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## SCRUTINY COMMISSION – 7<sup>th</sup> NOVEMBER 2007

### REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

#### SECOND REVIEW OF THE 2007/08 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 2007.

##### Overall Position

3. The table below shows underspend of £1.7m compared with the updated original programme. At this stage it is projected that spending will be 97% of the total available resources.

	Total resource adjusted for outturn variations and further funding £'000	Second Review Estimate £'000	(Under)/Overspend £'000
Children & Young People	25,859	25,743	(116)
Highways & Transport	21,430	21,680	250
Waste Management	812	612	(200)
Adult Social Care	2,878	2,453	(425)
Community Services	3,576	3,716	140
Resources	2,882	1,848	(1,034)
Chief Executive	605	605	-
Other Corporate	3,432	3,082	(350)
<b>Total</b>	<b>61,474</b>	<b>59,739</b>	<b>(1,735)</b>

## **Children and Young People's Service**

### **Integrid Schools**

4. Works on the Shepshed High School and Oadby Gartree High were completed on time and both the schools were open for pupils in the autumn term 2007. The final Integrid replacement at Enderby Brockington High, managed by the Diocesan has also been completed. The County Council has released its final contribution and the new school will be open for pupils in November 2007.

### **Area Special Schools**

5. Phase 2 works for students aged 14-19, for Hinckley Dorothy Goodman was completed on time and the school was open to pupils in September 2007. Construction works on the new North West Leicestershire area special school started in September 2007. The new building will replace the existing Forest Way special school and will allow more pupils to be taught closer to home and provide facilities for the wider community. The refurbishment will incorporate the latest design and facilities appropriate for children with special needs. The building will house 125 pupils aged 3-19 and is forecast to be open in September 2008.

### **Increased Costs**

6. Property Modernisation Programme (+£220,000) - Within this block allocation, a major project to remove asbestos at Oadby Brocks Hill is forecast to exceed the available resources. This is as a result of the need to remove an increased amount of material and associated refurbishment than originally planned.
7. Big Lottery Fund PE & Sports Programme (+£89,000) - Within this programme the project at Beaumanor Hall to create a high ropes course is forecast to exceed the original £151,000 estimate. The project has overspent due to various issues with the contractor. Part of the increased costs, £30,000, can be contained within the Big Lottery Fund PE & Sports Programme from minor reductions achieved to date on completed projects.

Other savings throughout the programme and that forecast at Oadby Gartree are available to fund these increased costs.

### **Reduced Costs**

8. Oadby Gartree High (-£117,000). Reduced costs compared with previous year estimates, where resources were increased by £300,000, are reported in the latest estimate of final cost. This has arisen from the forecast final costs compared with the Guaranteed Maximum Price within which the contractor agreed to carry out the works.

### **Slippage**

9. Oadby Gartree High School (-£200,000) The demolition of the former high school has been deferred until early 2008, completion expected May 08, whilst work to remove asbestos at Oadby Brocks Hill Primary is completed. During the asbestos removal, Oadby Brocks Hill Primary has temporarily occupied part of the former Oadby Gartree High school. These works are planned to be completed in December 2007.
10. Energy & Water Efficiency Programme (-£200,000) the new programme to promote spend to save and improved efficiency projects in schools has been delayed until 2008/9 partly arising from delays appointing a dedicated specialist team in Property Services as part of the corporate Property Services review, and also the need to coordinate the approach with the new Primary Capital Programme initiative.
11. Schools Access Initiative (-£262,000) The programme is forecast to incur slippage to 2008/9 as a result of a review of the programme which identified projects that may not be educationally or financially viable with the advent of BSF. Reconsideration to the use of this fund is being undertaken in the context of BSF, the Primary Capital Programme initiative and facilities for enhanced learning on secondary school sites in Melton.

### **Acceleration**

12. Mobile Replacement Programme (+£377,000) Good progress is being made on the programme to demolish and replace where appropriate time expired mobile accommodation. This has resulted in the opportunity to accelerate the mobile replacement programme from 2008/9 to deliver earlier results.
13. School Kitchen Improvement Programme (+£110,000) Programme to improve school kitchen provision in schools is forecast to be completed earlier than planned. Five school dining centres across the County are being refurbished to provide production kitchens.

### **Other**

Children's Centres – Phase 2 (+£4.3m) The latest estimate is that £4.3m will be accelerated in year compared with the resources profiled in the capital programme. The programme is grant funded and involves the development of 24 new Children's Centres, see appendix A.

