

## SCRUTINY COMMISSION – 28<sup>th</sup> JANUARY 2009

### REPORT OF THE DIRECTOR OF CORPORATE RESOURCES

#### THIRD REVIEW OF THE 2008/09 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 significant changes to the second review of the capital programme that the Commission considered in November 2008.

#### Overall Position

3. The table below shows an underspend of £4m compared with the updated original programme. At this stage it is projected that spending will be 95% of the total available resources.

	Total resources adjusted for outturn variations and further funding £'000	Third Review Estimate £'000	(Under)/Over spend £'000
Children & Young People	35,139	30,543	(4,596)
Highways & Transport	28,802	29,427	625
Waste Management	5,765	5,765	-
Adult Social Care	1,193	879	(314)
Community Services	2,638	2,800	162
Corporate Resources	3,921	2,840	(1,081)
Chief Executive	227	202	(25)
Other Corporate	3,388	4,616	1,228
<b>Total</b>	<b>81,073</b>	<b>77,072</b>	<b>(4,001)</b>

#### Children and Young People's Service

##### 4. Melton Longfield

As reported in previous reviews, considerable difficulties in determining the scope of the project have delayed the start until January 2009. Work has now started and a more accurate estimate of 2008/09 expenditure has been made. As a result, the estimated slippage has risen by £0.35m to £3.54m. Phased completion of the Year 7 areas and the sports hall are on target for completion in September 2009 as originally planned.

5. Mobile Accommodation - Minor Works Basic Need Programme  
There is no change to the forecast slippage of £0.51m reported at second review. Attempts to accelerate other projects from 2009/10 to compensate have met with problems due to difficulties in working during school term time.
6. Mobile Replacement Programme  
Slippage of £0.36m has arisen on the programme due to delays in scheduling work during school terms. Four projects will start in the current financial year, but will not complete until 2009/10.
7. Primary Capital Strategy Bid - Advance Design  
Securing funding for the Primary Capital Strategy is at an advanced stage, however, approval to the programme from the DCSF has not yet been received, expected in Spring 2009. In order to deliver the capital works, detailed design needs to be progressed during 2008/09 at an estimated cost of £0.16m. This will be met from other compensating savings across the CYPS capital programme.
8. Children's Centres Phase 3 Programme  
Grant funding for this programme was awarded for three years 2008 to 2011. In November 2008 the Council was informed by the DCSF's agents, Atkins and Together for Children who oversee the national children's agenda, that the completion date for the Children's Centre's phase 3 programme has been brought forward to March 2010 although this has yet to be formally confirmed in writing. Works to determine suitable projects are well underway on the programme. A further update will be provided in the fourth review in March 2009.
9. Re programming of Specific Grant Funded Programmes  
There has been minor changes to the forecast profile of payments on the following grant funded projects in 2008/09 compared with the resources profiled in the capital programme. The projects are progressing well and are on target to complete as originally planned. Grant will be reprofiled to 2009/10 to match the revised estimated spending profiles.
  - Melton John Ferneley (£2.8m, previously 2.74m)
  - Melton Post 16 Centre (£2.1m, previously £2m)
  - Bottesford Belvoir (£0.51m, previously £0.33m)

### **Highways and Transportation**

10. Earl Shilton Bypass  
The new bypass is due to open in February 2009, as previously reported. The forecast overspend in 2008/09 has reduced by £0.47m due to some of the landscaping and land purchase costs slipping into 2009/10.
11. There is no change to the overall forecast overspend reported in the second review. The result of the bid for additional government grant is awaited from the Department of Transport.

12. Stapleford to Whissendine Remedial Work  
Remedial work to county roads in the Stapleford to Whissendine area has started and is on course to complete in May 2009. The acceleration of £0.5m reported in the second review has now been reduced to £0.35m due to confirmation of the timing of the works following the approval to proceed with the scheme early.
13. Enderby Park and Ride  
Work by statutory undertakers has commenced on the site. This is to prepare the site for the main contract work which will start in February 2009. The slippage of £1.1m reported in the second review has now increased to £1.2m, however the planned completion date of October 2009 and the total cost of the scheme are unaffected.

