

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE 6 FEBRUARY 2007

EXECUTIVE BOARD 8 FEBRUARY 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 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.

5. CAPITAL PROGRAMME SUMMARY

- 5.1. The table below compares the base programme approved in December 2005 with the forecast at November 2006 and the latest forecast position.

Expenditure	Approved December £000	Forecast November £000	Forecast December £000
Adult Social Services	4,688	1,476	1,480
Children & Young People	17,303	23,122	23,244
Corporate Services	4,555	4,773	4,674
Cultural Services	2,842	4,597	4,247
Regeneration	31,711	27,800	30,800
Technical Services	12,251	13,036	13,036
Total programme	73,350	74,804	77,481

- 5.2 The resources table below 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. The change in the forecast funding for 2006/07 from that in November reflects an adjustment to the Children and Young Peoples programme. This arose through changes in the financing of capital expenditure on schools by the Government.

- 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 November £000	Forecast December £000
Borrowing	17,020	18,490	20,205
Prudential Borrowing	9,086	8,287	7,937
Grant – HMRI	11,300	9,200	9,200
Grant – Education	12,902	15,999	13,147
Grant – Other	15,000	14,984	14,984
Revenue & Other	228	879	2,043
Capital Receipts	6,500	6,965	6,965
Total resources	72,036	74,804	77,481

6. PROGRESS ON THE PROGRAMME

6.1. Adult Social Services

6.1.1 The prudential borrowing schemes in respect of the Adult Accommodation Strategy and the Older People & Physical Disability Strategy were presented by the Director of Adult Social Services to Cabinet in January. As a consequence of this £2 million of the planned £2.75 million for these schemes will not be spent in 2006/07.

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 presented to the Cabinet.

6.2. Childrens & Young Peoples Services

6.2.1 The position for the Childrens and Young Peoples service is largely as reported in November and is expected to be delivered within the available resources. The overall programme has increased by £122,000, together with an increase in specific grant and other 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 a reduction of £0.1m on the forecast reported in November. This reflects current underspending on the allocation for Business Rate Support. There are currently no large projects requiring support, although there may be suitable applications from companies in the future. The property maintenance programme for 2006/07 is progressing to plan and the Burner Management Control Unit scheme will be completed by the end of the financial year.
- 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 outstanding IT systems and on negotiations with Fujitsu.

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 November due to the re-phasing of the Oval 8 Five a side soccer pitches scheme. Due to the specialist nature of this project and the lack of in house expertise, the Cultural Services Division of the Regeneration Department has looked to appoint an external consultancy company to take the scheme from the outline proposal stage through to contract supervision, delivery and completion. Cabinet on 15 December 2006 approved the appointment of consultants to advise on the scheme. Work leading to the final design and specification, should commence in May 2007 with the facility likely to be open by August 2007.
- 6.4.2 The Transform Your Space initiative of £1.6m includes improvements to Central Park, Leasowe Adventure Playground, Biodiversity projects, two multiuse games areas and three skateboard (wheel) parks. It has been rephased to allow for more detailed consultation on some of the schemes. Recently the Heswall, Lingham and Tower Grounds wheel parks have been completed and are now open. The Transforming Your Space programme is due to finish by 31 March 2007.
- 6.4.3 Cabinet on 19 October 2006 approved a scheme and estimate report for the proposed refurbishment works at The Oval Sport Refurbishment 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 forecast for 2006/07 is £3m greater than that reported in November. 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.

6.5.2 The Objective 1 European Regional Development Fund (ERDF) programme covers a number of individual schemes within the Authority with the majority of expenditure being incurred under the umbrella of the Strategic Investment Area. Expenditure for 2006/07 is currently on target and there remain no variations to report at this stage.

6.6 Technical Services

6.6.1 The programme is largely as reported in November. 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 November.

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 some of the schemes within 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.

16. RECOMMENDATION

16.1 That Members note the report.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/20/07