

## SCRUTINY COMMISSION – 23<sup>RD</sup> JULY 2008

### REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

#### CAPITAL OUTTURN 2007/08

##### Purpose

1. To inform members of the key achievements in terms of capital investment in 2007/8 and to give an overview of the capital outturn for 2007/8.

##### Background

2. This report both describes 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 variations from the original programme.

##### CYPS

3. A significant achievement of the 2007/08 programme was the completion of the Intergrid replacement programme, replacing five high schools across the County. This is the most significant programme of schools replacement undertaken by the Authority and has been in progress over the past four years. April 2006 saw the completion of the new Castle Rock High School and June 2006 saw the completion of the new Wigston Bushloe High School.
4. In 2007/08 the remaining three schools in this programme were also completed. The new Shepshed High School and the new Oadby Gartree High School were both completed and open to pupils in September 2007. The final replacement school, Enderby Brockington was managed by the Leicester Diocese. The new school opened to pupils in November 2007. The County Council made a substantial contribution to the project, £1.75m in total.
5. All five new schools offer modern, flexible and adaptable learning environments built to, Building Research Establishment Environmental Assessment Method (BREEAM) requirement which provide very good standards of sustainability. This includes recycling grey water, high standards of insulation and ventilation and uses low energy construction materials. Although it is too early to assess the educational impact of the new schools, initial feedback from both teachers and pupils has been very positive.
6. Work to Hinckley Dorothy Goodman School was completed in September 2007. The completion of these works is the second phase of the creation of the new Hinckley Area Special School. The school is now able to take around thirty pupils with special educational needs aged 14-19 years. The first phase was the completion of a new school building which caters for younger children aged 3-14 years.

7. The refurbishment has provided the opportunity to transform it into a spacious and modern teaching environment for pupils and staff. As well as decoration the refurbishment includes new and enhanced facilities such as: a food technology room; science, art and design room; ICT suite; multi sensory room; library, post 16 facilities and new outdoor play equipment.
8. Construction works on the new North West Leicestershire Area Special School also started in September 2007. The new building will replace the existing Forest Way Special School and will provide a resource for mainstream schools in the area. The refurbishment will incorporate the latest designs and facilities appropriate for children with special needs. The building will house 125 pupils ages 3-19 and is scheduled to be completed by December 2008.
9. The implementation of the major and complex new Children Centres' programme has accelerated by £2.7m in 2007/08 compared to the original profile of payments. The programme is grant funded and involves the development of 24 new children's centres. Acceleration has seen 11 centres completed in 2007/08, with the remaining 13 by January 2009. The children's centre programme is intended to develop integrated support for pre-school children and families in areas of highest deprivation and narrow the gap between advantaged and disadvantaged children. Phase 1 saw the development of 3 centres and was completed during 2005/06. Phase 2 is to develop 24 centres and Phase 3 is expected to develop a further 15 centres. Children's centres will be the facility for supporting partnership working and inter-agency support to pre-school children and families.
10. In accordance with the CYP plan and requirement to provide more healthy meals, the programme to improve school kitchen provision in schools, saw the completion of 3 newly refurbished kitchens with a further 9 underway. 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 has not been used for many years has been refurbished and the school now has a brand new kitchen where high quality meals are served every day.
11. The continuation of the Mobile Replacement Programme has seen good progress being made in 2007/08 to reduce the number of pupil places in temporary accommodation. This has resulted in 57 time expired mobiles being removed of which only 34 were deemed to justify replacement in terms of educational need.
12. The Youth Capital Programme has seen the completion of seven new projects including a major refurbishment of the youth centre at Shelthorpe primary and a new mobile youth vehicle offering various youth activities and access to ICT. Projects within this programme are directly identified by young people in Leicestershire.

### **Highways and Transportation**

13. There has been significant progress on the Earl Shilton Bypass in the year, resulting in payments being higher than initially forecast by £1.75m. This acceleration in expenditure was matched by an increase in resources. However the overall cost of this scheme increases by £1.7m and a request for a grant for this further funding will go to DfT after approval by the Regional Assembly in September 2008. The bypass

will provide a new route around Earl Shilton relieving the centre from current traffic nuisance and cutting journey times whilst improving safety and reducing congestion, noise and pollution. The overall completion date is still set to be February 2009.

