

SCRUTINY COMMISSION – 18th July 2007

REPORT OF THE DIRECTOR OF RESOURCES

CAPITAL OUTTURN 2006/07

Purpose

1. To inform members of the key achievements in terms of capital investment in 2006/7 and to give an overview of the capital outturn for 2006/7.

Background

2. This report both describes in detail the key achievements of the capital programme in terms of the significant capital projects that were undertaken last year and summarises the capital outturn explaining in detail variations from the original programme.

MAIN AREAS OF CAPITAL EXPENDITURE IN 2006/07

CYPS

3. The department has substantially delivered the approved capital programme and has accelerated work on the Intergrid replacement schools and mobile accommodation programmes to deliver earlier results.
4. The main emphasis of the programme in 2006/07 was the continuation of the Intergrid replacement programme. This is the most significant programme of schools replacement undertaken by the Authority for a number of years. Following completion of the new Castle Rock High School in April 2006, the new Wigston Bushloe High School was completed in June 2006 and the school was open to pupils in August 2006. In many ways it is too early to assess the educational impact of the new schools; however the initial evaluation from both teachers and pupils has been very positive. In the Leicestershire Property & Construction Awards 2006 Castle Rock won two awards: 'the large scheme of the year 2006' and 'the sustainable development of the year 2006'. It was also quoted as one of seven exemplar education buildings by the DfES's own published book called 'Better buildings, better design, better education'.
5. The new Shepshed High School was completed one month ahead of schedule in May 2007, whilst Oadby Gartree High is on target to be completed by July 2007. Both these schools will be open for pupils in autumn 2007.

6. The final Intergrid replacement school is Enderby Brockington High, which is being built by the Leicester Diocesan Board. The first part (£0.7m) of the County Council's £2m contribution was made during the year. The new school is expected to be completed two months ahead of schedule in October 2007 and open to pupils in November 2007.
7. In addition to the Intergrid replacement, Mobile replacement (£1.5m) and the general Modernisation programme (£1.9m), the following significant projects were also completed last year;
 - Hinckley Dorothy Goodman (cost £4.1m) – the new area special school opened to students aged 3-13 in autumn 2006 and is the second area special school following completion of Melton Birchwood special school. Phase 2 works for students aged 14-19 (cost £0.5m) are programmed to be completed by June 2007.
 - Children's Centres programme – completion of the phase 1 programme including new Children's Centres at Coalville Warren Hills (cost £1.1m) and Loughborough Cobden Primary (cost £1.3m). The phase 2 programme involving the development of 24 new Children's Centres, refurbishment of schools to support extended school services and extend early years provision, is grant funded on a spending pattern which was considered unreasonable due to the extensive consultation processes required. During 2006/07 the County Council and many other local authorities made the DfES aware that the spending patterns were unreasonable. In response, confirmation was received from the DfES that the allocated funds could be carried forward into 2007/08.
 - PE & Sports Programme - Modernisation and upgrading of changing facilities at; Anstey Martin High, Melton John Ferneley High and Thurmaston Roundhill Schools at a combined cost of £0.4m. The programme also included the completion of a new multi-use games area at Shepshed Hind Leys costing £0.3m. These are lottery funded projects that were completed in partnership with the schools, the County Council and the Big Lottery Fund.
 - Great Dalby Primary (cost £0.3m) – extension to school including disabled access improvements.

Highways and Transportation

8. The department have performed well by substantially delivering the programme set out at the beginning of the year and also by accelerating work on Earl Shilton Bypass and other areas of the programme.
9. 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 conditions contributed to the early completion of works by September 2006. The impact of the works was kept to a minimum by carrying out a majority of the works during school holidays and weekends. Early completion meant that the A6 was ready for the new term at Loughborough university, when traffic flows in and around the town are at their highest.

10. Significant expenditure has been incurred on Highways maintenance. £11m was spent in 2006/07 which accounts for more than half of highways and transportation capital expenditure.

