

SCRUTINY COMMISSION – 28TH March 2007

REPORT OF THE DIRECTOR OF RESOURCES

FOURTH 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 third review of the capital programme considered by the Commission in January 2007. Members are advised that the figures contained in this report are based on information as at the end of February 2007, thus variations will probably arise at the final outturn.
3. This report is not a detailed review of the programme along the lines of January report. It aims to highlight any major changes from the position reported at the third review. The outturn report to be considered in the early summer will set out, in detail, the reasons for variances against the updated original programme.

Overall Position

4. The table below shows an under spend of £5.7m compared with the updated original programme. At this stage it is projected that spending will be 92% of the total available resources. The table below shows the position in more detail.

	Original Programme adjusted for outturn variations and further funding £'000	Fourth Review Estimate £'000	(Under)/Overspend £'000
Children & Young People	32,198	32,198	-
Highways & Transport	20,996	21,604	608
Waste Management	1,608	1,575	(33)
Adult Social Care	2,947	1,213	(1,734)
Community Services	4,540	2,228	(2,312)
Resources	2,495	1,488	(1,007)
Chief Executive's	160	100	(60)
Other Corporate	2,941	1,761	(1,180)
Total	67,885	62,167	(5,718)

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

Children and Young People's Service

5. As reported at the third review, overall expenditure continues to be predicted to be in line with resources and there are few changes to report from the position of the third review.

Intergrid Replacement High Schools

6. 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 May, one month ahead of schedule and Oadby Gartree High expected to be completed in July 2007. Both schools will be open for pupils in autumn 2007.

Children's Centres, Extended Schools and Early Years

7. 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 was based on a spending pattern of 33% in 2006/07 and 67% in 2007/08.
8. The latest projection is that expenditure in 2006/7 will total £550,000 (5.5%). As reported at the third review a number of local authorities have made the DfES aware that that these spending patterns are unreasonable due to the extensive consultation processes. In response, confirmation has now been received from the DfES that these funds can be carried forward to 2007/08.

Highways and Transportation

9. The overall position continues to show an acceleration of £0.6m which relates to works relocating a gas pipeline in preparation for the Earl Shilton bypass. There have been some minor changes compared with the third review with some additional slippage on the Transport Minor Improvement programme and the de-trunking scheme, although this has been largely offset by increased expenditure elsewhere in the programme.
10. Good progress continues to be made on the Earl Shilton bypass. Conditional approval was given by DfT on 19th February 2007 and the first phase of the tender process is underway. Final approval is expected in the summer once the contract price has been agreed.

Waste Management

11. 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.

12. The overall position of spend being in line with the budget is similar with that reported at the third review, with the exception of slippage of £30,000 on hardcore works at the Shepshed household waste and recycling site.

Adult Social Care

The programme is expected to be under spent by £1.7m compared with available resources.

The more significant variations to the projected expenditure since the third review are:

Learning Disabilities – Modernisation of Services at Hamilton Court, Coalville (Further slippage of £40,000)

13. This scheme is expected to slip a further £40,000 from the third review to £127,000. Delays have occurred due to further complications with boundary issues and the involvement of various different parties; however work is expected to be complete by June 2007.

Learning Disabilities - Provision of Respite Care facility in Melton (Further slippage of £50,000)

14. Further slippage of £50,000 from the third review to £680,000. This is associated with planning issues of this developer led scheme which incorporates supported living units and private housing in addition to the respite care facility. However planning permission was received on 19th December and site works started in early March. The new facility should be completed about 12 months later (March 2008).

Community Services

15. 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.

16. The programme is expected to be underspent by £2.3m compared with the total resources available.

The most significant variations to the projected expenditure since the third review are:

17. Oadby Library (further slippage of £40,000) – Continuing delays to the proposed library project due to delays in commitment from parties in the scheme. An alternative scheme is being established.
18. Bosworth Battlefield Visitor Centre (£360,000) – Discussions with the designers of the new exhibition highlighted an opportunity to produce more exciting interactive displays. An additional period of around three months was taken to work up these

new designs and confirm the necessary funding as approved by Cabinet on 11th January 2007.

19. Market Towns Development (£50,000) – Resources available from external sources have been maximised, hence this will mean County Council resources can be utilised in 2007/08 for new schemes.

Resources

20. The overall under spend has increased by £230,000 to £1m. The main changes from the third review are;

ICT (Further slippage of £70,000)

21. Schemes within ICT are expected to slip a further £70,000 due to supplier delays on the Telephony projects. Other under spends have 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 (Further slippage of £100,000)

22. Further slippage of nearly £100,000 is expected as a result of delays to works at: Hinckley day nursery; Melton area office; Barwell Library and County Hall.

Risk Management (£51,000)

23. Slippage has been forecast on general security improvements and fire alarm work. Delays have occurred due to the lengthier process of onsite evaluation; however projects should be completed early 2007/08.

Chief Executives

24. The position is the same as reported at the third review. 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

25. As set out in the County Council's capital programme and previous monitoring reports the corporate change management capital resources have been re-phased. Projects started in 2006/07 are the 'Intranet' and 'Customer First' programmes.
26. The position is broadly in line with that reported at the third review. The main changes anticipated are the under spend in disposal & acquisition costs being reduced by £100,000. In addition slippage of £140,000 for the new ESPO building is now anticipated as retention payment will be delayed to early 2007/08 whilst the developer completes outstanding repairs.

Capital Receipts

27. The original estimate of £5.6m has been significantly reduced to £2.2m due to delays of two major land sales. However the impact of the reduction of available funds is offset by the slippage on expenditure.

Conclusion

28. The overall position is that 92% of programmed expenditure is forecast to be completed by year end. This compares to the 93% reported at the third review and the target of 90% agreed by the five member panel that reviewed compilation of the capital programme in 2005.

Background Papers

None.

Circulation Under Sensitive Issues Procedure

None.

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