

WIRRAL COUNCIL

CABINET - 7 JUNE 2007

REPORT OF THE DIRECTOR OF FINANCE

CAPITAL MONITORING SUMMARY

1. EXECUTIVE SUMMARY

- 1.1. This report provides Members with an update on the progress being made in delivering the agreed capital programme.

2. CAPITAL MONITORING

- 2.1. The Executive Board on 6 April 2006 and the Cabinet on 24 May 2007 agreed that a capital monitoring summary report would be presented to the Cabinet and the Finance & Best Value Overview & Scrutiny Committee that would compare progress against the approved programme.
- 2.2. I provide a summary of the information prepared by each departmental Chief Officer who reports on the progress being made on the schemes / projects approved as part of the capital programme. This includes references to the approval (including any approved variations), the progress (including any forecast changes and implications for future years) and the funding.

3. FINANCIAL YEAR 2006/07

- 3.1 At the time of preparing this report work continues on completing the accounts for the 2006/07 financial year and further details should be reported to the next meeting of the Cabinet.

4. FINANCIAL YEAR 2007/08

- 4.1 The capital programme for 2007/10 was submitted to Cabinet on 14 December 2006 when the base programme together with the priority schemes was approved. This priority ranking was based upon the appraisal criteria that link the Capital Strategy to the Corporate Plan.
- 4.2 This programme was approved by Council on 18 December 2006 and confirmed as part of the budget at Council on 1 March 2007. Other than the impact of decisions by Council / Cabinet the only variations relate to slippage which results in both the programmed spend and the resources being similarly slipped.

5. COUNCIL / CABINET DECISIONS

- 5.1 Cabinet on 19 October 2006 and Council on 30 October 2006 agreed that, if required, the Regeneration Department could bring forward from 2007/08 to 2006/07 up to £3 million to sustain progress on delivering the Housing Market Renewal Initiative. With the receipt of additional grant funding from English Partnerships of £0.9 million the final requirement was for £0.5 million.
- 5.2 Cabinet on 24 January 2007 agreed to increase the capital programme allocation for One Stop Shops by £75,000 to cover the cost of re-roofing and refurbishment of Pennant House. After subsequent decisions Council on 1 March 2007 agreed to the undertaking of only essential works to make the building safe for use.
- 5.3 On 28 March 2007 Cabinet considered a report on the Local Transport Plan 2007/08 and agreed that the programme be revised to reflect the allocations received.
- 5.4 The Executive Board on 26 April 2007 agreed to the progression of the New Brighton Development subject to final clarification over a number of issues. The scheme involves external grant funding as well as additional resources from the Council capital programme. When the timing of the scheme has been agreed this will be incorporated into the capital programme. The same meeting agreed variations to the scheme for the Archive and Records Management facility to be based at the Cheshire Lines Building by approving additional resources of £0.3 million.

6. CAPITAL PROGRAMME SUMMARY

- 6.1. The table compares the base programme approved in December 2006 with the latest forecast position which may be subject to change when the accounts for 2006/07 are completed.

Expenditure	Approved Dec 2006 £000	Forecast May 2007 £000
Adult Social Services	3,680	4,686
Children & Young People	26,946	25,452
Corporate Services	2,093	3,993
Regeneration	30,149	29,985
Technical Services	10,238	11,297
Total programme	73,106	75,413

- 6.2 The resources table similarly compares the developing programme and reflects the agreed changes, including slippage of spend from 2006/07 which is subject to clarification.

- 6.3 The generation of capital receipts through the sale of assets is used to fund the programme and at this stage £10 million is included for use in 2007/08. This reflects the higher levels of receipts and includes the sale of The Dell Primary School, sums from local registered social landlords from the Right-to-Buy arrangements plus the capital element of the Local Public Service Agreement reward grant. Income from sales, whilst uncertain in the exact timing of receipt, offers flexibility in the timing of its use and can be used to either balance the current programme or to address future budgetary issues.

