



Leicester
City Council

**Performance & VFM
Select Committee**

14 January 2008

Cabinet

21 January 2008

2007/08 CAPITAL PROGRAMME MONITORING - PERIOD 7

Report of the Chief Finance Officer

1. PURPOSE OF REPORT

The purpose of this report is to update Members on the progress of spending on the capital programme for 2007/08 up to the end of October (period 7) and the forecast spend at the end of the year.

Further reports will be produced showing the position and the forecast as at the end of December (period 9) and end of the year.

2. SUMMARY

- 2.1 The actual level of expenditure at the end of October 2007 totalled £49.8 million. The expenditure to date represents 40% of the projected spend for the year.
- 2.2 The programme is funded in part by the capital receipts from the sale of assets. It is expected at this stage that the target will be achieved without significant difficulty.

3. RECOMMENDATIONS

3.1 Cabinet is recommended to:

- i) approve a revised level of programmed expenditure of £124.3 million;
- ii) approve £50,000 for an enhanced Alley Gate programme of works;
- iii) note the level of expenditure to the end of October 2007 of £49.8 million;
- iv) note the position relating to capital receipts;
- v) note that forecast capital programme performance is to spend 96% of the approved programme (excluding any additions or expenditure brought forward) compared to a target of 90%, and

vi) note the prudential indicators for 2007/08.

3.2 The Select Committee is asked to:

- (i) consider the overall position relating to the capital programme and make any observations to Cabinet as it sees fit, and
- (ii) consider whether they would wish to further scrutinise the performance of any individual schemes where they have concerns over progress.

4. CAPITAL MONITORING

4.1 The capital programme is split into 4 main categories:

- a) the Transport programme;
- b) the Education programme;
- c) the Housing programme; and
- d) the corporate programme, which covers all other services.

4.2 This categorisation is determined by the way Government support is allocated.

4.3 The Council's Housing capital programme was approved in January 2007, Transport and Corporate programmes in March 2007 and the Education programme in June 2007. This report details the actual level of expenditure to the end of October 2007 and the planned programme of works in 2007/08.

4.4 The report also considers the extent to which the Council is achieving its programme of asset sales, which help fund the programme.

4.5 Monitoring information is included in relation to Prudential Indicators.

5. KEY ISSUES

5.1 Key issues that have arisen as part of the monitoring exercise are as follows:

- i) Expenditure of £49.8 million had been incurred at the end of period 7, representing 40% of the forecast outturn.
- ii) Slippage in payments of £1.9 million is forecast, in addition to slippage reported at period 4 of £1.1 million. The main areas of slippage are detailed below:

Adult & Community Services Department

Intermediate Care
Electronic Scanning

Children & Young People's Service Department

New Opportunities Sports Projects
Childrens Centres

Regeneration & Culture Department

Integrated Transport (this is necessary as the approved programme includes overprogramming)

Resources Department

Resource Management System

6. POSITION AT THE END OF OCTOBER 2007 (PERIOD 7)

6.1 The overall financial position for each department is shown in Appendix A.

6.2 At the end of period 7, 40% of the 2007/08 programme of £124.4 million had been spent. Performance is variable across service areas. However, in order to achieve the level of expenditure being forecast all areas of the programme will need to be closely managed.

7. PROGRESS ON SPECIFIC SCHEMES

7.1 Details of progress on major schemes in the programme are given below.

7.2 Children and Young People's Services

7.2.1 The approved programme totals £28.9 million. Changes to forecast cashflows and additions of £1.2 million have resulted in an increase in the programme to £29.4 million. Expenditure of £6.7 million had been incurred at period 7. Details of progress on schemes are detailed below:

a) Devolved Formula Capital

Devolved Formula Capital is provided by Central Government to Local Education Authorities who are required to allocate the funding directly to schools using a simple national formula that includes pupil numbers. Expenditure of £3 million is forecast on a range of projects. It is difficult to forecast this area of expenditure as it is controlled by individual schools; expenditure of £2 million has been incurred.