Some noteworthy maintenance schemes completed during 2006/07 include:

- £6m on carriageways, incorporating £400,000 spent on heat damaged roads.
 - £2m on Footways
 - £1m on Bridges
11. The year also saw the commencement of works on the Earl Shilton Bypass (£14.8m). To facilitate an autumn 2007 start for this scheme £800,000 was approved by Cabinet to be spent on relocating a gas pipeline. Good progress has been made since with conditional approval given by the DfT in February 2007 and the first phase of the tender process underway. Final approval was awarded in June 2007 and progress is on track.

Waste Management

12. Major projects completed in 2006/07 include the successful opening of the Oadby Recycling & Household Waste Site (RHWS). Costing £1.3m the new site is double the size of the previous site and has much improved facilities for local residents. The Oadby RHWS site was designed along similar principles to the redeveloped Loughborough RHWS, which won the Civic Amenity site of the year and high user satisfaction rates after re-opening.

Adult Social Care

13. As part of the modernisation of services for people with learning difficulties, a major internal upgrade of the Roman Way Day Centre in Market Harborough was started. Costing £171,000 the project involves the refurbishment of the male & female toilets, improvement to disabled access, significant re-modelling of the building, external improvements and kitchen works. Protracted negotiations with stakeholders caused a minor set back to the kitchen improvements but all works should be completed by autumn 2007. Initial feedback from the day centre's staff and service users is extremely positive. The centre has developed a much more flexible workspace for people with learning disabilities and is now very well placed to engage with the local community in a much more active way than it has done previously.
14. As part of the same modernisation programme, the residential and respite unit at Hamilton Court in Coalville is also being significantly upgraded and improved. Phase 1 was completed and includes four refurbished bathrooms and two new conservatory areas to create a much more progressive and secure living environment for vulnerable residents.
15. Costing £203,000, 50% of the Council's contribution to the Housing Association supported living scheme in Melton was paid in 2006/07 with the balance to be paid in 2007/08. The contribution to this scheme will enable the Housing Association to provide accommodation, to people with learning disabilities, but with continued support from adult social care services.

16. Provision of Respite Care facility in Melton – Planning issues of this developer led scheme, which incorporates supported living as above and private housing in addition to the respite care facility led to delays in 2006/07. However planning permission was received in December and site works commenced in early March 2007. The new facility will replace the existing Silverdale Hostel with a much more modern and safe environment, accommodating people with learning difficulties for short periods of time, as a means of ‘respite’ to their carers. The centre will also be a base for the residents of the supported living scheme above. All works are forecast to be completed by March 2008.
17. Electronic Social Care Records project was completed. This project replaced paper case files with fully electronic records. With over 16,000 files held in a secure computer system, staff are able to access up-to-date service user care file information from any County Council location. A recent staff survey showed that 75% of staff involved in using the new ESCR, feel they now spend less time looking for information.

Community Services

18. The key projects completed this year are set out below;
 - A new library in Kirby Muxloe costing £540,000 opened in July 2006. New facilities included the provision of a meeting room for community use and accessible public toilet. New services included DVD rentals and increased access to ICT and the internet. Since opening there has been an increase in visitors from 13,000 to 31,000 per annum, a 400% increase in library membership and an 89% increase in book issues.
 - A new library in Markfield costing £394,000 opened in June 2006. New services relating to DVD's and increased access to ICT and the internet has led to an increase in visitors from 13,000 to 26,000 per annum, a 220% increase in library membership and a 34% increase in book issues.
 - The refurbishment of Hinckley library costing £227,000 was completed in October 2006. The library now hosts; increased access to ICT and the internet, upgraded public toilets, upgraded art & gallery exhibition and a new service for the lending of Playstation games. Since reopening there has been a 166% increase in library membership and a 10% increase in book issues.
 - There have been a range of smaller refurbishments in addition to the above. All the new and refurbished libraries have additional public access ICT, new and/or improved audio/visual collections and improved opening hours.
 - Further elements of the 2006/07 programme was the successful relocation of the Melton registrars' office and wedding room to Melton Borough Council offices, which was completed in January 2007 and also the completion of the Bosworth Battlefield Heritage room for educational activities and conference facilities, which was achieved in Spring 2006.

