

## **METROPOLITAN BOROUGH OF WIRRAL**

### **FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE**

**26 SEPTEMBER 2006**

### **EXECUTIVE BOARD**

**4 OCTOBER 2006**

### **REPORT OF THE DIRECTOR OF FINANCE**

#### **CAPITAL MONITORING SUMMARY 2006/07**

#### **1. EXECUTIVE SUMMARY**

- 1.1. A capital monitoring report for each department has been presented to the relevant Overview and Scrutiny Committee during the current cycle. This report provides a summary of the progress on the overall programme.

#### **2. CAPITAL MONITORING**

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

#### **3. CAPITAL PROGRAMME 2006/07**

- 3.1. The capital programme for 2006/09 was submitted to Cabinet on 1 December 2005 when the base programme for the current year together with a priority list of schemes was approved. This priority ranking was based upon the appraisal criteria which links the Capital Strategy to the Corporate Plan.
- 3.2. Cabinet on 20 February 2006 agreed to the undertaking of additional prudential borrowing for Invest-To-Save schemes in respect of the Oval Sports Centre, Building Energy Management and Cultural Services Energy Management. The revised programme was confirmed as part of the budget at Council on 1 March 2006.

#### 4. COUNCIL / CABINET DECISIONS

- 4.1 Under the Disposal of Playing Field Regulations a receipt equivalent to the playing field site area must be recycled into improvements in other sports facilities used by schools. As a result of PFI sites and the former Mount Primary School £1,457,000 is available and Cabinet on 27 April 2006 agreed a report on the usage.
- 4.2 Cabinet on 25 May 2006 approved the transfer of up to £250,000 from the main Private Finance Initiative reserve to deal with completion of specific outstanding contract issues.
- 4.3 The Executive Board on 19 June 2006 agreed the 2006/07 Property Maintenance programme with £250,000 vired to the main programme for the scheme to address the Wallasey South Annexe. The same meeting approved the procurement of an Integrated Children's System to provide an electronic case record system that meets DfES specifications required by January 2007, a tender for which was accepted by the Executive Board on 7 September 2006.

#### 5. CAPITAL PROGRAMME SUMMARY

- 5.1. The table below compares the base programme that was approved in December 2005 with the forecast at June and the latest forecast position.

<b>Expenditure</b>	<b>Approved December £000</b>	<b>Forecast June £000</b>	<b>Forecast September £000</b>
Adult Social Services	4,688	3,177	1,968
Children & Young People	17,303	19,810	23,122
Corporate Services	4,555	4,773	4,773
Cultural Services	2,842	3,852	4,695
Regeneration	31,711	31,067	27,800
Technical Services	12,251	13,353	13,036
<b>Total expenditure</b>	<b>73,350</b>	<b>76,032</b>	<b>75,394</b>

- 5.2 The resources similarly compare the developing programme and reflect the changes above with the over-programming identified at December 2005 being covered by the need to borrow or utilise additional capital receipts.

- 5.3 The generation of capital receipts through the sale of assets is used to fund the programme and at this stage £7 million is included for use in 2006/07. This income, whilst uncertain in the exact timing of receipt, offers flexibility in the timing of its use and can be used to either balance the 2006/07 programme or to address future budgetary issues.

<b>Resources</b>	<b>Approved December £000</b>	<b>Forecast June £000</b>	<b>Forecast September £000</b>
Borrowing	17,020	18,591	18,500
Prudential Borrowing	9,086	10,638	8,887
Grant – HMRI	11,300	11,300	9,200
Grant – Education	12,902	13,202	15,999
Grant – Other	15,000	15,025	14,977
Revenue & Other	228	318	866
Capital Receipts	6,500	6,958	6,965
<b>Total resources</b>	<b>72,036</b>	<b>76,032</b>	<b>75,394</b>

## 6. PROGRESS ON THE PROGRAMME

### 6.1. Adult Social Services

6.1.1 The programme reflects the functions of the new department with the prudential borrowing schemes in respect of the Adult Accommodation Strategy and the Older People & Physical Disability strategy to be presented by the Director of Adult Social Services to Cabinet in October. Whilst it is anticipated that £1.5 million of the planned £2.75 million programme will slip into 2007/08 the Director will be reporting that the planned savings will be achieved.

6.1.2 Progress on Dale Farm was delayed as the estimates exceeded the available resources and alternative funding is being identified to enable the scheme to progress.

### 6.2. Childrens & Young People Services

6.2.1 The Childrens Services Invest-To-Save schemes have now been incorporated from the former Social Services Department together with the works on playing field refurbishment which have been phased over a three year period.

