

## **WIRRAL COUNCIL**

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

**17 JANUARY 2008**

#### **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 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.

- 4.2 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. Following further changes to the headings within the Plan the programme was amended under the new headings on 1 November 2007.
- 4.3 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 £11.945 million that is to be funded from a mixture of grant funding (£8.25 million) with the balance potentially from Council resources if phase 2 does not proceed. 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.
- 4.4 Cabinet on 7 June 2007 agreed to the inclusion in the capital programme of the Pride in Promenades scheme costing £1 million to be funded from grant.
- 4.5 On 10 July 2007 Cabinet agreed plans for distributing a capital grant of £890,000 in 2007/08 for improving the Care Home Environment for Older People.
- 4.6 Cabinet on 20 September 2007 agreed to allocate £25,000 from the Capital Match Funding Reserve to The Wirral Way Restoration Plan Phase Two.
- 4.7 On November 1 2007 it was agreed that £259,600 be added to the Technical Services programme, funded by contributions from Merseytravel and Sustran.
- 4.8 The acceptance of the tender for the works to the Corporate Archive and Records Management facility was agreed on 29 November 2007 including additional funding of £185,000 for which contributions were to be sought from external sources.
- 4.9 The Capital Programme 2008/11 and the Capital Financing Requirements 2008/09 were both agreed by the Cabinet on 12 December 2007. The former also included an amendment to the 2007/08 programme in the sum of £250,000 for works to the skylights at Birkenhead Central Library.

## **5. CAPITAL PROGRAMME SUMMARY**

- 5.1. The following table provides the latest forecast position. It incorporates permanent changes to the programme due to slippage and Cabinet approvals. 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.

<b>Expenditure</b>	<b>Originally Approved</b>	<b>Forecast October</b>	<b>Forecast December</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Adult Social Services	5,576	2,643	2,643
Children & Young People	26,977	25,216	25,566
Corporate Services	3,933	3,933	4,118
Regeneration	30,985	30,985	34,360
Technical Services	12,003	12,263	12,263
<b>Total programme</b>	<b>79,474</b>	<b>75,040</b>	<b>78,950</b>

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 £10 million is included for use in 2007/08. This reflects a higher level of receipts and includes the sale of The Dell Primary School and sums from registered social landlords from the Right-to-Buy arrangements. 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>Originally Approved</b>	<b>Forecast October</b>	<b>Forecast December</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Borrowing	20,536	19,971	20,875
Prudential Borrowing	7,708	3,375	4,034
Grant – HMRI	9,800	9,800	9,800
Grant – Education	16,921	17,957	18,077
Grant – Other	13,082	13,342	15,699
Revenue	1,427	595	465
Capital Receipts	10,000	10,000	10,000
<b>Total resources</b>	<b>79,474</b>	<b>75,040</b>	<b>78,950</b>

## 6. PROGRESS ON THE PROGRAMME

### 6.1. Adult Social Services

6.1.1 The forecast 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 works to Poulton House and Girtrell Court will be undertaken in 2008/09.

6.1.2 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 that is available for public, private and voluntary homes where the majority of places are for Older People. Of the allocation, £139,335 will fund 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 People programme is due to slippage of schemes from 2007/08 to 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 and further uses for prudential borrowing are being investigated.
- 7.2.2 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 has been received which is in part to reflect the introduction of Carbon Neutral standards.

## **7.3 Corporate Services**

- 7.3.1 Work has been continuing on the planned maintenance programme with condition surveys and resultant works undertaken and boilers replaced. The Archive and Records Management Scheme, including changes to racking is underway and the expenditure on IT developments has been revised.

## **7.4 Regeneration**

- 7.4.1 The Birkenhead Park restoration is at the final stages of practical completion. The refurbishment works at the Oval Sports Centre made good progress with completion imminent. Work to the Floral Pavilion is progressing well and with the scheme now underway both the phasing of the forecasted expenditure and the resourcing have been incorporated within the capital programme.
- 7.4.2 Housing Market Renewal Initiative (NewHeartlands) acquisitions continue well and, as in previous years, there may be a requirement to revise the allocations between the current and next years in order to ensure that the impetus and progress on the various schemes is maintained.

## **7.5 Technical Services**

- 7.5.1 The schemes are proceeding as planned. Cabinet on 4 October 2007 approved the Highway Structural Maintenance Programme 2007/08 for principal and non-principal classified roads and on 1 November 2007 the amendments resulting from the additional infrastructure works funded by Merseytravel and Sustran were agreed. The scheme headings within the Local Transport Plan were also revised to reflect the 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