14. Good progress has been made on the Developer funded scheme at Junction 21 area. The scheme has been designed to relieve congestions and improve traffic flow as well as improving safety in an already busy area.
15. During 2007/08 £4m of Integrated Transport Schemes have been delivered in line with the Local Transport Plan. This included:
  - £0.9m of Bus Corridor and Bus improvement schemes
  - £0.45m on improving routes to schools
  - £0.6m of cycling improvements
  - £0.75m on local safety schemes
  - £0.7m on junction improvements in Melton Mowbray.
16. Significant expenditure has been incurred on Highways maintenance. A sum of £9.8m was spent in 2007/08 which accounts for a significant part of highways and transportation capital expenditure.

Maintenance spending during 2007/08 is summarised below:

- £5.8m on carriageways, incorporating £900,000 of capitalised surface dressing
- £1.3m on Footways
- £0.9m on Bridges
- £0.6m on Street lighting renewal.

### **Waste Management**

17. Additional resources of £377,000 were awarded by DEFRA for the Waste Performance & Efficiency Grant (WPEG), a three year targeted grant to local authorities. The objectives of the grant are to assist in meeting the demanding statutory targets for recycling and composting, respond to the increasing cost of landfill and plan strategically and spatially for the longer term. Resources were allocated to: collection service improvements, upgrading of household waste & recycling sites, partnership working with neighbouring unitary authorities and partnership working with private and community sectors.

### **Adult Social Care**

18. The Council's final contribution of £214,000 to the Housing Association supported living scheme in Melton was paid in 2007/08. The contribution to this scheme has enabled the Housing Association to provide accommodation to people with learning disabilities, but with continued support from adult social care. Completion of this scheme has meant that residents have now moved in and are enjoying the new facilities available to them.

19. Provision of Respite Care facility in Melton. All building works (costing £654,000) for this developer led scheme, which incorporates supported living as above and private housing in addition to the respite care facility, were completed. The Council is now in occupation of the building and expenditure on new furniture and equipment in early 2008/09 will mean that residents will hopefully be able to move in by September 2008. The new facility replaces the existing Silverdale Hostel with a 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.
20. As part of the learning disabilities modernisation programme, replacement of Mountsorrel day centre, two sites were completed and opened in 2007/08. A new day service for people with learning difficulties, the New Fields centre within the Shephed Methodist Church, was opened in November 2007 and the second replacement site at the Loughborough United Reform Church also completed by March 2008 both totalling £62,000. The centres aim to encourage and support the inclusion of adults with learning difficulties in the local community by promoting independence, training, employment and education opportunities.
21. Further progress was made on the learning disabilities modernisation programme at the Coalville resource centre in 2007/08. The upgrades at the centre include new kitchen equipment, new furniture, improvements to the building, decoration and additional security. Works on this centre and finding other suitable sites within the North West Leicestershire continue into 2008/09.
22. In 2007/08 the County Council received a £650,000 grant to enhance the physical environment in care homes registered to provide nursing or personal care, where the majority of places are for older people. Within the County, over 70 independent homes all made bids which have been approved by the Department of Health and all funds were allocated to ensure grant conditions were met. A small amount of grant was left unspent at the end of the year but confirmation from DoH was received to carry forward resources into 2008/09.
23. The Leicester County and Rutland PCT also provided additional funding of £150,000 to the County Council for projects in the learning disabilities service area. However lengthy planning processes have meant that the majority of this grant has been carried forward and it is anticipated that the resources will now be spent in 2008/09.
24. Significant progress was made in the capital minor works within the service. These works included: a new training kitchen at Roman Way day centre; refurbished kitchens at Littlehill House and Lenthall House and three refurbished bathrooms at The Trees residential unit.

### **Community Services**

25. The new library in Braunstone Town was officially opened in September 2007. The new larger building 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.

26. 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.
27. The Department also identified a further two additional projects for inclusion within the 2007/08 capital programme relating to Snibston Discovery Park, which were E-Ticketing and works to the Mezzanine floor. Resources for these projects were provided from within the revenue budget.
28. 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 that year. Negotiations were undertaken and the exhibitions designers Studio MB agreed to oversee the completion, which provided invaluable continuity for the scheme. The new contract involved an increase in price hence additional expenditure of up to £125,000 was authorised by Cabinet to complete this scheme. However these costs were contained to £93,000 and the balance will be spent in 2008/09.
29. Work on the heritage restoration of Measham's Victorian station building 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 £582,000 and 70% of this will come from external funding from a variety of sources. The building is now completed and will be occupied by a private catering company and the local independent museum.