6.2.2 Following Executive Board approval on 12 July 2006 the Council is participating in the 'one school pathfinder scheme' under Building Schools for the Future. This brings grant funding of over £18 million spread over 3 years with the school, which is to be chosen in autumn, to be completed by September 2009.

- 6.2.3 Additional grants have been received with the main items being :-  
The DfES allocation of Formula Capital within the Standards Fund has increased by £2.5 million to offset the effect of slippage and the increased spending by schools in 2005/06.  
A new DfES Standards Fund initiative to provide ICT access in the homes of some of the most disadvantaged secondary schools pupils is worth over £1 million split over 2006/07 and 2007/08.  
Specific grant of £0.4 million from the Youth Opportunity Fund and Youth Capital Fund to help achieve the empowerment of young people to do more locally for each of 2006/07 and 2007/08.

### 6.3 **Corporate Services**

- 6.3.1 The Property Maintenance programme for 2006/07 was agreed by the Executive Board on 15 June 2006 with the Wallasey South annexe scheme now separately identified in the programme
- 6.3.2 The 1 Business project has been included in the capital programme and is forecast to spend £1.8 million this year.

### 6.4. **Cultural Services**

- 6.4.1 The increase is largely attributable to an acceleration of the programme of spend, and associated grant, at Birkenhead Park that was previously forecasted for 2007/08. The conservation works are now complete, the pavilion requires works to the kitchens and railings and landscaping work is continuing.
- 6.4.2 The Transform Your Space programme of £1.6 million, which is partially met from the Big Lottery Fund grant, has been re-phased to allow for more detailed consultation. The programme includes improvements to Central Park, biodiversity projects, multi-use games areas and skateboard parks.
- 6.4.3 The Invest-To-Save energy efficiency scheme has seen the completion of the boiler replacement at Leasowe Recreation Centre with the schemes at Woodchurch, West Kirby and Europa Pools planned for the coming months. The Oval soccer pitches scheme is currently in the design and specification stage.

### 6.5. **Regeneration**

- 6.5.1 The notification of the funding for the Housing Market Renewal Initiative from the Department for Communities and Local Government was lower than anticipated when the programme was set in December 2005. This was reported to Cabinet on 28 June 2006 and the programme revised accordingly with £31 million allocated over 2006/07 and 2007/08, which includes £19 million grant and £12 million from Council resources.

6.5.2 The Wirral Waterfront, Single Regeneration Budget, initiative is funded from the North West Development Agency (NWDA) and has been extended to 2007/08 with the spend and grant of £1.4 million slipping into the next financial year. The Mersey Waterfront Regional Park initiative, for which Wirral is the accountable body on behalf of a number of local authorities, is also funded by the NWDA and set to finish in 2006/07.

## **6.6 Technical Services**

6.6.1 The Energy Efficiency programme incorporates a series of initiatives which are well progressed and will all be completed by February 2007. The parking scheme, an Invest-To-Save project, has been advertised, and following objections, will be considered by the Cabinet during October.

6.6.2 The only identified variation in the current year is the slippage of £0.3 million to 2007/08 in respect of expenditure on bridges.

## **7. FINANCIAL IMPLICATIONS**

7.1 The variations reported above are included in the Capital Programme. In overall terms there have been additional grants in respect of Children & Young People and a reduction in the Regeneration (Housing Market Renewal Initiative) grant. Progress on the Invest-To-Save schemes in respect of Adult Social Services has been delayed and so the spend and resource will slip into 2007/08.

## **8. STAFFING IMPLICATIONS**

8.1 There are none arising directly from this report.

## **9. EQUAL OPPORTUNITY IMPLICATIONS**

9.1 There are equal opportunities implications arising from this report for people with disabilities.

## **10. COMMUNITY SAFETY IMPLICATIONS**

10.1 There are none arising directly from this report.

## **11. HUMAN RIGHTS IMPLICATIONS**

11.1. There are none arising directly from this report.

## **12. LOCAL AGENDA 21 IMPLICATIONS**

12.1. There are none arising directly from this report.

## **13. PLANNING IMPLICATIONS**

13.1. There are none arising directly from this report.

14. **MEMBER SUPPORT IMPLICATIONS**

14.1. There are none arising directly from this report.

15. **BACKGROUND PAPERS**

15.1 The Capital Monitoring reports presented to the current cycle of Committee meetings were used in the preparation of this report.

16. **RECOMMENDATION**

16.1 That Members note the report.

IAN COLEMAN  
DIRECTOR OF FINANCE

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