

SCRUTINY COMMISSION – 31st JANUARY 2007

REPORT OF THE DIRECTOR OF RESOURCES

THIRD 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 second review of the capital programme considered by the Commission in October 2006.

Overall Position

3. The table below shows an under spend of £4.905m compared with the updated original programme. At this stage it is projected that spending will be 93% of the total available resources. The table below shows the position in more detail.

	Original Programme adjusted for outturn variations and further funding £'000	Third Review Estimate £'000	(Under)/Overspend £'000
Children & Young People	32,158	32,158	-
Highways & Transport	21,043	21,736	693
Waste Management	1,608	1,608	-
Adult Social Care	2,947	1,222	(1,725)
Community Services	4,517	2,641	(1,876)
Resources	2,495	1,716	(779)
Chief Executive's	160	100	(60)
Other Corporate	2,941	1,783	(1,158)
Total	67,869	62,964	(4,905)

Explanation of the significant variations in projected spend compared with the updated original programme

Children and Young People's Service

4. Overall expenditure continues to be predicted to be in line with resources.

Intergrid Replacement High Schools

5. Good progress continues to be made in delivery of the replacement of the Intergrid schools in Shepshed and Oadby, with the Shepshed project expected to complete in April, two months ahead of schedule and Oadby Gartree High expected to be completed in June 2007. Both schools will be open for pupils in autumn 2007.

Children's Centres, Extended Schools and Early Years

6. Total capital resources of £9.121m were allocated in 2005 for the development of 24 new children's centres, to refurbish schools to support extended school services and extend early years provision. The allocation is based on a spending pattern of 33% in 2006/07 and 67% in 2007/08.
7. The latest projection is that expenditure in 2006/7 will total just £550,000 (5.5%). A number of local authorities have made the DfES aware that that these spending patterns are unreasonable due to the extensive consultation processes, however to date written confirmation of carry over of grant has not been received. The Director of Children and Young Peoples Services is seeking such confirmation.

Other Changes

8. Expenditure of £220,000 on condition maintenance mainly associated with electrical rewires is expected to slip into 2007/8. The work will be completed at Easter to minimise disruption to the schools involved.
9. Slippage of £100,000 in the re-organisation of secondary education in the Vale of Belvoir / Melton is expected as a result of on-going consultation.
10. The pace of housing development in Birstall has been slower than anticipated thus delaying planning the development of a new primary school and centre for the local community. (£149,000)
11. These reductions in spend have been offset by additional works in Loughborough at Robert Bakewell linked to the closure of the Rosebery primary school, the demolition of the sports hall and new changing rooms at Coalville King Edward VII and additional landscaping works at Wigston Bushloe together with other minor overspendings.

Highways and Transportation

12. Major projects completed in 2006/07 include the replacement of the worn out carriageway on the A6 in Loughborough. The project was due to be completed by the end of October 2006 but good progress and favourable weather contributed to the early completion of the works by September 2006. The impact of the works was kept to a minimum by doing the majority of the works during school holidays and weekends. Completing the works early meant the A6 was ready for the new term at Loughborough University, when traffic flows in and around the town are at their highest.
13. Good progress has been made on the Earl Shilton Bypass. The statutory and compulsory orders have been confirmed, with tenders for the scheme due for return. Conditional approval by the DfT is due to be announced in the near future.
14. Spending continues to be broadly in line with resource availability. Compared with the second review, total expenditure is forecast to be slightly lower as a result of slippage on the de-trunking scheme, although this has been largely offset by increased expenditure elsewhere in the programme.

Waste Management

15. Projects completed in 2006/07 include the successful opening of the Oadby Recycling and Household Waste Site (RHWS). The new site is double the size of the previous site and has much improved facilities for local residents. The Oadby site was designed along similar principles to the redeveloped Loughborough RHWS site, which won Civic Amenity Site of the year following high user satisfaction rates following re-opening.
16. Although spending continues to be projected to be in line with resources, there have been significant variations within the programme. The cost of the recently completed household waste and recycling site in Oadby increased by £320,000 due to the difficulties encountered in developing a Brownfield site on an old landfill. This has been offset by reducing the resources available for general improvements to sites and by slippage in the design works for the new Sileby site associated with planning issues.