### **Waste Management**

14. The planned purchase of land at Mountsorrel from Charnwood Borough Council for the replacement of the Sileby recycling and household site, previously forecast in 2008/09 is unlikely to obtain planning approval this financial year, meaning that the land purchase will now be in 2009/10.

### **Adult and Social Care**

15. There are no significant changes to the position reported in the second review.

### **Community Services**

16. Melton Carnegie Museum  
Work on the £1.07m scheme to build an extension to the Melton Carnegie Museum has started. The project is funded by a grant of £0.94m from the Heritage Lottery Fund, the 2009/10 capital programme and external contributions. The extension will provide education/ community space for activities and community workshops, extensive community archive and additional gallery space supporting rural life in the 21<sup>st</sup> century. The project is estimated to be completed by February 2010.
17. Ashby Canal  
A bid for grant funding towards the next stage of the restoration of the Ashby Canal has been submitted to the East Midlands Development Agency. The results of the bid are awaited and if successful works will begin in this financial year. The proposed works are to create a connection with the existing Ashby Canal at Snarestone. Works are scheduled to take three months. An allocation of £0.11m has been included in the 2009/10 capital programme as match funding towards the grant. This will be accelerated into the 2008/09 capital programme if the programme is approved.

### **Corporate Resources**

#### **ICT**

18. The ICT capital programme is forecasting slippage of £0.3m against the original programme of £1.14m.

19. The purchase of a storage area network controller, for £0.14m, has been delayed until June 2009. This item is available now, but a new model is available in June 2009 that will have a longer life span and provide better value for money.
20. The new Wireless Infrastructure scheme to allow employees and visitors within County Hall to use laptops remotely anywhere within the building has been delayed until early next financial year. The ICT services are currently receiving tenders for a new managed service supplier who will undertake this project. The successful supplier will be chosen in March 2009.

#### Corporate DDA (Slippage £29,000)

21. The project to improve the canteen access at County Hall has been deferred and will now be reviewed as part of the office accommodation project. Five substitute schemes including works at Pennine House, Bosworth Visitor Centre and various libraries have now been included.
22. Work on a new accessible toilet at Quorn Hall is taking longer than expected, due to the need for the design to be in keeping with the properties listed building status.

#### Other Corporate

##### Change Management

23. Key projects within the change management programme for this year include: Customer First, Electronic Home Care Monitoring, Oracle E-Business Suite, Modernising HR and Payroll and Facilities Management.
24. Since the second review, forecast expenditure has increased to £3.7m from £2.9m. This is based on estimates from various Business Cases. This increase will be funded from revenue contributions and earmarked reserves.

##### Capital Receipts

25. The current downturn in the property market is likely to result in a significant reduction in the proceeds of sale. The latest projection shows a sum of £1.67m compared with an original forecast of £6m.
26. This shortfall is unlikely to impact upon the borrowing requirement in the current year.
27. The new four year capital programme, 2009-13 has been compiled on the basis of significantly lower forecast capital receipts.

##### Conclusion

28. Overall the aim is that 95% of available resources should be spent in year. At present the anticipated year end position is 95%. An update of the position will be reported in March 2009.

29. The policy of encouraging any further acceleration of projects from future year programmes to replace slippage arising this year may have to be reconsidered at present due to the financing issues arising from the downturn in capital receipts referred to above.

### **Recommendation**

30. The Commission is asked to note this report.

### **Equal Opportunities Implications**

31. The capital programme contains specific provision to ensure that existing County Council buildings are DDA compliant. In new builds there are requirements in place to ensure DDA compliance.

### **Background Papers**

32. None

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

33. None specifically for this report. The Capital Programme affects all areas of the Council and as such copies of the capital programme are circulated to all members following approval of the programme by the County Council.

### **Officer to Contact**

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