

## **WIRRAL COUNCIL**

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

**17 SEPTEMBER 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 capital programme for 2007-08. It was presented to the Cabinet on 6 September 2007.

###### **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 to the Finance and Best Value Overview and Scrutiny Committee that would compare progress against the approved programme.
- 2.2. I provide a summary of the information prepared by each 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. CAPITAL PROGRAMME 2007/08**

- 3.1 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.
- 3.2 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 revisions relate to slippage which results in both the programmed spend and the resources being similarly slipped.

###### **4. COUNCIL / CABINET DECISIONS**

- 4.1 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.

- 4.2 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.
- 4.3 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.
- 4.4 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 phase 1 costs are estimated to be £11.945m. This is to be funded from a mixture of grant funding (£8.25m) with the balance potentially from Council resources if phase 2 does not proceed. 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.
- 4.5 Cabinet on the 7 June 2007 agreed to the inclusion in the capital programme of the Pride in Promenades scheme costing £1m to be funded from grant.
- 4.6 On the 10 July 2007 Cabinet agreed plans for distributing the capital grant of £0.890m in 2007/08 for improving the Care Home Environment for Older People.

## 5. CAPITAL PROGRAMME SUMMARY

- 5.1. The table below has been revised for slippage from 2006/07. The major schemes which slipped included Childrens Centres, Invest to Save including energy schemes, and Market Street.
- 5.2. The following table provides the latest forecast position. It incorporates permanent changes to the programme due to Cabinet approvals, slippage and the decision to capitalise £0.156m of highways related salary costs within the Technical Services capital programme.

<b>Expenditure</b>	<b>Approved</b>	<b>Forecast</b>	<b>Forecast</b>
		<b>May</b>	<b>August</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Adult Social Services	5,576	4,686	2,643
Children & Young People	26,977	25,452	26,977
Corporate Services	3,933	3,993	3,933
Regeneration	30,985	29,985	30,985
Technical Services	12,003	11,297	12,003
<b>Total programme</b>	<b>79,474</b>	<b>75,413</b>	<b>76,541</b>

- 5.3 The resources table similarly compares the developing programme and reflects the agreed changes, including slippage of spend from 2006/07.

- 5.4 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.

<b>Resources</b>	<b>Approved</b>	<b>Forecast</b>	<b>Forecast</b>
	<b>£000</b>	<b>May</b>	<b>August</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	20,536	21,840	20,536
Prudential Borrowing	7,708	8,106	4,775
Grant – HMRI	9,800	9,800	9,800
Grant – Education	16,921	15,827	16,921
Grant – Other	13,082	8,413	13,082
Revenue & Other	1,427	1,427	1,427
Capital Receipts	10,000	10,000	10,000
<b>Total resources</b>	<b>79,474</b>	<b>75,413</b>	<b>76,541</b>

## 6. **PROGRESS ON THE PROGRAMME**

### 6.1. **Adult Social Services**

- 6.1.1 The latest forecast for the department reflects delays in projects to implement the Adult Accommodation Strategy and the Older People and Physical Disability Strategy. Cabinet on 24 January 2007 agreed an extensive period of consultation with users before the design of the project to develop accommodation for older people. It is now anticipated that the scheme will not start until 2008/09. The Girtrell Court project is similarly delayed as a period of extensive consultation is undertaken.
- 6.1.2 In respect of Adult Accommodation discussions are at an advanced stage with a registered social landlord who is interested in developing a number of supported living arrangements. A business case will be reported to Cabinet in due course.
- 6.1.3 Cabinet on 10 July 2007 approved a scheme of up to £890,000, that will utilise a Government capital grant for improving the care home environment for older people which is available for public, private and voluntary homes where the majority of places are for Older People. Of the allocation, £139,335 will be made available to make improvements to the six Local Authority residential homes.

## **7.2 Children & Young People**

- 7.2.1 The Children's Centres Phase are now open. Work is proceeding with the nine Phase 2 centres, with many under construction. This involves the development of a small number of "satellite" centres, which are in design.
- 7.2.2 As a result of Phase 1 of the Primary review the former Vyner Primary site is currently being converted for use by the Solar/Special School who will re-locate there later this year. This in turn will allow the Key Stage 4 Pupil Referral Unit to re-locate to the Solar Building at the Solar Campus from the current, temporary location at Bebington Town Hall.

## **7.3 Corporate Services**

- 7.3.1 The property maintenance programme was considered by Cabinet on 16 August 2007. Work is now underway to prepare schemes and obtain tenders. Schemes for Bebington allotments, condition surveys, boiler renewals, water efficiency and health and safety work have already commenced. The Cheshire Lines Archive and Records Management facility project has started.

## **7.4 Regeneration**

- 7.4.1 The Birkenhead Park Heritage Lottery funded restoration is now nearing completion with all of the major contracts having achieved or about to achieve practical completion. The contractor carrying out the Oval Sports Centre Refurbishment has now been appointed and commenced work on 18 June 2007. If the programme of works goes to schedule it is anticipated that the works will be completed before Christmas.
- 7.4.2 In 2006/07 significant progress was made by the Clearance and Home Improvement Programmes and this has so far continued into 2007/08. Phase 1 of the Triangle Group Repair Scheme in Birkenhead is now complete with 107 properties benefiting and a similar number are due to be included in Phase 2 which is currently underway.

## **7.5 Technical Services**

- 7.5.1 The capital programme is proceeding as planned and, subject to minor variations within the different blocks, expenditure is anticipated to be within budget at the end of the financial year.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 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 to be presented to the current cycle of Overview and 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