Adult Social Care

17. As part of the modernisation of services for people with learning disabilities, a major internal upgrade of Roman Way Day Centre, Market Harborough is underway. The project involves the refurbishment of the male and female toilets, improvements to disabled access and significant re-modelling of the building, which will create more appropriate workspaces for working with people with learning disabilities. The project is due to be completed by the end of March.
18. As part of the same modernisation programme, the residential and respite unit at Hamilton Court, Coalville is being significantly upgraded and improved. Although

slippage of £87,000 is expected with the project, phase 1 is now complete and includes 4 refurbished bathrooms and 2 new conservatory areas to create a much more modern and comfortable living environment for vulnerable residents. Phase 2 continues into 2007/08.

19. The programme is expected to be underspent by £1.725m compared with available resources. Most of the slippage was highlighted in the first and second reviews.

Variations to projected expenditure since the second review are:

Learning Disabilities – Provision of Respite Care facility in Wigston.

20. This scheme is expected to slip a further £160,000 from the second review to £660,000. The delay has occurred as planning permission for the proposed location has been refused; therefore the scheme has been rescheduled and included in the 2008/09 programme. However, if a suitable location should be found this should not prejudice earlier delivery.

Learning Disabilities - Provision of Respite Care facility in Melton

21. As indicated in the second review, slippage of £630,000 is expected for this scheme due to a lengthier planning process than originally anticipated. However the scheme received planning permission on 19th December and site works should start in March. The new facility should be completed about 12 months later (March 2008).

Learning Disabilities – Replacement of Mountsorrel Day Centre into 5 new units

22. Slippage of £100,000 is expected on this scheme as suitable locations for two of the five units have taken longer than anticipated to find.

Community Services

23. Projects completed in 2006/07 include new library buildings at Markfield and Kirby Muxloe, which includes a room for community use. Also completed is the refurbishment of Hinckley library. All the new and refurbished libraries have additional public access ICT, new or advanced audio/visual collections, as well as improved opening hours. The successful relocation of the Melton Registrars office and wedding room to Melton Borough Council offices was completed in January.
24. The programme is expected to be underspent by £1.876m compared with the total resources available. This reflects additional slippage of £456,000 since the second review accounted for as follows:-
25. Oadby Library (£50,000) - Continuing delays to the proposed library project due to delays in commitment from parties in the scheme. An alternative approach is being established.
26. Mountsorrel Library (£250,000) – Additional delays incurred to the replacement library from partners, however the contract involving exchange of land has been signed and a start on site is planned for early February.

27. Earl Shilton Library (£105,000) – Further slippage incurred on this scheme due to the planning and redesign for the inclusion of an onsite lift.

Resources

28. An overall underspend of £779,000 is forecast mainly as a result of slippage on the following schemes.

County Hall (£456,000)

29. Although fencing work was completed in 2006/07 an underspend is forecast due to slippage on the replacement sports facilities. The planning application is underway with anticipated approval next quarter. Major works will be started in 2007/08 and include the development and replacement of the sports field, incorporating a multi-purpose playing court.

ICT (£240,400)

30. The under spend has been forecast primarily due to slippage on the ICT requirements of the corporate change programme. It was anticipated that some of the major change projects would be more advanced by the end of the financial year and would therefore need more ICT investment.

Corporate DDA (£78,000)

31. Under spends have been forecast due to the delays in works for the lift at Earl Shilton Library and Snibston Discovery Park respectively, however works should start early 2007/08.

Chief Executives

32. An overall under spend of £60,000 is forecast mainly as a result of slippage on the 'Have Your Say' programme. The programme for the Protection of Rural Leicestershire has met all its commitments in 06/07.

Other Corporate

33. As set out in the County Council's capital programme and previous monitoring reports the corporate change management capital resources have been re-phased. The main projects started on 2006/07 are 'Customer First' and 'Strategic Procurement'. The main projects requiring capital expenditure in 2007/08 include the above and also the Staff Transactions Shared Service Unit.
34. Within the programme £350,000 of slippage is forecast for Loughborough Sports Park due to the slower than anticipated progress in 2006/07. Also forecast is an under spend of £200,000 for disposal & acquisition costs. This is due to the lengthier time needed for negotiations and completion of projects.

Capital Receipts

35. The original estimate of £5.6m is dependent upon the sale of a two major land sales. There is a possibility that these receipts will slip into 2007/8.

Conclusion

36. Overall the aim was that more than 90% of programmed expenditure should be completed. At present the anticipated year end position is 93%.

Background Papers

None.

Circulation Under Sensitive Issues Procedure

None.

Officer to Contact

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