<b>Summary Children's Centres – Phase 2</b>	
Total Centres	24
Centres at County Council Establishments	20
Centres at External Organisations	4
Services Directly Delivered by LCC	19
Services Directly Delivered by Partnership Organisations	5

14. In April 2007 Cabinet agreed the adoption of a 'mixed economy' approach to delivery of services, whereby the County Council will directly deliver 19 Children's Centre services in Charnwood, Hinckley and Bosworth and North West Leicestershire, and tender the delivery for 5 services in the rest of the county. The results of the tendering exercise are expected at the end of November 2007.
15. 18 projects are forecast to complete in 2007/8 with the remaining 6 planned to be completed by September 2008.
16. The deadline for expenditure of grant funding is 31 March 2008, although this date has now been extended by 6 months to September 2008 for the partnership project at Melton Sysonby Street Community Centre following submission of the final plans for approval. The Council has informed the DCSF and its agents, Together for Children (TfC) who have oversight of the national Children's Centre agenda, of the need for slippage on the remaining four partnership service delivery centres, but until detailed plans are available which are expected in December 2007 and January 2008, TfC will not formally confirm slippage in funding. Verbal agreement from TfC to slippage has however been received.
17. In addition, the Council has recently requested slippage in funding at Ashby Woodcote which is now forecast to incur a two month delay. This is due to planning objections. The estimated completion is now May 2008.
18. A further update on the children's centres projects will be provided in the third review of the capital programme and a general update on progress is planned to be reported to Cabinet on 23<sup>rd</sup> November 2007.

### **Highways and Transportation**

#### **Earl Shilton Bypass**

19. An official ceremony to mark the beginning of work on the £15m Earl Shilton bypass took place in September 2007. The bypass will provide a new route around Earl Shilton relieving the centre from current traffic nuisance and cutting journey times, improve safety, cut congestion and reduce noise and pollution. Good progress has been made since works have started and the road is due to be complete by December 2008.

#### **Other**

20. Earlier indications of good progress in the highways improvement, maintenance and developer led schemes show acceleration in expenditure of £250,000.

### **Waste Management**

21. Additional resources of £377,000 have been awarded by DEFRA for the Waste Performance & Efficiency Grant (WPEG), a three year targeted grant to local authorities. The objectives of the grant will ensure that local authorities work to: meet the demanding statutory targets for recycling and composting, respond to the increasing cost of landfill and plan strategically and spatially for the longer term.

Options being considered include: collection service improvements, upgrading of household waste & recycling sites, partnership working with neighbouring unitary authorities and partnership working with private and community sectors.

22. However due to the uncertainty over the acquisition of suitable replacement sites, the programme of improving household waste and recycling sites is forecasting slippage of £200,000 into 2008/09.

### **Adult and Social Care**

23. As part of the modernisation for services for people with learning difficulties a major internal upgrade of Roman Way day centre in Market Harborough started in 2006/07. Works completed in August 2007 and the new centre was officially opened in September 2007. The refurbishment will enable the centre to support its work to maximise the potential of people with learning disabilities by encouraging and aiding their inclusion in the local community, which will be achieved by promoting independence through employment, education and training. The completion of works also includes a conference room, a hall and rooms available for hire.
24. As part of the same modernisation programme, Phase 2 of the residential and respite unit at Hamilton Court in Coalville was completed in October 2007. The upgrade has given two extra bedrooms, a new lounge, sluice room, utility room, storage areas, new roof and car park which will all help sustain a safe and comfortable living environment for the residents.
25. Good progress is being made on the learning disabilities modernisation programme at Coalville Resource Centre and Millfield Day Centre in Hinckley. The upgrade at Coalville resource centre includes new kitchen equipment, new furniture, improvements to the building, decoration and additional security. Improvements at Millfield day centre include kitchen alterations and computer works. This centre is currently occupied by the 'Breaking Barriers' group and the refurbishment will assist the group to educate and train people with learning disabilities to gain independence through employment.
26. Significant progress has been made with the capital minor works within the service. These works include a new training kitchen at Roman Way day centre to compliment the recent upgrade. However the programme is expected to be underspent by £425,000. Compared with the first review the following issues have arisen;

#### **Learning Disabilities – Replacement of Mountsorrel Day Centre**

27. Slippage of £150,000 is expected due to delays in finding a suitable third site, which needs to accommodate highly dependent service users. Tendering is in process for the third site, however it is unlikely that works will commence until later in the year.

#### **Replacement of Norman Way Day Centre - Melton**

28. Various issues have caused delays on the commencement of works at Age Concern's premises in Melton building, resulting in slippage of £275,000. It is anticipated that works will start in December 2007.

