

SCRUTINY COMMISSION – 5th FEBRUARY 2008

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

THIRD 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 of any significant changes from the second review and any significant variations from resources available. The Commission considered the last report on the capital programme in November 2007.

Overall Position

3. The table below shows an underspend of £2.664m compared with the updated original programme. At this stage it is projected that spending will be 96% 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	25,745	25,052	(693)
Highways & Transport	23,185	23,405	220
Waste Management	812	512	(300)
Adult Social Care	2,734	2,211	(523)
Community Services	3,602	3,624	22
Resources	2,882	1,842	(1,040)
Chief Executive's	605	605	-
Other Corporate	4,632	4,282	(350)
Total	64,197	61,533	(2,664)

Children & Young Peoples Service

Increased Costs

4. Property Modernisation Programme (+£159,000) - within this block allocation; the increased cost to remove asbestos at Oadby Brocks Hill reported at the second review has been reduced by £61,000.

Reduced Costs

5. Oadby Gartree High (-£87,000) - Compared with the 2nd review the estimated saving has been reduced by £30,000 due to additional works to improve ventilation and provision of a temporary hard play area arising from the delayed demolition of the former school.
6. North West Area Special School - Project funded by 80% Targeted Capital Grant to build the third area special school, following completion of the Melton and Hinckley Area Special Schools. There is the possibility of reduced costs compared with the available resources following confirmation of the contract price. The final position is subject to confirmation of the need to utilise the contingency provision within the contract sum and this will not be known until December 2008. Grant Funding may have to be repaid and advice from the DCSF will be sought once the position is known. Overall completion remains on target for December 2008 as originally planned.

Slippage

7. Oadby Gartree High School (-£230,000) – this scheme is forecast to slip a further £30,000 to that reported at the second review. The demolition of the former school has been deferred until early 2008, with completion in May 2008 whilst work to remove asbestos at Oadby Brocks Hill Primary is completed.
8. Schools Access Initiative (-£210,000) – Slippage reported at the second review has reduced by £52,000. The delays are as a result of the difficulties in identifying suitable projects that would be educationally and financially viable in the context of the Building Schools for the Future programme, the Primary Capital Programme initiative and facilities for enhanced learning on secondary school sites.

Acceleration

9. Mobile Replacement Programme (+£381,000) - Good progress continues to be made on the programme to reduce the number of pupil places in temporary accommodation. This has resulted in the opportunity to accelerate the mobile replacement programme from 2008/9 to deliver earlier results.
10. School Kitchen Improvement Programme (+£118,000) - In accordance with the CYP plan and requirement to provide more healthy meals the programme to improve school kitchen provision in schools is progressing well and is forecast to be completed earlier than planned. The programme includes refurbishment and reinstatement of 12 school dining centres across the County, for example, at Orchard Primary School in Castle Donington an existing kitchen that hasn't been

used for many years has been refurbished. The school now has a brand new kitchen where high quality meals are served every day.

Other

11. Children's Centres – Phase 2 (+£4.4m) the implementation of this major and complex new programme is forecast to accelerate in 2007/8 compared with the resources profiled in the capital programme. The programme is grant funded and involves the development of 24 new Children's Centres. Construction works at 12 centres will be completed in 2007/8 with furniture and ICT to be installed between January and April 2008. The remaining 12 projects are forecast to complete by the end of September 2008.
12. The original deadline for grant funding is 31 March 2008 although this date has been extended for 7 projects to September 2008. As with many other local authorities the Council is working closely with the DCSF and its agents, Together for Children, who have oversight of the national Children's agenda, and have informed them of the need for approval of slippage on the programme. Verbal approval to slippage of funding on the remaining 5 projects has been given and the Council continues to press for written approval.

Highways and Transportation

Earl Shilton Bypass

13. There has been significant progress on the Earl Shilton Bypass resulting in payments being higher than initially forecast (£1.75m). This acceleration in expenditure will be matched by an increase in resources. However the overall cost of the scheme is forecast to increase by £1.7m to £16.7m mainly due to the discovery of endangered newts which need to be moved. This increased cost will arise in 2008/09 and discussions are in place with DfT and GOEM over the funding of the additional resources required. Although this scheme has accelerated in 2007/08 the unforeseen works above will lead to a delay in the completion of the project, by three months to February 2009.