b) Environmental & Education Programme

Expenditure of £200,000 is forecast relating to an Environmental and Education Programme. This involves the carrying out of surveys in schools to assess current energy consumption and identify areas for improvement. It is anticipated that the environmental projects will commence on site early in 2008 and be completed by the end of August 2008.

c) School Kitchens Projects

The extension to the existing kitchen at Dovelands Primary School and refurbishment at Stokeswood Primary School have been completed. A new kitchen and café at Caldecotte Primary School is programmed. Forecast expenditure of £491,000 includes a contribution of £291,000 from the schools.

d) Specialist Schools Works

Expenditure of £300,000 is forecast relating to funding for specialist status at Ellesmere College (sports), Moat Community College (science) and West Gate School (business management).

Expenditure of £504,000 is also forecast relating to Computer for Schools funding for putting ICT into the homes of the most disadvantaged children. The grant is for equipment and associated services, with the ownership of the equipment being with the Secondary Schools.

e) Classroom Replacement Programme

The forecast expenditure of £2.6 million includes replacing mobile classrooms in primary schools with new buildings. Works are planned at Braunstone Frith Infant and Junior School, Catherine Junior, Coleman Primary, Inglehurst Infant and Junior School and Mayflower Primary School all of which are planned for completion in this financial year. Coleman Primary School is due to be started in the new- year and completed in the summer 2008.

f) New Opportunities Sports Projects

The level of forecast expenditure has reduced by £250,000 to £399,000.

The original programme of works included providing overnight accommodation at the Outdoor Pursuits Centre, however this scheme was not able to proceed due to site restrictions. The provision of a rope course at the Outdoor Pursuits Centre and improvements to the existing buildings are now planned. Tenders for provision of the rope course have been received; a contractor has been appointed and works will start in January. Property Services have commenced a feasibility and costing exercise on the building improvements to the existing building; this should be completed in December 2007. The Project Board will then decide which elements should proceed and it is envisaged that the works will commence in spring 2008. Due to delays slippage of £250,000 is forecast.

g) Braunstone Community Primary School Amalgamation

The project was completed in September 2007 and the final account has recently been agreed on the project.

Additional costs of £418,000 are now forecast for the project. These additional costs relate to contaminated ground conditions, variations on the mechanical and electrical services, delay in the power supply to the school by the statutory undertaker and re-design of the external works. The forecast overspend can be met by savings realised as it has not been necessary to demolish the buildings prior to sale.

The Bendbow Rise site has been marketed and the closing date for tenders is the end of January.

h) Taylor Road Primary School

This project involves building a new school on the existing site. The design of the school has commenced, and the floor plans for the building are being finalised. The project is anticipated to start on site in April/May 2008, with the school moving in by September 2008. External works are due for completion by March 2010.

i) Childrens Centres

The Children's centre programme is designed to improve facilities for all children and particularly those children living in disadvantaged areas. The new children's centres will provide high quality childcare between 8am and 6pm including study support, parenting and specialist support and wider community access to ICT, sports and arts facilities.

The level of forecast expenditure has reduced by £980,000 to £3.4 million. Funding of the programme includes contributions from schools and Surestart grant. Details of the programme of works including areas where expenditure has slipped are detailed below:

Braunstone Frith extension – completed at the end of November.

Imperial Avenue refurbishment - will be completed by the end of December.

Mellor Primary new build - The project is anticipated to commence on site in January 2008 and due to be completed at the end of June 2008. The project has been delayed due to the planning issues relating to the position of the building that have now been resolved and tenders have been received. Due to the delays slippage of £225,000 is forecast.

Mowmacre Hill refurbishment and extension - The project is currently being tendered and is anticipated to commence on site at the beginning of December and due to be completed in June 2008. The project is behind programme due to the phasing requirements for the school operations and therefore slippage of £125,000 has been shown on this project.

Rowlatts Hill new build – The project is currently being designed and is anticipated to commence on site in December 2007 and due to be completed at the end of April 2008. The project was delayed as the original tenders were higher than the budget. The project is now within budget but slippage of £125,000 is forecast due to the delay.

Scraptoft Valley extension – The project commenced on site in July 2007 and is due to be completed in February 2008.

