniture, Fittings & Equipment and Other Works

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
50	50	17	35

- The 3R's budget is a carry forward from 2011/12 which has been used to fund snagging items and equipment from the now completed 3R's school project. The budget is being spent on a "reactive" basis and has been drawn down as and when necessary. At present, there is a requirement to settle asbestos removal works.

Item 789: Planned Renewal & Replacement of Road Infrastructure

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
11,175	3,748	2,091	19

- The majority of resurfacing works have been carried out and invoiced. Further payments will increase the expenditure on this budget significantly.

Item 791: Land Acquisition

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
650	71	1	0

- The land acquisition budget is in place to fund acquisitions which the Authority are legally obliged to conclude.
- The remaining budget at the conclusion of this financial year will carry forward to 2012/13 as per the three year Capital plan.

Item 793A: Frederick Street Relocations - Crombie Road

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
43	254	254	591

(The budget spent figure currently shown does not include additional funding from several other sources).

- The Frederick Street Relocations – Crombie Road project involved the relocation of the Education, Culture & Sport Reserve Collection to vacant Council owned industrial units at Crombie Road.
- The project has now concluded on budget – the other funding sources will be used to offset the total spend on this project by the end of this financial year.

Item 793C: Frederick Street Multi Storey Car Park

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
2,345	2,345	2,305	98

- The car park at Frederick Street was fully funded from the capital receipt obtained in 2011/12 from the sale of the Frederick Street development site. Works have now concluded and the Council's intelligent client is settling the final bill of works with Hub North Scotland.

Item 794: Hydrogen Buses

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
2,000	0	0	0

- There will be no expenditure on this budget in this financial year, however, December 2013 is profiled for £800,000 spend for the purchase of 4 buses. April 2014 is profiled for £1.2million for the remaining buses.

Item 795: City Broadband

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
2,000	55	30	2

- Project is profiled for the only spend this financial year to purchase expert advice in order to undertake an accelerated procurement process with the remaining £1.958 million profiled for expenditure in 2013/14.

Item 800: St Nicholas House Demolition

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
3,692	1,000	828	22

- Item added to the capital programme on 15/1/13, following approval of the recommendations set out in report EPI-12-267.
- £828,000 has been spent to date on the works leading in to the demolition.
- A full spend profile will be obtained from the project manager in February, and will be reported to this Committee.

Housing & Environment: 2012/13 monitor

Project Description	12/13 revised budget	Spend to end Dec.	Spend to date
	£'000	£'000	%
Duthie Park & Winter Gardens - Cost Net of HLF	3,170	2,123	67
Ness Landfill Restoration	4,000	2,898	72
Hill of Tramaud Landfill - Change of Law Costs	449	38	8
Private Sector Housing Grant	921	587	64
Duthie Park & Winter Gardens Replacement Greenhouses	4	3	76
Victoria House	1,271	38	3
Totals	9,815	5,686	

Housing & Environment: 2012-15 monitor

Project Description	Budget 12/13-14/15	Total profiled outturn	Variance
	£'000	£'000	%
Duthie Park & Winter Gardens - Cost Net of HLF	3,170	3,170	100
Ness Landfill Restoration	4,000	4,000	100
Hill of Tramaud Landfill - Change of Law Costs	449	500	111
Private Sector Housing Grant	3,465	3,273	94
Duthie Park & Winter Gardens Replacement Greenhouses	4	4	101
Victoria House	2,543	2,543	100
Totals	13,631	13,489	

Housing & Environment: By Project

Item 244: Duthie Park & Winter Gardens - Cost Net of HLF

Total Project Budget	Expected Outturn 2012/13	Spend to December 2012	Project Budget Spent
£'000	£'000	£'000	%
3,170	3,170	2,123	67

- Spend on the Duthie Park & Winter Gardens project has now risen to fully utilise the carry forward from 2011 / 12. Further expenditure is to be funded by Heritage Lottery Fund and Common Good in 2012 / 13.
- Works continue to progress to the project plan and are profiled to conclude on time by the end of this financial year.

Item 497: Ness Landfill Restoration

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
4,000	4,000	2,898	72

- Works on the Ness Landfill are progressing to the project plan. Two milestone payments in January and February will spend another £1,000,000.

Item 766: Hill of Tramaud Landfill - Change of Law Costs

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
449	449	38	8

- The landfill budget at Hill of Tramaud is a carry forward from 2011/12.
- Budget holder has profiled for an increase in total expenditure by the end of this financial year. The full project budget is expected to be spent.

Item 779: Private Sector Housing Grant

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
3,465	729	587	17

- All expenditure from this financial year's budget is to be spent on disabled adaptations.
- Current profile shows underspend this financial year of £192,000. If this matches the final out – turn, the additional funds will be carried forward to 2013/14.

Item 792: Duthie Park & Winter Gardens Replacement Greenhouses

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
4	4	3	76

- This project was completed last year, and the final £1,000 of expenditure is required solely to settle the final account from these works.

Item 797: Victoria House

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
2,543	151	38	1

- Demolition works are currently taking place on site. Professional fees have been charged for these works.
- Spend profiles have now been provided by the budget holder showing the remaining budget at the conclusion of this financial year will carry forward to 2012/13 as per the three year Capital plan.
- Additional funding from Housing capital will be used for this project. The non housing funding and profiling will remain unchanged.

