

SCRUTINY COMMISSION – 11th OCTOBER 2006

REPORT OF THE DIRECTOR OF RESOURCES

SECOND REVIEW OF THE 2006/07 CAPITAL PROGRAMME

Purpose

1. The purpose of this report is to inform Members of progress on the delivery of the annual capital programme.

Background

2. This report provides a further update to the first review of the capital programme that the Committee considered in July 2006.

Overall Position

3. The table below shows an underspend of £3.0m compared with the updated original programme. At this stage it is projected that spending will be 96% of the total available resources. Details of resources are shown in Appendix 1.

	Total resource adjusted for outturn variations and further funding £'000	Second Review Estimate £'000	(Under)/Overspend £'000
Children & Young People	32,091	32,091	-
Highways & Transport	21,083	21,883	800
Waste Management	1,608	1,608	-
Adult Services	2,947	1,511	(1,435)
Community Services	4,358	2,064	(2,294)
Resources	2,925	2,909	(16)
Chief Executive	180	145	(35)
Other Corporate	4,384	4,384	
Total	69,576	66,595	(2,981)

Children and Young People's Service

4. Overall expenditure is anticipated to be in line with resources and good progress is being maintained on the Intergrid replacement programme.

Intergrid Replacement High Schools

5. Progress on the intergrid school replacement programme continues on schedule. Castle Rock completed ahead of schedule and opened in April 2006. Wigston Bushloe completed on schedule and opened in August for pupils.
6. In the last monitoring report we reported that the next two schools, Shepshed High and Oadby Gartree High are expected to be completed in June 2007 and open for pupils in the Autumn. The latest projection is that Shepshed High maybe completed up to two months early and expenditure could accelerate by up to £1m. In the last monitoring report the need for additional resources of £0.6m for these two schools was also highlighted. Cabinet subsequently agreed that the potential additional resources could be met from a combination of underspends elsewhere in the programme, a potential capital receipt and contingency. The final decision will be taken later in the year when more information is available.
7. Castle Rock and Bushloe High Schools overspent by £140,000 as a result of higher than anticipated demolition costs arising from the discovery of asbestos in the former buildings.

Special Schools

8. The Hinckley Area special school, referred to as the Dorothy Goodman school will operate from two sites, the facilities for the 3-14 age group are now operational at the Redmoor High school site, the school opening at the beginning of the autumn term. The provision for the 14-19 age group will continue to be provided at the original site, which is subject to refurbishment. Phase 1 of this refurbishment is complete. Phase 2 is expected to be completed by the beginning of the summer term 2007. Overall the costs are expected to result in a saving of £0.4m.

Children's Centre

9. Coalville Warren Hills children's centre, a mix of new build and internal adaptation, opened at the beginning of the Autumn term. The centre is designed to deliver pre-school provision for children from early childhood until admission to primary school as well as support to their parents.

Schools Access Initiative

10. A major project at Coalville King Edward school to improve accessibility will not proceed. The significant cost means that it is not considered viable in the light of the DfES's Building Schools for the Future programme. Taking account of utilisation of some of the funding for alternative schemes net slippage of £300,000 is anticipated.

Other

11. There has been no change to the slippage on the new sports hall at Redmile and acceleration of expenditure on mobile replacement programme reported at the First Review.

Highways and Transportation

12. Spending is anticipated to be broadly in line with the resource availability apart from the commencement of works on the recently approved Earl Shilton bypass. As reported in the First Review to facilitate an Autumn 2007 start date for this scheme £0.8m would need to be spent relocating a gas pipeline. This was approved by Cabinet in July.
13. Delivery of the LTP programme is projected to be in line with resources. In addition the major resurfacing of the A6 between Quorn and Loughborough, which is funded from de-trunking specific grant, is near to completion.
14. However, the de-trunking scheme of improvements in Hathern (£0.64m) has been delayed, principally as a result of defining the specification of the required works. The de-trunked roads of A6 and A46 are also the subject of a bid for additional funds from the Department of Transport. The resultant reduction in payments has been offset by increasing spend on highway maintenance, an equivalent sum will be returned to the de-trunking budget next year.

Waste Management

15. No problems are envisaged at this stage.

Adult and Social Care

16. The programme is expected to be underspent by £1.44m. Compared to the first review the following additional issues have arisen;

Learning Disabilities – Provision of Respite Care facility in Wigston.

17. Slippage of £500,000 is expected as planning permission for the proposed location has been refused. Officers have re-commenced a search for a suitable new location.

Learning Disabilities - Provision of Respite Care facility in Melton

18. This scheme is anticipated to slip by a further £180,000 compared to the first review (£450,000) due to a lengthier planning process than anticipated.

Supported Living Scheme – Melton

19. The Council contribution to this Housing Association scheme (£340,000) will be paid 50% upon the start with the balance due on completion rather than the original payment profile which was based upon full payment in this year thus resulting in slippage of £170,000. The scheme is due to start on site in January 2007.

Community Services

20. The new library in Kirby Muxloe opened in July with improved facilities including a meeting room for hire to the local community. Since opening there has been an increased number of visitors and a significant number of new members.
21. In total the underspend within community services is expected to be £2.3m mainly as a result of slippage on a number of Library projects, most which were highlighted in the First Review.
22. Since the last review additional slippage is expected on Mountsorrel Library of £425,000 because of legal issues with the landowner. It is, however, hoped that a start on the new building can be made in January 2007.
23. The new registrar's office that is being relocated to the Melton Borough Council offices is scheduled for completion in November. The scheme is expected to overspend by £70,000 due to both negotiations with the district council resulting in an amended contract price and increased specification.

Other Corporate and Resources

24. The major element of this programme is the Corporate Change programme. 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. Early indications are that all the capital resources initially allocated for change management may not be required. To a certain extent decisions on Change Management projects will also impact on expenditure within the ICT programme. It is currently anticipated that the ICT programme will be delivered in line with the agreed capital programme.
25. Elsewhere within the Resources capital programme a small overspend is expected with small overspends on County Hall CCTV and replacement lifts offset by slippage on County Hall security.

Capital Receipts

26. The original estimate of £5.6m is dependent upon the sale a few major land sales, the timing of which is uncertain at this stage.

Conclusion

26. Overall the aim was that more than 90% of programmed expenditure should be completed. At present the anticipated year end position is 96%. The major components of the CYP programme, are progressing broadly as planned and the overall programme has benefited from the bringing forward of expenditure on the Earl Shilton by pass to partially offset slippage that is concentrated within Community Services and Adult Social Care programmes.

Background Papers

None.

Circulation Under Sensitive Issues Procedure

None.

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CT/CG/Scrutiny Commision.11.10.06