Other (Acceleration of £220,000)

14. Good progress is continuing to be made on the highways maintenance and developer led schemes. However the acceleration reported at the second review has reduced by £30,000 to £220,000.

Waste Management

15. Due to the difficulties over the acquisition of suitable replacement sites the programme of improving household waste and recycling sites is still forecasting slippage of £200,000 into 2008/09.
16. The programme is forecasting further slippage of £100,000 from that reported at the second review, primarily due to the delays in spending of the additional WPEG grant that was awarded earlier in the year. The involvement of various districts has led to delays in the starting of works which will result in the various schemes being incomplete in this financial year.

Adult Social Care

Learning Disabilities – Replacement of Mountsorrel Day Centre (Slippage of £164,000)

17. A new day service for people with learning disabilities was officially opened in Shepshed in November 2007. The New Fields day centre aims to encourage and support the inclusion of adults with learning disabilities in the local community by promoting independence, training, employment and education opportunities.
18. However the overall project to find suitable replacement sites is expected to slip by a further £14,000 compared with that reported at the second review. Work has started on the second replacement site at the Loughborough United Reform Church but alterations needed are significantly lower than originally forecast, meanwhile negotiations continue on the third site.

Replacement of Norman Way Day Centre – Melton (Slippage of £305,000)

19. This scheme is expected to slip by a further £30,000 from that reported at the second review. Renegotiation with builders has led to further delays; however work should start in March 2008.

Learning Disabilities – North West Leicestershire (Slippage of £30,000)

20. The upgrading works at Coalville Resource Centre are expected to slip by £30,000. Long lead times in waiting for kitchen equipment have caused a delay in the start of works and completion is now scheduled for 2008/09.

Community Services

21. The programme is forecasting slippage of £50,000 from the County Parks Access / Rights of Way scheme. Improvements in this programme will focus on improved opportunities for walkers to extend into the wider countryside to maximise opportunities for active recreation and promote healthy lifestyles. These resources will be carried forward to contribute to the recently successful bid under Connect2 for improvements at Watermead Country Park and the principal spend will be in 2008/09.
22. The programme is forecasting slippage of £70,000 for the new library in Oadby. Complicated contract and legal negotiations took much longer than expected but now these have been resolved, works are forecast to commence at the end of January.
23. Works are continuing on the restoration of Measham's former station. The capital cost of the project has increased by £60,000 to £582,000. The increased expenditure will be funded from an environmental shire grant and a combination of County Council revenue and capital resources.
24. Design works continue on Phase 3 of the Ashby Canal restoration programme. The County council has obtained a grant of £850,000 from EMDA to enable the acquisition of land on route of the canal between Snarestone and Measham.

Corporate Resources

ICT (Slippage of £314,000)

25. Re-profiling of the various projects within the overall ICT programme has led to a reduction in slippage of £27,000 from that reported at the second review.

Corporate DDA (Acceleration of £11,000)

26. Although significant progress has been made on various projects within the corporate DDA programme, improving accessibility to County Hall canteen has been delayed to 2008/09, therefore resulting in the reduction of acceleration reported in the second review by £9,000.

County Hall (Slippage of £751,000)

27. The need to secure planning permission for the scheme has delayed the replacement sports facilities, therefore, the programme is still forecasting slippage of £751,000 into 2008/09.

Other Corporate

28. The increased capital expenditure of £1.2m for various projects within the Change Management Programme will be funded from revenue resources.
29. The County Councils contribution to Loughborough Sports Park is forecast to be paid in 2008/09 and 2009/10, therefore the programme is still forecasting slippage of £350,000 into 2008/09.

Capital Receipts

30. Latest projection is a total of £4.4m, slightly below the original estimate of £4.7m.

Conclusion

31. Overall the aim was that more than 95% of programmed expenditure should be completed. At present the anticipated year end position is 96%.

Background Papers

None.

Circulation Under Sensitive Issues Procedure

None.

Officer to Contact

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