



SCRUTINY COMMISSION – 2ND APRIL 2008

REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

FOURTH 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 third review of the capital programme considered by the Commission in February 2008. Members are advised that the figures contained in this report are based on information as at the end of February 2008, thus variations will probably arise at the final outturn.
3. This report is not a detailed review of the programme along the lines of February 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. At the third review, an underspend of £2.6m was reported against updated resources of £64.2m which resulted in a projected 96% overall spend. The table below shows an under spend of £3.2m compared with the updated original programme. At this stage it is projected that spending will be 95% 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	25,733	24,804	(929)
Highways & Transport	23,435	23,385	(50)
Waste Management	812	712	(100)
Adult Social Care	2,682	2,126	(556)
Community Services	3,613	3,508	(105)
Resources	2,882	1,785	(1,097)
Chief Executive's	618	618	-
Other Corporate	4,632	4,275	(357)
Total	64,407	61,213	(3,194)

Children and Young People's Service

5. Compared with the third review, the programme is progressing to target apart from minor slippage of £200,000 mainly on the mobile accommodation basic need programme.
6. Children's Centres – Phase 2 (+£4.3m) Programme is progressing well and is estimated to complete by the DCSF deadlines in November 2008. Formal confirmation has now been received from the DCSF to carry forward resources from 2007/08 to 2008/09.

Highways and Transportation

7. The current forecast has been revised from an overspend of £170,000 at the third review to show slippage of £50,000. This is mainly due to slippage on various Integrated Transport Schemes and delays in gaining programme entry for the Loughborough Town Centre scheme. This has resulted in decreased expenditure on preparatory works of £100,000 with that originally anticipated, although this has been offset by increased payments in Highways Maintenance schemes.

Waste Management

8. The overall programme now shows a reduction in slippage compared with that reported at the third review. Advanced works on the Lount civic amenity site and increased expenditure on general improvements has resulted in a reduction in the slippage to £100,000. It is now anticipated that the additional WPEG monies awarded earlier this year will be spent.

Community Services

9. At the second review it was reported that additional expenditure of up to £125,000 was authorised by Cabinet to complete works at Bosworth Battlefield, this money being diverted from other projects in the Community Services capital programme. These additional costs were contained to £93,000 and the balance of approximately £30,000 will be spent in 2008/09 on the delayed projects.
10. The second review also showed acceleration from 2009/10 of £50,000 for East Goscote library due to the availability of a suitable mobile replacement. However the complexities of the project and the time delay in obtaining final figures for demolition, moving the mobile and installing mechanical and electrical services has meant that work on the East Goscote mobile will not start until mid April 2008.
11. The programme is now forecasting slippage of £40,000 from the County Towns and Rural Centres improvements project. Progress on the 2007/08 schemes has been hampered by a number of outside influences. In Ashby, public consultation delayed the start of works and two major projects in Hinckley and Melton were also delayed by the time taken for the LSEP to approve the respective grant applications, however these schemes will now commence in 2008/09.

Resources

12. There are no significant changes to report on the County Farms, County Hall and Risk Management areas of the Corporate Resources capital programme as it is anticipated that they will meet all their commitments reported in the previous review.
13. The ICT programme now shows further slippage of £44,000 with that reported at the third review. Detailed analysis of a business case has led to the decision that certain software cannot be purchased in 2007/08 as originally anticipated.
14. The Corporate DDA programme now shows slippage of £20,000 which is an overall decrease in expenditure of £30,000 from the acceleration reported at the third review, this is due to works in progress at some sites at year end, but it is anticipated that these projects will be completed in early 2008/09.

Other Corporate

15. The position is broadly in line with that reported at the third review, with increased capital expenditure of £1.2m in the Change Management programme. Although forecast expenditure on a couple of projects has decreased within the programme, this has been largely offset by increased payments on the Customer First project.

Capital Receipts

16. Latest projection is a total of £4.8m, slightly exceeding the original estimate of £4.7m. A further receipt of around £3m is still expected by the year end but there is a risk that this could slip into next year although both sides are still working to the 31st March deadline.

Conclusion

17. The overall position is that 95% of programmed expenditure is forecast to be completed by year end. This compares to the 96% reported at the third review and the target of 95%.

Background Papers

None.

Circulation Under Sensitive Issues Procedure

None.

Officer to Contact

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