Education, Culture & Sport: 2012-13 monitor

Project Description	12/13 revised budget	Spend to end Dec.	Spend to date
	£'000	£'000	%
Information Communication Technology Connectivity	34	34	100
Replacement Education Management Information System	167	36	22
School Estate Strategy - Bucksburn / Newhills	522	0	0
School Estate Strategy - Riverbank	172	8	5
Provision for Children with Complex Needs	771	0	0
Tullos Pool Refurbishment	1,049	0	0
Totals	2,715	78	

Education, Culture & Sport: 2012-15 monitor

Project Description	Budget 12/13-14/15	Total profiled outturn	Variance
	£'000	£'000	%
Information Communication Technology Connectivity	34	34	101
Replacement Education Management Information System	167	161	96
School Estate Strategy - Bucksburn / Newhills	9,375	9,375	100
School Estate Strategy - Riverbank	1,750	1,750	100
Provision for Children with Complex Needs	12,886	6,493	50
Tullos Pool Refurbishment	1,149	1,149	100
Totals	25,361	18,962	

Education, Culture & Sport: By Project

Item 750: Information Communication Technology Connectivity

Total Project Budget	Expected Outturn 2012/13	Spend to December 2012	Project Budget Spent
£'000	£'000	£'000	%
34	34	34	101

- This project was a residual amount carried over from last year and has now been completed on budget.

Item 751: Replacement of Education Management Information System

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
167	161	36	22

- Budget holder has indicated that orders have been placed for over £100,000 of handheld devices for schools.
- This expenditure will show in February's monitoring.

Item 759A: School Estate Strategy - Bucksburn / Newhills

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
9,375	522	0	0

- A design team has now been appointed and two technical meetings have taken place.
- A full spend profile is currently being developed. Payments totalling £520,000 are profiled for payment of professional fees this financial year.

Item 759B: School Estate Strategy – Riverbank

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
1,750	172	8	0

- Ultima, the contactor appointed to undertake this project, has identified problems with utilities. Two water mains and a sewer run through the site where the building is proposed. This has pushed back the spend profile until these issues can be rectified.
- There may be budgetary implications as a result of these issues, however, at present it is unclear what the revised cost of the project will be. The

budget holder and Design Team are working along with Ultima to produce a revised project plan.

- An update on the progress of this project, and any proposed overspend will be reported to the next meeting of this Committee.

Item 776: Provision for Children with Complex Needs

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
12,886	75	0	0

- Provision for Children With Complex Needs has approximately £30,000 committed to ground investigations, via Hub North Scotland. These will contribute towards the site selection process, now reprofiled to be completed in February 2013.
- The remaining budget at the conclusion of this financial year will carry forward to 2012/13 as per the three year Capital plan.

Item 796: Tullos Pool Refurbishment

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
1,149	395	0	0

- A contract has been accepted for the refurbishment of Tullos Pool, totalling £1,049,000, 7% over the original budget. This was approved by The Head of Asset Management & Operations delegated authority.
- It has been necessary to accept the contract over budget as the approved sum was based on a three year old probable cost. Mitigating measures to minimise the overspend have been employed: Provisional sums have been omitted or reduced; contingencies have been reduced and a Bill of Reduction has been agreed.
- Works have now begun and are scheduled to conclude in late July.
- A contract to refurbish the toilets at Tullos School has also been accepted to run alongside the pool refurbishment. This is funded through the Condition & Suitability budget.

Corporate Governance: 2012/13 monitor

Project Description	12/13 revised budget	Spend to end Dec.	Spend to date
	£'000	£'000	%
Data Centre Move	175	15	9
Police - Capital Grant	1,705	488	29
Totals	1,880	503	

Corporate Governance: 2012-15 monitor

Project Description	Budget 12/13-14/15	Total profiled outturn	Variance
	£'000	£'000	%
Data Centre Move	175	157	90
Police - Capital Grant	3,310	1,705	52
Totals	3,485	1,862	

Corporate Governance: By Project

Item 630: Data Centre Move

Total Project Budget	Expected Outturn 2012/13	Spend to December 2012	Project Budget Spent
£'000	£'000	£'000	%
175	157	15	9

- Due to delays in the implementation of the Council's Virtual Desktop Environment, budget holder has profiled final payment in March, which will conclude this capital project. As reported at the last Committee, this project remains profiled to conclude £18,000 under budget.

Item 769: Police - Capital Grant

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
3,310	1,705	488	15

- Monitoring information received from the police now predicts that £1.705 million will be required this financial year.
- Budget holder is still awaiting further information on what will happen with future years given the move to a single force from 1st April 2013.

Social Care & Wellbeing: 2012/13 monitor

Project Description	12/13 revised budget	Spend to end Dec.	Spend to date
	£'000	£'000	%
Integrated Drugs Service	650	0	0
Marchburn House	981	343	35
Totals	1,631	343	

Social Care & Wellbeing: 202-15 monitor

Project Description	Budget 12/13-14/15	Total profiled outturn	Variance
	£'000	£'000	%
Integrated Drugs Service	650	650	100
Marchburn House	981	981	100
Totals	1,631	1,631	

Social Care & Wellbeing: By Project

Item 691: Integrated Drugs Service

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
650	0	0	0

- The Head of Legal & Democratic Services continues to pursue NHS Grampian's legal team for clarification and completion of the legal agreement for the Integrated Drugs Centre.

Item 777: Marchburn House

Total Project Budget £'000	Expected Outturn 2012/13 £'000	Spend to December 2012 £'000	Project Budget Spent %
981	981	343	35

- Building works continue to proceed as per the original project plan.
- Project is profiled to conclude this financial year, 8% overspent. As previously reported, the contract was accepted 8% over budget, approved by Head of Asset Management & Operations delegated authority.