

SCRUTINY COMMISSION – 13TH JULY 2006

REPORT OF THE DIRECTOR OF RESOURCES

FIRST REVIEW OF THE 2006/07 CAPITAL PROGRAMME

Purpose

1. To provide members with an early indication of any major issues with delivery of the 2006/7 capital programme.

Background

2. This report is the first in a planned series of four monitoring reports to this Commission. The report largely concentrates on known major issues associated with the new starts component of the programme and is not based upon a detailed review of every project within the programme.

Issues Arising

Children and Young People

Intergrid Replacement High Schools – Shepshed High & Oadby Gartree High Schools

3. The programme to replace 4 intergrid high schools following Coalville Castle Rock and Wigston Bushloe will continue in 2006/7. Castle Rock completed ahead of schedule and opened in April 2006. Wigston Bushloe is on schedule and is expected to complete in July 2006 with opening in August 2006.
4. The latest projections of cost to rebuild Shepshed High and Oadby Gartree schools are £24.4m compared with resources of £23.8m. This follows significant value engineering exercises to reduce the costs of both projects. Both projects are on schedule to complete by June 2007 with opening for the Autumn Term 2007. Cabinet will need to consider where resources will be found to meet the increased costs of £0.6m. There is some scope for a potential capital receipt and underspends on other projects. The Cabinet decision will be reported to Scrutiny Commission in due course.

Redmile Sports Hall

5. Delays are expected on this £0.57m lottery and school funded project due to ongoing issues relating to land acquisition, the creation of an access route and the consequent scheme design. As a result it is unlikely that there will be any significant expenditure in 2006/07. Grant funding will be reprogrammed to 2007/8 to reflect these issues and will not be lost as a consequence.

Mobile Accommodation

6. Overprogramming on the mobile accommodation programme of £0.55m is planned for 2006/07. This is as a result of demands this year and to offset potential slippage that may arise elsewhere in the capital programme during the year. There are two major schemes funded out of this years mobile accommodation programme:
 - Ashby Grammar School, contribution of £0.35m towards school project of c.£0.8m to replace time expired mobiles with permanent accommodation required by planning permission to complement a grade 1 listed building, Ashby Castle.
 - Wigston Bushloe, £0.3m to relocate and adapt three double science mobiles during the summer break following the expected completion of the new high school.

Highways Transport and Waste Management

7. No problems are envisaged at this stage.

Adult Services

Learning Disability Respite Care – Melton

8. At this early stage there is expected to be slippage of £450,000 against the original programme. Following tenders, there have been further requirements identified, which has led to redesign of various elements of the schemes as well protracted discussions with planners and builders. Progress is being made on these key elements of this complex scheme and on current projections the build should commence early next year.

Community Services

9. At this stage slippage/underspend is anticipated on the following schemes:

Oadby Library £300,000

10. Work on this major £1.5m library replacement scheme was due to start this year. The scheme is complex involving a housing association, health facility, the County Council and the District Council and there have been delays in determining the financial contributions from each partner.

Braunstone Welcombe Avenue Library £310,000

11. The project which was due to be completed last year, has continued to experience delay due to problems with the siting of the new library. Planning issues over parking have resulted in the need to look at a revised design. The current anticipated start date is in January 2007.

Leicester Forest East £460,000

12. Negotiations for acquisition of a site for this replacement Library are proving to be protracted. There are complications relating to existing lease holders on the preferred site which could result in a lengthy delay.

Earl Shilton Library

13. The scheme to replace the current library was funded by a £200,000 earmarked capital receipt, and £200,000 discretionary resources. The building identified for occupation was sold whilst still under negotiation with the County Council to a third party. Consideration is now being given to refurbishing the existing Library.

Resources, Chief Executive's and Other Corporate

14. One of the main components of the programme relates to change management. At present a block allocation has been included for this element of the programme. As schemes are agreed the phasing of the expenditure will be reflected in the programme. To a certain extent decisions on certain aspects of Change Management, in particular Customer First, will also impact on expenditure within the ICT programme. No problems are envisaged elsewhere in the programme at this stage.

Conclusion

15. At this early stage in the year, it has only been possible to highlight major issues. Although the potential slippage in the Community Services Programme is disappointing, it is encouraging to note that recommendations of the recent Scrutiny Panel Review of capital programme compilation are being introduced such as the overprogramming in Education. To offset slippage the potential to bring forward schemes will be investigated.

Background Papers

None.

Circulation under Sensitive Issues Procedure

None.

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