Resources

ICT

19. The most significant ICT capital project was the completion of a centralised storage and back-up system costing £279,000. This consolidates the storage of data into a single device and provides an efficient system for backing up data.
20. Other expenditure includes: (£101,000) Network Infrastructure; (£104,000) Servers Web; (£103,000) Technical Infrastructure

Disability Discrimination Act

21. Expenditure of £174,000 was incurred in 2006/07 on essential DDA works within libraries, area offices and other sites in the county. Significant projects include; £35,000 on County Hall toilets and £23,000 on Melton library toilets respectively.

County Hall

22. Key developments during 2006/07 include:
 - Expenditure of £97,000 was incurred on upgrading and replacing lifts and £45,000 was spent on replacement of CCTV cameras.
 - The council paid ESPO £250,000 to compensate them for the improvement to the ESPO building following their relocation to Grove Park.
 - Commencement of works on the replacement sports facilities. Fencing work was completed in 2006/07 with major works due to start in 2007/08 to include; the development and replacement of the sports field, incorporating a multi-purpose playing court.

Chief Executives

23. The programme for the Protection of Rural Leicestershire has met all its commitments in 2006/07.

Other Corporate

24. Major developments during 2006/07 include:
 - Costing £347,000 - the completion of outstanding BABS schemes and other projects including E-Procurement.
25. Progression on the ongoing Change Management programme:
 - Expenditure of £773,000 on the Customer First Programme. The scheme aims to create a customer service environment that meets the needs of the people of Leicestershire, through an innovative customer service organisation. The programme will provide customers with improved web, telephone and in-person access to obtain information and request council services. The total cost of the scheme is forecast to be £2.7m over five years and resulting benefits will

include: improved County Council's customer services; improved service accessibility and increased take-up of the council's community services.

- Expenditure of £130,000 on the Intranet project. The new council intranet is a response to the intranet strategy 2005, which seeks to use best practice and innovation to provide an effective communication channel for information and services to staff, elected members and partners. The total cost of the scheme is forecast to be £400,000.

Capital Outturn

26. In 2006/7 capital expenditure of £64.7m was achieved against available resources of £69.0m. This equates to expenditure of 94% of available resources which is a slight increase to the position reported at the fourth review. The table below summarises the position.

	Original Programme adjusted for outturn variations and further funding £'000	Outturn £'000	(Under)/ Overspend £'000	Percentage Spend
CYPS	32,480	33,521	1,041	103%
Highways & Transport	20,938	21,861	923	104%
Waste Management	1,608	1,612	4	100%
Adult Social Care	2,947	1,187	(1,760)	40%
Community Services	5,421	2,961	(2,460)	55%
Resources	2,495	1,553	(942)	62%
Chief Executive	174	118	(56)	68%
Other Corporate	3,022	1,943	(1,079)	64%
Total	69,085	64,756	(4,329)	94%

27. The majority of the reasons for underspends have previously been reported to Resources Scrutiny Committee through the regular capital monitoring reports. These are set out in Appendix A. *Please note that the figures above exclude Devolved Formula Capital (DFC).*
28. Appendix B compares the actual prudential indicators with those set and agreed by the Council at its budget meeting. This shows that all the indicators are within the original limits.
29. In 2006/7 the target level of spend was 90% as included in the five member panel report on improvements to the capital programme and as set out above, this was exceeded by 4%. Although performance on Adult Social Care, Community Services, Resources, Chief Executives and Corporate could be improved, it is worth noting that the flexibility included in the finance procedure rules to accelerate expenditure, to offset slippage elsewhere, has been used effectively. In addition to this target the accuracy of capital monitoring is also reviewed on an annual basis. The 2006/7 target was that the December monitoring report would be more than 95% accurate. The outturn position shows that this report was just over 97% accurate.

Conclusion

30. The most notable schemes during 2006/07 include: the continuation of the Integrid replacement programme; Opening of the Oadby RHWS site; Opening of two new libraries at Kirby Muxloe and Markfield and progress with the Change Management programme. Although there has been acceleration in some areas, the achievement of 94% spend is an improvement on prior years for the overall programme and is the highest percentage gained since 2001/02.

Background Papers

None.

Circulation Under Sensitive Issues Procedure

None.

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