

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

4 APRIL 2007

EXECUTIVE BOARD

12 APRIL 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 capital receipts from the sale of sites including playing fields must identify that element in respect of the playing field area and recycle that sum into improvements in other sports facilities used by schools. As a result of the disposal of sites, including the former Mount Primary School, £1,457,000 was 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 (PFI) reserve to deal with the completion of specific contract issues identified, and likely to arise, at the PFI schools.
- 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 IT System to provide an electronic case record system that meets Department for Education and Skills (DfES) specifications, 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.
- 4.5 Executive Board on 11 January 2007 and 8 February 2007 agreed to increasing the Regeneration programme in respect of the Mersey Waterfront Regional Park scheme by £539,000. This followed the receipt of additional grant funding.
- 4.6 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 any essential works to make the building safe for use.

5. CAPITAL PROGRAMME SUMMARY

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

Expenditure	Approved December 2005 £000	Forecast December 2006 £000	Forecast February 2007 £000
Adult Social Services	4,688	1,480	1,485
Children & Young People	17,303	23,244	18,900
Corporate Services	4,555	4,674	4,674
Regeneration	34,553	35,047	35,447
Technical Services	12,251	13,036	13,193
Total programme	73,350	77,481	73,699

- 5.2 The resources table similarly compares the developing programme and reflects the changes, including slippage of spend to 2007/08. The change in the expenditure and funding for 2006/07 from that shown for December 2006 reflects slippage in the Children and Young People programme together with the allocated resources.

- 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 2005 £000	Forecast December 2006 £000	Forecast February 2007 £000
Borrowing	17,020	16,937	16,899
Prudential Borrowing	9,086	7,937	6,467
Grant – HMRI	11,300	9,200	9,200
Grant – Education	12,902	13,147	11,544
Grant – Other	15,000	21,252	21,677
Revenue & Other	228	2,043	947
Capital Receipts	6,500	6,965	6,965
Total resources	72,036	77,481	73,699

6. PROGRESS ON THE PROGRAMME

6.1. Adult Social Services

6.1.1 The progress of the prudential borrowing schemes, which support the Adult Accommodation Strategy and the Older People & Physical Disability Strategy, was reported by the Director of Adult Social Services to Cabinet in February. As a consequence of this £2 million of the planned £2.75 million will now 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 were presented to the Cabinet on 15 March 2007

6.2. Children's & Young Peoples Services

6.2.1 The Children's and Young Peoples programme shows a reduction of £4.3 million on that reported in December. A number of schemes, together with the associated resources, will slip to 2007/08.

6.2.2 The development of Children's Centres set an ambitious target. With Phase 1 on target the expected timescales for Phase 2 presented difficulties and the timescales have been relaxed. Phase 2 includes 14 centres (including satellites) at various stages of development.

6.2.3 The complexities in delivering the schemes identified under prudential borrowing means that £1.4 million of the £1.5 million allocated will be re-programmed for 2007/08. There has also been slippage in the teaching accommodation at West Kirby Grammar School and specialist colleges schemes.

6.3 Corporate Services

6.3.1 The property maintenance programme for 2006/07 is progressing to plan with the Burner Management Control Unit scheme to 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 negotiations with the contractor.

6.4. Regeneration

- 6.4.1 The increase in the Cultural Services area of 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. Package 1 of the railings work is now complete and work continues on package 2 around the Boothby ground and Park Road East. Conservation works are also now complete including the Grand Entrance Lodge, the Roman Boat House and the Swiss Bridge. Work continues on the landscaping of the park and on the Depot refurbishment.
- 6.4.2 The Transform Your Space initiative of £1.6 million includes improvements to Central Park, Leasowe Adventure Playground, Biodiversity projects, two multiuse games areas and three skateboard (wheel) parks. It has been re-phased to allow for more detailed consultation on some of the schemes.
- 6.4.3 In terms of Regeneration there is an increase of £0.5 million from that reported at December. This relates to the approval of a further eleven additional projects within the Mersey Waterfront Regional Park scheme. Executive Board on 11 January 2007 and 8 February 2007 agreed an increase to the capital programme to reflect the approval of North West Development Agency funded projects.
- 6.4.4 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.

6.5 Technical Services

- 6.5.1 The programme is largely as reported in December. 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 now identified result in slippage in the Capital Programme expenditure for 2006/07, and associated resources, of some £4 million from the position reported in December 2006.

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