## **Resources**

### ICT

30. The most significant ICT capital project in 2007/08 included works on Disaster Recovery and Resilience. Costing £675,000 this scheme included creating a second data centre at Romulus Court that will replicate core ICT functions that were previously delivered solely from the data centre at County Hall and provides the ability to recover from major and minor incidents more quickly than would otherwise have been possible. Works on this project continue into 2008/09.
31. As dependence on ICT infrastructure is increasing, there is a need to ensure that key services are resilient against a range of possible disruptions. Other ICT expenditure in the year that will help address this problem and enhance ICT services includes: (£142,000) Networks; (£106,000) Virtualisation; (£83,000) Storage; (£43,000) Telephony.

### Disability Discrimination Act

32. Expenditure of £172,000 was incurred in 2007/08 on essential DDA works within libraries, area offices and other sites in the County. Significant projects included: £28,000 on general works at Melton Area office; £43,000 on new platform lift at Earl Shilton library and £33,000 at Snibston Discovery Park on a platform lift and works to the Century Theatre.

## County Hall

33. The redevelopment of the sports facilities and playing fields encountered a major delay due to the refusal of planning permission that was submitted early in 2007/08. However finalising the sale of the playing fields is now imminent and plans have been revised and a new planning application will be submitted in 2008/09.
34. Both the County Farms and Risk Management areas of the Corporate Resources capital programme met all their commitments in 2007/08.

## **Chief Executives**

35. The programme for the Protection of Rural Leicestershire has met all its commitments in 2007/08.
36. Other achievements include the colour print press that was purchased in September 2007 at the cost of £505,000. The benefits of the 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**

### Progression on the ongoing Strategic Change Management Programme

37. This programme saw increased expenditure of £973,000 compared with the original profile of payments. The increased expenditure was funded from revenue resources. A sum of £3.057m was spent and ensured that Phase 1 of Customer First was successfully completed to plan. The programme has managed the implementation of the Customer Relationship Management (CRM) software, the redesign of over 50 HTWM processes, and the establishment of a Customer Service Centre (CSC) including recruitment and training of staff and the implementation of a knowledge base to support the CSC.
38. The CSC went live as planned in November 2007 and currently the service receives approximately 3000 calls a week relating to HTWM services of which 85% are resolved by the centre, thereby significantly reducing the impact of customer calls on departmental staff and improving the customer experience as their requests and queries are resolved at the first point of contact.
39. Others significant expenditure in 2007/08 included £237,000 on Oracle E-Business Suite and £84,000 on the Highways Efficiency Programme. The Strategic Change Management programme continues into 2008/09.

## **Capital Outturn**

40. In 2007/8 capital expenditure of £59.3m was achieved against available resources of £63.7m. This equates to expenditure of 93% of available resources which is a small decrease 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	24,194	22,570	(1,624)	93%
Highways & Transport	24,342	24,187	(155)	99%
Waste Management	812	624	(188)	77%
Adult Social Care	2,763	2,141	(622)	78%
Community Services	3,643	3,344	(299)	92%
Resources	2,882	1,696	(1,186)	59%
Chief Executive	640	639	(1)	100%
Other Corporate	4,404	4,056	(348)	92%
<b>Total</b>	<b>63,680</b>	<b>59,257</b>	<b>(4,423)</b>	<b>93%</b>

41. The majority of the reasons for underspends have previously been reported to Scrutiny Commission through the regular capital monitoring reports. These are set out in Appendix A. *Please note that the figures above exclude Devolved Formula Capital (DFC).*
42. 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.
43. Although the target level of spend of 95% was not achieved, it is worth noting that the flexibility included in the finance procedure rules to accelerate expenditure, to offset slippage elsewhere, has been used effectively. Although there has been acceleration in some areas, the achievement of 93% spend is almost on par to 2006/07 (93.7%) and performance in the two most recent years is a significant improvement on preceding years.

#### **Equal Opportunities Implications**

None.

#### **Background Papers**

None.

#### **Recommendation**

The Commission is ASKED TO NOTE this report.

#### **Circulation Under Sensitive Issues Procedure**

None.

#### **Officer to Contact**

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