

WIRRAL COUNCIL

FINANCE AND BEST VALUE OVERVIEW AND SCRUTINY COMMITTEE

13 NOVEMBER 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.

2. BACKGROUND

- 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 by 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 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 10 July 2007 Cabinet agreed plans for distributing a capital grant of £0.89m in 2007/08 for improving the Care Home Environment for Older People.
- 4.7 Cabinet on 20 September 2007 agreed to allocate £25,000 from the Capital Match Funding Reserve to The Wirral Way Restoration Plan Phase Two.

5. CAPITAL PROGRAMME SUMMARY

- 5.1. 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. The programme does not currently reflect the equal pay capitalisation directive that Wirral was granted by the Department for Communities and Local Government on 28 September 2007. This will be incorporated into the programme along with its associated funding when final costs are known.

Expenditure	Approved	Forecast	Forecast
	£000	August	October
Adult Social Services	5,576	2,643	2,643
Children & Young People	26,977	26,977	25,216
Corporate Services	3,933	3,933	3,933
Regeneration	30,985	30,985	30,985
Technical Services	12,003	12,003	12,263
Total programme	79,474	76,541	75,040

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

5.3 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 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.

Resources	Approved	Forecast	Forecast
	£000	August	October
Borrowing	20,536	20,536	19,971
Prudential Borrowing	7,708	4,775	3,375
Grant – HMRI	9,800	9,800	9,800
Grant – Education	16,921	16,921	17,957
Grant – Other	13,082	13,082	13,342
Revenue	1,427	1,427	595
Capital Receipts	10,000	10,000	10,000
Total resources	79,474	76,541	75,040

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 20 September 2007 agreed changes to residential provision for older people and adults with Mental Health needs. It is now anticipated that the changes will not start until 2008/09.

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 reduction in forecast expenditure for the Children and Young Peoples programme is due to slippage of a number of schemes from 2007/08 into 2008/09. Both the forecast expenditure and resources have been re-phased to 2008/09 on a number of Modernisation and Children's Invest to Save schemes. Further uses for prudential borrowing are being investigated.

7.2.2 At the meeting on 18 October 2007 Cabinet agreed to the scheme and estimate for a Children's Centre at Pensby Park Primary School and proposals to make alterations to Oldershaw School.

7.2.3 The Building Schools for the Future One School Pathfinder project is progressing as envisaged although in the early design phase, specialists such as architects, structural engineers, mechanical engineers and curriculum advisors have been working with the Children's and Young Peoples team. A revised funding allocation is anticipated for the project. This is in part to reflect the introduction of Carbon Neutral standards.

7.2.4 The Department for Children, Schools and Families has recently announced the School capital allocation for the Comprehensive Spending Review period 2008/09-2010/11. A total of £60m has been awarded to Wirral funded from a variety of sources such as capital grant and supported borrowing.

7.3 Corporate Services

7.3.1 Work has been continuing on the planned maintenance programme with condition surveys being undertaken, boilers replaced and the Millennium Centre being re-roofed. The Archive and Records Management Scheme, including changes to racking is underway.

7.4 Regeneration

7.4.1 Work at the Floral Pavilion is progressing with contractors on site and the building demolished. 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 refurbishment works at the Oval Sports Centre are slightly behind schedule by one or two weeks but progress is now good with the contractor on site since June this year. If the programme of works continues to go well then completion should still be before Christmas, allowing the centre to re-open in early January 2008.

7.4.2 HMRI acquisitions have been progressing. 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. Cabinet on 4 October 2007 approved the Highway Structural Maintenance Programme 2007/08 for principal and non-principal classified roads amounting to £0.407m. Additional infrastructure works funded by Merseytravel and Sustran will increase the programme by £0.260m. Cabinet on 1 November 2007 was requested to approve this increase to the programme. The scheme headings within the Local Transport part of the Technical Services programme have been revised to reflect the Local Transport Plan classification of funding awarded for infrastructure investment.

8. FINANCIAL IMPLICATIONS

8.1 The Capital Programme for 2007/08 reflects the programme 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 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

FNCE/266/07