## **Community Services**

29. The new library in Braunstone Town was officially opened in September 2007. The new building is much larger and brighter and features: comfortable seating areas, work areas, brand new book stock, a new DVD collection, extra computers providing free access to the internet and spacious children's activities areas.
30. The newly refurbished library in Ashby de la Zouch officially opened in September 2007. The building underwent a complete transformation and now offers a vibrant community space and improved working environment for the staff. New facilities at the library include: new stock, dedicated teenage browsing area, comfortable seating, two computers and new children's library with fun seating.
31. The department has identified a further two additional projects for inclusion within the 2007/08 capital programme relating to Snibston Discovery Park, which are the E-Ticketing (£28,000) and Telephony system (£35,000). Resources for these projects will be provided from within the revenue budget.

## **Overspends**

32. Work needed to complete the new exhibition at Bosworth Battlefield restarted in September 2007. The project was delayed when contractor Silver Knight went into liquidation earlier this year. Negotiations have since been undertaken and the exhibitions designers Studio MB agreed to oversee the completion, which will provide invaluable continuity for the scheme. The new contract involves an increase in price hence additional expenditure of up to £125,000 was authorised by Cabinet to complete this scheme.
33. The new library at Mountsorrel is forecasting to be overspent by £80,000. Significant variations to the original contract and unforeseen legal fees have led to the increase in expenditure.

## **Acceleration**

34. Plans to replace East Goscote library were not forecast till 2009/10. Given the current poor condition of the existing building it was likely that this scheme may need to be brought forward and the availability of a suitable mobile replacement has given the opportunity to do so.

It is proposed that the additional expenditure incurred on the above three projects will be offset by a reduction in the community services capital programme 2008-2010.

## **Underspends**

35. Instead of the original planned new library at Oadby the revised scheme involves adaptations to a shop, resulting in a decrease of the overall cost. It is proposed to reduce the available resources in 2008/09 capital programme.

## Slippage

36. The programme is forecasting slippage of £120,000 on the mobile library. The total refurbishment and restocking of this new lorry has led to delays, but it is anticipated that the lorry will be delivered and ready for use in early 2008/09.

## Other

37. Work to restore Measham's former station began in October 2007. The project is an important step towards the future restoration of the Ashby Canal and the regeneration of Measham. The capital cost of the project is £522,000 and 70% of this will come from external funding from a variety of sources including: EMDA, Single Regeneration Budget, WREN, Measham development trust and the National Forest Company. The balance will be funded from the Industrial Property Trading Account, the County Council and other grant funds.

## **Corporate Resources**

### ICT (Slippage of £341,000)

38. Reprioritisation has led to the slippage of the Microsoft Enterprise Agreement of £250,000 which has caused further slippage within the related general infrastructure programme of £65,000. The above upgrade will now not occur until late 2008. There is also slight slippage of £20,000 within the ICT virtualisation programme.

### Corporate DDA (Acceleration of £20,000)

39. There has been significant progress on various projects within the corporate DDA programme resulting in slight acceleration of £20,000. Successful schemes completed so far this year include general DDA works at Melton Area office, a lift at Earl Shilton library and various upgrades at Bosworth Battlefield visitor centre. Other works forecast for the year include works at Ashby library, improvements to canteen access at County Hall and a platform lift at Snibston Discovery Park.

### County Hall – Replacement Sports Facilities (Slippage of £751,000)

40. The redevelopment of the sports facilities and playing fields has encountered a major delay due to the refusal of planning permission that was submitted earlier this year. Redesigning and applying for planning permission again will cause further delays to this project.

## **Chief Executives**

### Reprographic Colour Print Press

41. The colour print press was purchased in September 2007 at the cost of £505,000. The benefits of this new five colour print press include; quality colour prints with water based coating; quicker response and turnaround to print requests and keeping all the work in-house. The print also includes a print plate and uses eco-friendly inks and solutions.

## **Other Corporate**

### **Change Management**

42. Key projects within the change management programme for this year include: Strategic Procurement, Customer First, Oracle E-Business Suite and Highways Efficiency. There has been good progress and expenditure incurred on the Customer First project and it is forecast that all commitments will be met this year.

### **Contribution to Loughborough Sports Park (Slippage of £350,000)**

43. Delays in the various stages of this project combined with lengthy consultation processes have resulted in further slippage of £350,000.

## **Capital Receipts**

44. Latest projection is a total of £4.4m, slightly below the original estimate of £4.7m. Uncertainty continues over the projected sale of part of the County Hall site to the Health service.

## **Conclusion**

45. Overall the aim was that 95% of programmed expenditure should be completed. At present the anticipated year end position is 97%. It is a positive note to be forecasting over the target and it is hoped that this result will be achieved. A further clearer position will emerge when the third review is undertaken and reported in January 2008.

## **Background Papers**

None.

## **Circulation Under Sensitive Issues Procedure**

None.

## **Officer to Contact**

Mr P Sartoris - 0116 305 7642