

METROPOLITAN BOROUGH OF WIRRAL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE 6 DECEMBER 2006

EXECUTIVE BOARD

11 JANUARY 2007

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 forecast 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 Executive Board.

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 that link the Capital Strategy to the Corporate Plan.
- 3.2. Cabinet on 20 February 2006 agreed to 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 the disposal 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 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 a scheme at Wallasey South Annexe. The same meeting approved the procurement of an Integrated Children's System to provide an electronic case record system that meets Department for Education and Skills (DfES) specifications which is required by January 2007, a tender for which was accepted by the Executive Board on 7 September 2006.
- 4.4 Cabinet on 19 October 2006 and Council on the 30 October 2006 agreed to the Regeneration Department bringing forward from 2007/08 to 2006/07 up to £3 million to sustain the progress on delivering the housing market renewal initiative. This change has not been reflected in the programme as action will only be taken if required in the current financial year.

5. CAPITAL PROGRAMME SUMMARY

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

Expenditure	Approved December £000	Forecast September £000	Forecast November £000
Adult Social Services	4,688	1,968	1,476
Children & Young People	17,303	23,122	23,122
Corporate Services	4,555	4,773	4,773
Cultural Services	2,842	4,695	4,597
Regeneration	31,711	27,800	27,800
Technical Services	12,251	13,036	13,036
Total programme	73,350	75,394	74,804

- 5.2 The resources similarly compares the developing programme and reflects 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.

Resources	Approved December £000	Forecast September £000	Forecast November £000
Borrowing	17,020	18,500	18,500
Prudential Borrowing	9,086	8,887	8,287
Grant – HMRI	11,300	9,200	9,200
Grant – Education	12,902	15,999	15,999
Grant – Other	15,000	14,977	15,057
Revenue & Other	228	866	809
Capital Receipts	6,500	6,965	6,952
Total resources	72,036	75,394	74,804

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 now to be presented by the Director of Adult Social Services to Cabinet in December. As a consequence of this £2 million of the planned £2.75 million for these schemes will not be spent in 2007/08.

6.1.2 In respect of the Dale Farm scheme revised costs, together with details of the additional funding, for the scheme are to be considered by the Cabinet in December.

6.2. Childrens & Young Peoples Services

6.2.1 The position for the Childrens and Young Peoples service is as reported in September and is expected to be delivered within the available resources

6.2.2 The selection of Woodchurch High School as the preferred location for the Building Schools for the Future Pathfinder project was reported to Cabinet on 15 November 2006. It was recommended that the resources presently allocated in the programme for Woodchurch High School be re-allocated to the 'runner-up', Ridgeway High School.

6.3 Corporate Services

- 6.3.1 The position for Corporate Services is as reported in September. The Property Maintenance programme for 2006/07 is progressing. As part of the Burner Management Control Unit scheme 61 sites have been identified and a total of 100 units have been fitted to boilers at these sites. Further work is being undertaken to identify more suitable sites.
- 6.3.2 The 1 Business project is presently forecast to spend £1.8 million in 2006/07 although this is dependent upon decisions to be taken on the implementation of the payroll and human resources elements of the project.

6.4 Cultural Services

- 6.4.1 The increase in the programme in 2006/07 is largely attributable to an acceleration of the programme of spend, and associated grant, at Birkenhead Park that was previously forecast for 2007/08. The forecast is slightly lower than that reported in September due to a combination of slippage on schemes for play areas refurbishment and the re-phasing of the Oval Sports Centre energy efficiency scheme. Due to requests for further consultation the implementation of the new play area at Shorefields will not now commence until the next financial year.
- 6.4.2 The scheme to improve energy efficiency is now well underway. The new controls at Guinea Gap are complete. New boilers have been installed at Leasowe Recreation Centre; the new Control Panel will be installed as part of the BEMS installation. Firm proposals and costs are currently being sought for the Heat Recovery Systems at West Kirby Concourse and Woodchurch Recreation Centre.
- 6.4.3 Cabinet on 19 October 2006 approved a scheme and estimate report for the proposed refurbishment works at The Oval as it was necessary to bring forward preliminary work to install a gas pipeline and new boilers in the grandstand. The main scheme to substantially improve the swimming pool, changing facilities, and pedestrian access is expected to start in May 2007.

6.5 Regeneration

- 6.5.1 The programme is largely as reported in September. Cabinet agreed a variation to the capital programme for 2006/08 by bringing forward from 2007/08 to 2006/07 up to £3 million for the housing market renewal initiative. This was to enable the Council to maintain the momentum of acquisitions and keep up with the demand from owners, within priority areas, willing to sell their properties to the Council. This change has not been reflected in the programme which will only be varied if the use of this action is required.

6.5.2 The Wirral Waterfront, Single Regeneration Budget, initiative funded from the North West Development Agency (NWDA) 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 programme is largely as reported in September. The Energy Efficiency programme incorporates a series of initiatives which are progressing and will all be completed by February 2007. The parking scheme, an Invest-To-Save project, has been advertised, and following objections, will be further considered by Cabinet.

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 and result in the outturn being largely as reported in September.

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 the capital programme 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 Overview and Scrutiny Committee meetings were used in the preparation of this report.

16. **RECOMMENDATION**

16.1 That Members note the report.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/300/06