Spinney Hill refurbishment - Due to site restrictions and difficulties in resolving service implications between the school and the children's centre, it was agreed with the school and governors that it is not possible for the children's centre to be located in the school. Alternative sites have been considered and a park site adjacent to Coleman Primary School has been agreed in principle as the site for the new centre. The project is likely to commence in February 2008 and be completed in August 2008. As a result of the delay slippage of £505,000 is forecast.

j) Fullhurst Vocational Centre

This scheme involves the construction of a new training centre, which will provide vocational training in engineering and construction. Property Services are currently tendering the project. The scheme is due to commence in January is anticipated with completion in June 2008.

k) Children's Residential Home

This scheme will provide improvements to bedrooms, bathrooms and kitchen facilities in Childrens Residential Homes. The level of forecast expenditure is £105,000.

The projects for the homes have been commissioned with Property Services. It is anticipated that all projects will be completed by the end of the financial year.

l) Building Schools for the Future

Building Schools for the future (BSF) is a substantial, Government sponsored investment programme intended to transform secondary education. Funding of £236 million has been earmarked for Leicester. It appears that financial close will be reached in December. Expenditure of £12.2 million is forecast to be spent on the scheme by the end of this financial year.

7.3 **Regeneration and Culture**

7.3.1 The approved programme totals £55.2 million. Additions, slippage and other changes to the programme have increased the forecast level of expenditure to £55.9 million. Expenditure of £25.8 million had been incurred at period 7. A number of schemes have been added to the programme following approval of the 'New Policy Developments' by Cabinet on 3 September and 15 October.

Details of the main schemes in the programme are detailed below:

7.3.2 Regeneration

a) Performing Arts Centre

The construction of the new Performing Arts Centre in the Cultural Quarter is progressing well and in accordance with the project budget approved by Council in January this year. Expenditure at period 7 was £11.2 million.

Practical completion of the construction works is forecast to be March 2008. This will be followed by the delivery and installation of loose items of furniture and equipment in preparation for handover to the Leicester Theatre Trust in April 2008 to allow them to prepare for an Autumn opening to the public.

b) City Centre Developments

This scheme is to improve the infrastructure of the city centre by undertaking resurfacing works, improving lighting and installing new seating and litter bins. There has been an increase in this years forecast level of expenditure from £6 million to £6.947 million due to cost changes and reprogramming which is anticipated will result in an increased spend in this financial year. This does not indicate an overall increase in expenditure as there is a matching reduction in forecast expenditure for 2008/09.

Progress on the main areas of the project is as follows:

1. Market Street was completed on schedule.
2. Hotel Street - The granite laying is complete; the statue will be in place and the opening ceremony took place on 13th December.

3. Gallowtree Gate and Market Place – work has commenced on the scheme at the southern end of Gallowtree Gate, including Market Place Approach and Granby Street (as far as Belvoir Street).
4. Clock Tower / High Street – completion is planned for June 2008.
5. Mansfield Street – Demolition of the ABC Cinema is now complete and meetings are continuing with the developer relating to the requirements for a bus corridor.

Expenditure at period 7 totalled £2.9 million

c) Leicester Regeneration Company (LRC) Intervention Schemes

On 15 November Cabinet approved additional expenditure of £1.5 million funded by capital grant from the Department of Communities & Local Government New Growth Points Initiative. The grant plus approved prudential borrowing of £0.5 million gives a revised expenditure forecast of £2 million. This will provide improvements to the Waterside area, Abbey Meadows and the Science Park; the scheme designs are in progress.

The scheme design for Bath Lane Waterside project has been completed and the laying of concrete foundations has commenced. Total spend to date is £171,000.

d) Leicester Business Centre – additional units

On 23 July Cabinet approved the proposed development of 16 additional business units at Ross Walk at a cost of £800,000 funded by grant. Following the receipt of tenders the costs have increased by £55,000. The increased costs are to be funded by additional grants from SRB and LSEP, the balance of £7,800 being met from the Regeneration & Culture revenue budget in 2008/09.

e) Single Regeneration Budget

Single Regeneration Budget funding aims to alleviate deprivation and provide sustainable regeneration and is funded by capital grant. The level of forecast expenditure in 2007/08 is £577,000. New schemes are currently being appraised and approved in order to spend the full allocation by 31st March 2008. As this is the end of the SRB programme any underspend will result in loss of grant; it is therefore essential that progress is monitored effectively. Schemes are on site and progressing and the schemes are expected to complete by February 2008.

f) Cultural Quarter Projects

This project relates to street improvements in the area and includes a number of schemes with expenditure of £3.9 million forecast in 2007/08. Halford St and Charles Street resurfacing has been completed. Phase 2 which includes Halford Street pedestrianisation, Rutland St, and Vestry Street commenced in June 2007 and all the schemes are expected to complete by September 2008. Expenditure of £1.23 million had been incurred at period 7.

g) Digital Media Centre (DMC)

On 29 October Cabinet approved the construction of the DMC, the public element of the funding totals £10.6 million. The business unit elements totalling £4.6 million will be completed by December 2008 with the remainder being completed by summer 2009. Design costs of £720,000 are forecast (costs of

£565,000 had been incurred at period 7). The project costs will be included in the period 9 report when the phasing of the expenditure has been finalised.

7.3.3 Highways and Transportation

a) Integrated Transport

The approved programme totals £8.3 million; this included overprogramming of £1 million. The current forecast of expenditure is £7.7 million. The main areas of savings and slippage are:

Glenfield Road Safety Scheme (£167,000) - This is mainly due to the delay at the consultation stage and identification of an "acceptable" design on the safety scheme.

Safer Routes to School (£117,000) – A contribution has been received towards the Narborough Road scheme and there has been a reduction in cost of the Queensmead (Winstanley Dr, Hamelin Rd, Hinckley Rd) scheme as the scheme reduced in scope following consultation.

Reprogramming of works on upgrading the Urban Traffic Control System project (£131,000) in order to reduce the level of forecast overspend.

As in previous years, more transport schemes than necessary have been identified and planned. Expenditure will be managed such that by the end of the year actual expenditure should match the resource level. Any overspend at the end of the year will be funded from the 2008/09 resource allocation.

b) Upperton Road Viaduct

This scheme is being paid for by grant from the Department for Transport; full approval to the scheme was received in March 2007. Construction work started on 30 April 2007 with completion anticipated in December 2008. Upperton Road major road closure was effective from 19 to 29 October 2007. The traffic was successfully moved onto the temporary road to allow demolition of the remaining viaduct and construction of the permanent scheme. A comprehensive communication strategy was in place with good media coverage and information available on the website.

Expenditure of £12.6 million in 2007/08 is forecast of which £3.7 million has been incurred.

c) Capital Maintenance

The approved programme of other highways improvements totals £2.2 million. The latest forecast of expenditure is £2.25 million, an increase of £50,000 since period 4.

The increase since period 4 is an overspend of £50,000 relating to St Margarets Way Canal Bridge programme; this is mainly due to additional costs arising from additional traffic management works to minimise traffic disruption and some minor design alterations. If this programme of works overspends this will form a first charge against the 2008/09 Capital Maintenance allocation.

Progress on other schemes has been good as detailed below:

Reconstruction of Fosse Road South has been completed. Hastings Road resurfacing is planned for January 2008, and work has been completed on Chesterfield Road, London Road, Glenfield Road and Imperial Avenue footways with work well advanced on Evington Road and Trenant Road footways (in conjunction with other schemes).

Evington Valley Road footway works have started. Street Lighting column replacement is now well underway with 30% committed. Work is also well underway on the traffic signal renewal works with 4 out of the 12 schemes completed and the remainder being designed.

d) Local Environmental Works

In July 2007 Cabinet approved a programme of works totalling £380,000. Works for phase one of the 2007/08 programme have started after discussions with local Councillors and residents. There is still £250,000 unallocated and a further report is to be submitted to Cabinet in January with proposed schemes. This allocation is available to fund minor environmental works such as laybys, verges and improvements to land; design work is progressing on these schemes.

The schemes relating to earlier years' programmes (laybys in Matts Close and New Romney Crescent) are now completed.

7.3.4 Cultural Services

a) Leisure Centres

Expenditure of £240,000 is forecast relating to Cossington Street Sports Centre. The main work relates to Phase 2 of the upgrade programme and involves the full refurbishment of the swimming pool and the hall, including installation of new lighting and decoration. There are extra costs of £14,000; these will be funded from a revenue contribution. Work on the scheme has commenced.

b) Football Investment Strategy

On 3 September 2007 Cabinet approved a report proposing improvement to football facilities at 8 sites across the City. Expenditure of £455,000 is forecast in 2007/08 to undertake the design and development work necessary to be able to submit a full application. Expenditure at period 7 was £44,000.

c) Braunstone Library

This scheme involved the provision of a new library and resource centre and was completed in December 2005. Expenditure of £269,000 is forecast relating to the contractor's final account.

7.3.5 Environmental Services

a) Waste Performance & Efficiency Grant

Capital grant has been received to help fund investment necessary to enable recycling and composting targets to be met. Expenditure of £623,000 is forecast of which £350,000 had been incurred at period 7 on the shredding machine at the Bursom Ball Mill.

b) City Wide Allotment Strategy

On 24 July 2006 Cabinet approved a sum of £1.045 million for the City Wide Allotment Strategy to be funded from earmarked receipts from disposals of surplus allotment land.

The forecast expenditure for 2007/08 is £250,000. This is to be spent in the following areas:

- Aylestone Co-op Allotment Society fencing.
- Belgrave Allotment Society – Red Hill Allotment fencing.
- Groby Road Allotment Society fencing.
- Support to Society capital projects through finance by grants or awards.
- Promotion and support via “Allotments 4 All”.
- Toilet provision to allotment sites - customised to each site’s requirements.

Expenditure at period 7 was £177,000.

c) Playground Equipment Replacement and Improvement

Expenditure of £200,000 is forecast relating to the refurbishment of playgrounds.

Consultation has been completed on four sites and equipment will be ordered shortly. Consideration is currently being given as to whether the balance of the funds should be spent on another eight specific sites or on one large project.

d) Gilroes Cemetery CCTV

On 3 September Cabinet approved £40,000 to fund surveillance at Gilroes Cemetery in order to reduce incidents of Anti Social Behaviour. Trenching and ducting work is complete and the cameras will be installed in December.

Planning and Policy

a) Riverside

This year’s funds are being concentrated on access and entrance improvements, including path works within the Nature Reserve; as well as biodiversity improvements.

The River Biam Boardwalk project has been completed, the structure for the Grazing project has been put in place, further work to enable creation of a new wetland area has been undertaken, new Nature Reserve entrance signs have been purchased and major refurbishment of Aylestone Mill Lock car park has been completed.

b) Ashton Green

Ashton Green is a 128 hectare greenfield site owned by the City Council. This expenditure is in respect of the initial scheme development and will incorporate policies and best practice to promote sustainability whilst achieving state of the art community facilities and establishing a strong identity for the area. The expenditure forecast for 2007/08 is £300,000.

7.4 Adults and Housing

7.4.1 Housing

Expenditure of £30.462 million is forecast. Additions to the programme of £649,000 have been offset by savings of £640,000. The majority of the programme relates to works to improve housing stock in order to achieve the "Decent Homes Standard". Expenditure has been incurred on a range of schemes including improvements to council dwellings (e.g. replacement of kitchens and bathrooms, rewiring, central heating, replacement of windows and doors) and disabled facilities grants.

The main areas of expenditure relating to the Housing programme are detailed below.

a) Kitchens and Bathrooms

One of the elements of the Decent Homes Standard is that all council houses should have a modern kitchen or bathroom. The provision has increased by £112,000 to £7.6 million to ensure that the programme of modernisation and planned targets for numbers of improved properties are met.

b) Rewiring

The rewiring programme aims to ensure that no houses have wiring that is more than 30 years old. Based on current progress, the programme has been reduced by £470,000 to £2.95 million.

c) Window and Door Replacement

The on-going programme will provide double glazing and new doors for all properties. The provision has increased by £215,000 to £6.7 million to ensure planned targets are achieved.

d) Disabled Adaptations

This is a £1 million per annum programme to make adaptations to meet the needs of disabled tenants. Expenditure at period 7 totalled £286,000,

e) Structural Works and Damp Proof Courses

This item has increased by £74,000 to take advantage of savings elsewhere and carry out additional works.

f) Beaumont Leys Core Area

This scheme involves the preparation of the site to enable future development; this has involved demolition works and purchasing of properties. The site is to be sold to a developer. Compulsory Purchase Order costs of £90,000 have been incurred in 2007/08 relating to a site acquisition completion.

g) Ian Marlow Centre

This scheme was to replace a dangerous asbestos roof at the site and to add additional facilities. The costs of works have increased by £60,000, increasing the forecast level of expenditure to £310,000, as a result of world wide increases in the cost of steel.

h) Disabled Facilities Grants

These are grants to meet the cost of adaptations to privately owned homes and the programme is currently £2 million per annum.

i) Renovation Grants

These are means tested grants to improve privately owned properties which are in poor condition or lacking basic facilities. Grants given at period 7 totalled £762,000.

j) HomeCome

HomeCome is a not-for-profit company which provides social housing to people on the Council's waiting list. It purchases properties from the Council and the open market and these are funded partly by the council from the capital programme provision (currently £1.3 million). The company borrows the remainder of the cost on a commercial basis using the properties as security. Houses will be purchased this year at an estimated gross cost of £2 million.

7.4.2 Adult and Community Services

The approved programme totals £1.77 million. Slippage of £130,000 is forecast and expenditure of £36,000 has been brought forward reducing the forecast level of expenditure to £1.7 million. Details of the main schemes in the programme are given below:

a) Elderly Persons Homes

This programme totals £190,000 and includes works to improve the homes e.g. replacement of windows and refurbishing bedrooms and shower facilities. In addition a respite care service for Older People is to be provided at Nuffield Elderly Persons Home. This service will provide respite for those individuals with mental health problems. The work being considered includes refurbishment i.e. general painting and decoration, creation of new toilets facilities, setting up office accommodation and carpets. Expenditure of £79,000 had been incurred at period 7.

b) Mental Health Facilities

The Mental Health grant of £212,000 will be spent on a variety of projects including:

- Adhar (provides day services and support for people with mental health difficulties and their cares): provision of computers and exercise equipment.
- Leicester Counselling Centre (provides a counselling service for people including those with mental health difficulties): improve disabled access to the toilet facilities and fitting out the counselling room.
- BabyGear (provides employment and skills training for people experiencing mental ill health): conversion and refurbishment of the ground floor and an extension to the workshop floor area.
- Akwaaba Ayeh (provides support relating to people mental health): provide IT equipment and create additional meeting/interview space to accommodate carers and service users.

It is anticipated that the allocation will be fully spent during the year; expenditure of £133,000 has already been incurred.

c) Learning Disability Day Centre Modernisation

Expenditure of £130,000 is forecast. £100,000 has been committed relating to the works to the kitchen at Hastings Road - kitchen units, painting, decoration and a new entranceway. In addition a sensory garden at Hastings Road i.e. water feature, bushes and plants is planned.

d) Intermediate Care

There is provision of £88,000 to meet the costs related to the redevelopment of Butterwick House into an Intermediate Care Centre. Discussions are taking place with the Primary Care Trust on how the provision of intermediate care should be developed in the future, as agreement has not yet been reached slippage of £80,000 is forecast.

e) Information Management

The approved programme totals £206,000. The project will support the IT infrastructure, integration of care for older persons and implementation of the joint Health and Social Care assessment of older persons. Expenditure of £125,000 had been incurred at period 7.

f) Electronic Scanning

This project involves the scanning of existing paper files to allow for electronic retrieval and is now well underway. Collection of files and delivery of images continues to occur on a weekly basis. Expenditure of £50,000 is forecast to slip reducing the forecast level of expenditure to £447,000.

g) Crime And Disorder

This initiative includes installing alley-gates in burglary hot spots across the city (50,000) and the extension of safer routes to tackle street robbery by improving street lighting (£100,000) and CCTV in targeted areas(250,000).

Alley Gates - 9 gates have been fitted so far and 10 gates are on order.

Lighting costs - design work has been commissioned and equipment ordered. It is anticipated that the budget of £100,000 will be fully spent by the end of the year.

CCTV – contracts for work have been put out to tender and orders for equipment have been placed.

A number of requests have been made to the Community Safety Team for further Alley Gates to be fitted at a number of locations across the City.

Members are asked to approve a further £50,000 to meet the cost of installing the gates.

h) Highfields Centre

The scheme involved the development of additional community and sports facilities to the Highfields Centre; it was completed in 2006. Decisions on spending the remaining £80,000 of capital funding are being made in consultation with the Highfields Community Association and the Interim Strategic Management Board.

7.5 Resources

The approved programme totals £6.4 million. The level of expenditure at the end of period 7 was £2.2 million. Progress on the main schemes in the programme is detailed below:

a) Hamilton Footbridge

This scheme will provide a pedestrian/cycle bridge over the A563 Hamilton Way, linking Manor Farm and Humberstone Village with Hamilton District Centre. Hamilton Trustees have given a provisional start date for the construction of the bridge of January 2008.

b) Centrally Located Administration Buildings (CLABS) & Property Maintenance

CLABS

These buildings provide office space for over 2,800 staff. Provision has been made in the capital programme for major works to ensure all buildings are suitable for their purpose. A decision remains to be made about the future of New Walk Centre. Expenditure of £766,000 has been achieved this year against a revised budget of £2.225 million.

Progress on individual schemes is detailed below:

1. The following schemes are now complete except for retention costs:
 - Town Hall
 - 16 New Walk
 - A Block Reception
 - Wellington House (Fit out and IT)
2. Greyfriars - ICT upgrading has taken place and consultation is in progress relating to refurbishment work necessary.
3. Phoenix House – the ground floor and first floor have been successfully completed. Refurbishment works to the second floor will be carried out once the Payroll Service relocates to Sovereign House.
4. Sovereign House - works to refurbish the third and ground floors are due for completion by mid January 2008.
5. NWC Design Costs - technical and investigatory works continue on the option of retaining New Walk Centre by refurbishing the building and carrying out strengthening works. A full report to Cabinet in March 2008 will provide various options relating to the future of New Walk Centre.
6. The following schemes were approved by Cabinet on 15th October at a total cost of £1.355 million.
 - Refurbishment to parts of New Walk Centre – B Block (ground, 1st & 6th floors) and A Block (1st & 2nd floors)
 - Relocation of Cash Office to Customer Service Centre
 - Relocation of loading bay and post room to Pilot house
 - Improvements to the second floor of Phoenix House
 - Dilapidation payments for Welford House.

Property Maintenance

Expenditure of £1.6 million is forecast relating to Central Maintenance Fund works (£880,000) e.g. repairs to walls, roofs and windows, and Property Health Surveys (£720,000). Expenditure of £871,000 has been incurred.

c) Corporate Electronic Documents Record Management System

This system will provide an electronic method of capture, storage and retrieval of information. The project aims to develop corporate standards, identify and procure the most appropriate technical solution and commence full implementation of an electronic document and record management system across the Council.

The contract was awarded at the end of November, equipment will be ordered and the pilot scheme will go live in March 2008.

d) Disability Discrimination Act improvements

This scheme is designed to improve access for disabled people to City Council buildings under the Disability Discrimination Act 1995. Cabinet approved a sum of £480,000 in April 2007 relating to a range of schemes.

e) Glenfield Tunnel

The purpose of the work is to carry out essential strengthening work to the tunnel. Consent has been obtained from Blaby District Council and discussions are currently underway with the contractor. Works are progressing well and it is anticipated that the scheme will be completed by March.

f) Resource Management System

This system will replace the current financial systems with a fully integrated system. It is projected that implementation of phase 1 of the scheme will be by 31 March 2009. The forecast expenditure of £893,000 will cover the cost of the system hardware and software, consultancy costs contracted from the supplier (Agresso) and other internal development costs.

8. CAPITAL RECEIPTS

8.1 The programme is partly funded by capital receipts. There are 2 elements:

Target for non-housing receipts - £4.5 million

Target for Housing receipts - £17.4 million of which £6.1 million is usable (the remainder has to be paid to the Government as their proportion of right to buy receipts).

8.2 In both cases of it is anticipated that the target will be met.

9. CAPITAL MONITORING TARGETS

9.1 In October 2003 Cabinet agreed a performance target for capital expenditure of 90% of the original programme, excluding schemes where there is significant 3rd party involvement.

9.2 For programmes excluding those schemes with significant 3rd party involvement and additions or expenditure brought forward the latest forecast of expenditure is 96% of the original programme.

10. PRUDENTIAL BORROWING

10.1 Details of schemes to be funded by prudential borrowing and the forecast level of expenditure for the period 2007/08 – 2008/09 are shown below:

Approved Prudential Borrowing

	2007/08 £000	2008/09 £000
Corporately Funded		
Property Maintenance	1,600	2,552
Performing Arts Centre	2,902	10,428
Centrally Located Admin Buildings	2,225	10,521
City Centre Improvements	4,770	2,070
Leicester Regeneration Company Intervention Schemes	500	1,565
Digital Media Centre		2,950
Building Schools for the Future	1,042	2,200
Spend to Save		
Wide Area Network	35	2
Resource Management Strategy	893	497
Allotments Strategy	129	
Hamilton Footbridge		81
Other		
Housing – general	4,233	1,000
Lewisher Road	40	120
Vehicles in lieu of leasing	1,500	2,000
Total Prudential Borrowing	<u>19,869</u>	<u>35,986</u>

10.2 The Chief Finance Officer is permitted to approve Spend to Save schemes up to £250,000.

10.3 The cumulative level of prudential borrowing as a proportion of gross revenue expenditure is shown in the table below (this takes into account anticipated repayments):

	<u>Cumulative Unsupported Borrowing</u> £000	<u>Gross Revenue Expenditure</u> £000	<u>Cumulative unsupported borrowing as % of GRE</u>
General Fund			
2005/06 (actual)	12,609	694,649	1.8%
2006/07 (actual)	19,572	729,833	2.7%
2007/08 (forecast)	31,450	722,111	4.4%
2008/09 (forecast)	62,722	728,535	8.6%

The cumulative unsupported borrowing as a percentage of gross revenue expenditure significantly increases in 2008/09 as significant borrowing relating to the Performing Arts Centre, Centrally Located Administrative Buildings and property maintenance is forecast in that year.

Housing Revenue Account

2005/06 (actual)	15,760	67,940	23.2%
2006/07 (actual)	20,487	68,000	30.1%
2007/08 (forecast)	23,865	65,179	36.3%
2008/09 (forecast)	23,841	68,779	34.6%

10.4 The revenue costs in 2007/08 relating to approved prudential borrowing are:

General Fund £3.7 million

Housing Revenue Account £1.986 million.

10.5 The total prudential borrowing now approved by the Council, including planned borrowing in 2007/08 and later years is £114 million.

11. PRUDENTIAL INDICATORS

11.1 The latest forecast of performance in 2007/08 against approved indicators is shown in Appendix B.

11.2 In summary, the Council will not exceed any Prudential Indicators, which were set as limits on the council's activities. There will be variations between actual and expected performance on some PIs due to changes in the forecast level of capital expenditure.

12. CONSULTATION

12.1 All departments have been consulted in the preparation of this report.

13. FINANCIAL AND LEGAL IMPLICATIONS

13.1 The report is largely concerned with financial issues.

13.2 Legal Implications – There are no additional legal implications.
Peter Nicholls Extension 296302

14. OTHER IMPLICATIONS

Other Implications	Yes / No	Paragraph referred
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-
Elderly People / People on Low Income	No	-

Report Author/Officer to Contact

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DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)