Resources	Approved Dec 2006 £000	Forecast May 2007 £000
Borrowing	18,942	21,840
Prudential Borrowing	5,062	8,106
Grant – HMRI	9,800	9,800
Grant – Education	20,126	15,827
Grant – Other	8,906	8,413
Revenue & Other	270	1,427
Capital Receipts	10,000	10,000
Total resources	73,106	75,413

7. PROGRESS ON THE PROGRAMME

7.1. Adult Social Services

7.1.1 The progress of the prudential borrowing schemes, which support the Adult Accommodation Strategy and the Older People & Physical Disability Strategy, is to be the subject of a further report by the Director of Adult Social Services to Cabinet. The three main areas of adult accommodation, older people accommodation and Girtrell Court are still at the planning stage.

7.1.2 In respect of the Dale Farm scheme revised costs, together with details of the additional funding for the scheme were presented to the Cabinet on 15 March 2007. The scheme is due to start in July 2007 and is reflected in the projections.

7.2 Children & Young People

7.2.1 The main variations were reported to the Children's Services & Lifelong Learning Overview & Scrutiny Committee on 12 March 2007 with the Director due to report the 2007/08 programme to this meeting of the Cabinet.

7.2.2 The complexities in delivering the Invest-to-Save schemes have resulted in £1.4 million being re-allocated to 2007/08 along with the borrowing requirements. For the teaching accommodation at West Kirby Grammar School; the works to specialist colleges; the efficiencies achievable through undertaking computers for pupils as a one year rather than a two year project and clarification around the Building Schools for the Future pathfinder project for Woodchurch High School all spend and related grant funding have been slipped to 2007/08.

7.3 **Corporate Services**

7.3.1 In terms of property maintenance the use of resources was maximised, with the allocation required for the heating system at Wallasey South Annexe being less than projected and available to meet maintenance commitments reported to Cabinet.

7.3.2 Progress on the 1 Business project is dependent upon decisions to be taken on the implementation of outstanding IT systems and negotiations with the contractor and so resources have been slipped to 2007/08, as have the programmed schemes in respect of West Kirby and Hoylake and the Archive and Records Management facility.

7.4 **Regeneration**

7.4.1 The acceleration of the programme of spend, and associated grant, at Birkenhead Park saw increases in activity during 2006/07 with this brought forward from 2007/08. The restoration is nearing completion with all of the major contracts having achieved or about to achieve practical completion... Handover for the depot and fencing works was due before the end of May 2007. There are still some additional improvements to be carried out over the next year to finish off the project.

7.4.2 In terms of Regeneration the receipt of additional grant and the bringing forward of the Housing Market Renewal Initiative resources enabled an additional £1.5 million to be spent in 2006/07 based upon the Cabinet approval referred to in Section 5.1. This has enabled the 2007/08 programme to be maintained largely as anticipated.

7.5 **Technical Services**

7.5.1 The programme now includes the outcome of the Local Transport Plan allocations as reported to Cabinet on 28 March 2007. Other than the slippage in the Market Street scheme and the Energy Efficiency Programme – Burner Energy Management System installations the Director did not highlight any other variations.

8. FINANCIAL IMPLICATIONS

- 8.1 The variations identified resulted in slippage in the Capital Programme expenditure from 2006/07 to 2007/08, together with the associated resources. The Programme for 2007/08 reflects the position reported in December 2006 taking into account subsequent Cabinet decisions and slippage.

9. STAFFING IMPLICATIONS

- 9.1 There are none arising directly from this report.

10. EQUAL OPPORTUNITY IMPLICATIONS

- 10.1 There are equal opportunities implications arising from the capital programme for people with disabilities.

11. COMMUNITY SAFETY IMPLICATIONS

- 11.1 There are none arising directly from this report.

12. HUMAN RIGHTS IMPLICATIONS

- 12.1. There are none arising directly from this report.

13. LOCAL AGENDA 21 IMPLICATIONS

- 13.1. There are none arising directly from this report.

14. PLANNING IMPLICATIONS

- 14.1. There are none arising directly from this report.

15. MEMBER SUPPORT IMPLICATIONS

- 15.1. There are none arising directly from this report.

16. BACKGROUND PAPERS

- 16.1 The Capital Monitoring reports presented to the current cycle of Overview & Scrutiny Committee meetings were used in the preparation of this report.

17. RECOMMENDATION

- 17.1. That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE