



Leicester
City Council

**Performance & VFM
Select Committee
Cabinet Briefing
Cabinet**

**21 February 2008
25 February 2008
3 March 2008**

2007/08 CAPITAL PROGRAMME MONITORING - PERIOD 9

Report of the Chief Finance Officer

1. PURPOSE OF REPORT

The purpose of this report is to update Members on the progress of the level of capital expenditure on the capital programme for to the end of December (period 9) and the forecast spend for the year.

A further report will be produced showing the position at Outturn.

2. SUMMARY

- 2.1 The actual level of expenditure at the end of December 2007 totalled £74.3 million. The expenditure to date represents 63% of the projected spend for the year. Expenditure of 60% was achieved this time last year.
- 2.2 The programme is funded in part by the capital receipts from the sale of assets. It is still expected that the target will be met.

3. RECOMMENDATIONS

3.1 Cabinet is recommended to:

- i) approve a revised level of programmed expenditure of £118.7 million;
- ii) note the level of expenditure to the end of December 2007 of £74.3 million;
- iii) note the position relating to capital receipts;
- iv) note that forecast capital programme performance is to spend 95% of the approved programme (excluding any additions or expenditure brought forward) compared to a target of 90%;
- v) approve additional sum of £238,000 for Centrally Located Admin Buildings to be released from the original approval of £29.676 million, and to note a further £200,000 committed from this sum for the Data Centre by

- the Director of Resources under the urgent action procedure to minimise the risk to business continuity
- 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 December 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 £74.3 million had been incurred at the end of period 9, representing 63% of the forecast outturn.
- ii) Slippage in payments of £7.7 million is forecast, in addition to slippage reported at period 7 of £1.9 million. The main areas of slippage are detailed below:

Adult & Housing Department

Learning Disabilities
Manor House
Rewiring Programme
Radio Alarm System

Children & Young People's Service Department

Taylor Road Primary

Childrens Centres
Braunstone Skills Centre

Regeneration & Culture Department

Upperton Road
Improvement Schemes in the Waterside & Abbey Meadows Area
Playground Equipment
Ashton Green Project

Resources Department

Centrally Located Admin Buildings
Hamilton Footbridge
Disability Discrimination Act works

6. POSITION AT THE END OF DECEMBER 2007 (PERIOD 9)

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

6.2 At the end of period 9, 63% of the 2007/08 programme of £118.7 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 £29.4 million. Savings of £220,000, slippage of £2.3 million and expenditure brought forward of £350,000 have resulted in a revised programme of £27.2 million. Expenditure of £17.26 million had been incurred at period 9.

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 £2.9 million has been incurred.
- b) Environmental & Education Programme
Expenditure of £50,000 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. Slippage of £150,000 is reported due to surveys taking longer than anticipated. It is envisaged that the environmental projects will be carried out from the Spring 2008 through to 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 to be completed in early February 2008. A feasibility study for the next kitchen project is due to be commenced in February.

Forecast expenditure of £491,000 includes contributions of £291,000 from the schools.

d) Specialist Schools Works

Expenditure of £318,000 is forecast relating to funding for specialist status at Ellesmere College (sports), Moat Community College (science) and West Gate School (business management).

Expenditure of £633,000 is also forecast relating to Computer for Schools funding for putting ICT into the homes of the most disadvantaged secondary age children. The grant is for equipment and associated services, with the ownership of the equipment being with the Secondary Schools. £150,000 is to be brought forward from 2008/09 to meet the forecast expenditure.

e) Classroom Replacement Programme

The forecast expenditure of £2.6 million includes replacing mobile classrooms in primary schools with new buildings. Works are complete at Braunstone Frith Infant and Junior School, Catherine Junior. Inglehurst Infant and Junior School and Mayflower Primary School are due to be completed in February 2008. Works at Coleman Primary School started in December 2007 and is due to be completed in the summer 2008. Savings of £54,000 have occurred on completed projects which will be used to part fund next years programme.

f) New Opportunities Sports Projects

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 started in December 2007. Property Services have commenced a feasibility and costing exercise on the building improvements to the existing building; this should be completed by middle of February. Expenditure of £333,000 is forecast.

g) Braunstone Community Primary School Amalgamation

The project was completed in September 2007 and the final account has been agreed on the project. Expenditure of £1.4 million has been incurred.

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 May 2008, with the school moving in by September 2009. External works are due for completion by March 2010. Slippage of £500,000 has occurred due to delays in agreeing site plans.

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 £250,000 to £3.1 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:

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

Mellor Primary new build - The project is anticipated to commence on site in February 2008 and due to be completed at the end of July 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

Mowmacre Hill refurbishment and extension - The project is currently being tendered and is anticipated to commence on site at the beginning of April and due to be completed in October 2008. The costs of re-modelling the existing school building are higher than forecast, as a result consideration is being given to constructing the centre as a separate building. Due to the delays slippage of £250,000 is forecast.

Rowlatts Hill new build - The project commenced on site in December 2007 and is due to be completed at the end of April 2008.

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

Spinney Hill refurbishment /Coleman Children Centre - 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.

j) Braunstone Skills Centre

This scheme involves the construction of a new training centre, which will provide vocational training in engineering and construction. Property Services have received tenders in November 2007 and a contractor has been selected.

The scheme is due to commence in March 2008 is anticipated with completion in September 2008. The Braunstone Community Association will be providing the main grant as they are receiving the funding directly from Leicester Shire Economic Partnership. Expenditure of £230,000 is forecast.

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. Financial close for the first of four phases was reached in December. Expenditure of £12.1 million is now forecast for the current financial year, reflecting some slippage into 2008/09 of the initial foundation works consequent to the final delay in the financial close process. The overall programme build timetable remains on target with completion due in mid-2009. The current forecast for this year includes the initial cash advance paid to Millers as part of the contract agreement. Further slippage of £412,000 has been included relating to the first milestone for the ICT central Data Centre works which is now due during May 2008 in place of the end of March as originally forecast prior to financial close being reached.

7.3 **Regeneration and Culture**

7.3.1 The approved programme totals £56 million. Additions, slippage and other changes to the programme have reduced the forecast level of expenditure to £54 million. Expenditure of £34.6 million had been incurred at period 9.

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

7.3.2 Regeneration

a) Curve

The construction of the Curve Theatre in the Cultural Quarter is progressing well. Practical completion construction work is forecast to be April 2008 to allow for an autumn opening. Expenditure at period 9 was £13.7 million. As it approaches completion, final cost estimates are being prepared. It is anticipated that any final contractor claims can be met from external grant.

b) 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 site was acquired and the developer's contractor is on site. Works are progressing in accordance with the contract. Expenditure of £1.9 million had been incurred at period 9, the balance will be spent in 2008/2009 and 2009/2010.

7.3.3 Highways and Transportation

a) Integrated Transport

The approved programme totals £7.8 million, including overprogramming of £800,000. The current forecast of expenditure is £7.9 million. The main areas of additional expenditure are:

1. Walking and Cycling (£180,000) – mainly due to not receiving match funding from Sustrans as previously anticipated.
2. Speed and Danger Reduction (£65,000) - this is due to the cost of works at Imperial Avenue being more than anticipated.

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.

The construction of the Upperton Road Viaduct is progressing well. Expenditure of £10.1 million in 2007/08 is forecast of which £5.1 million has been incurred at Period 09. Completion of the construction works is forecast to be December 2008.

Slippage of £2.5 million is due to payments for statutory utilities which are to be made on completion of the works in 2008/09 and the reprogramming of construction activities.

c) Capital Maintenance & Other Highway & Transport Schemes

The latest forecast of expenditure is £2.6 million of which £1.6million has been spent.

Progress on other schemes has been good as detailed below:

Progress has been good with the Bridge works completed on Coleman Road, Uppingham Road and St Margaret's Way northbound and southbound. Reconstruction of Fosse Road South has been completed. Hastings Road resurfacing is planned for Jan 08. Construction work on Spencefield Lane has been delayed to 2008/9 in order to fund emergency works on Glenbourne Road.

Street Lighting column replacement is now well underway with 60% started and the remainder is committed. Work is also well underway on the traffic signal renewal works with 6 out of the 10 schemes completed and the remainder starting in February 2008.

The impact capital maintenance has had on the condition of roads and footways has been reported in programme monitoring reports. Footway condition has improved as a consequence of additional resources.

d) Local Environmental Works

In July 2007 Cabinet approved a programme of works totalling £380,000. This allocation is available to fund minor environmental works such as laybys, verges and improvements to land. Works for phase one of the 2007/08 programme have started after discussions with local Councillors and residents.

Cabinet approved £250,000 on 7th January 2008 for Phase 2 work. Due to time constraints only 60% of the programme is forecast to be completed in 2007/08. Slippage of £100,000 is required to fund the remaining schemes in 2008/09. Design work is progressing on these schemes.

e) Regeneration Schemes

The City Centre Development scheme is improving the infrastructure of the city centre by undertaking resurfacing works, improving lighting and installing new seating and litter bins.

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

1. Hotel Street – Granite laying completed with the Liberty statue now in place.
2. Market Place Approach Square and Granby Street – these works commenced on site in September 2007 (City Highways) and are scheduled to complete in September 2008.
3. Granby Street North – this scheme will start on site in February 2008.
4. High Street, Carts Lane, and Clock Tower are generally proceeding to programme. Drainage works are also proceeding well and according to plan. Balfour Beatty is currently projecting to complete all works by late July 2008.
5. Wayfinding - All the signing measures, including the pedestrian signing scheme and electronic kiosks are on programme to be delivered before September this year.
6. Loseby Lane and Belvoir Street - Designs of the schemes are being progressed.
Expenditure at period 9 totalled £4.3million.

f) Improvements to the Waterside & Abbey Meadows Area

On 15 November 2007 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 total resource level of £2 million. This will provide improvements to the Waterside area, Abbey Meadows and the Science Park; the scheme designs are in progress.

Slippage of £500,000 is forecast relating to a delay in the contractor starting on site and progress being slower than anticipated on Bath Lane works of the Waterside scheme. Expenditure at period 9 totalled £534,000.

g) Cultural Quarter Projects

This project relates to street improvements in the area and includes a number of schemes with expenditure of £2.6 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 progressing well and due to complete by September 2008. Expenditure of £1.47 million had been incurred at period 9.

7.3.4 Cultural Services

a) Leisure Centres

Expenditure of £244,000 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. It is anticipated that majority of the costs will be incurred in the final quarter. Slippage of £10,000 into 2008/09 relates to the retention payment.

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 9 was £171,000.

7.3.5 Environmental Services

a) Playground Equipment Replacement and Improvement

Consultation on the first four sites Gooding Avenue, Gilmorton Avenue, Sharmon Crescent and St. Helens Close has been completed and equipment has been ordered for installation. It is anticipated that £75,000 will be spent this financial year which has resulted in a slippage of £125,000 into 2008/09. Slippage on the programme has occurred due to difficulties in recruiting a design officer to administer the works and corporate procurement guidance over purchase of equipment.

b) Adventure Playground Equipment (Braunstone Park)

Leicester City Council was unsuccessful in a funding bid to SITA, and as a consequence the scheme is being redesigned to take account of the available funding. Due to the above delays, by the end of this financial year approximately £15,000 of the project costs will have been spent. The remaining £135,000 will be slipped into 2008/09.

7.3.6 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.

Good progress is now being made and it is anticipated that the programme will be fully spent by the end of the financial year. A project officer has been appointed and two landscape architects are working on the programme. All of the required consents and licences have been secured including scheduled monument consent, a waste management licence and land drainage consent.

City Highways have been appointed to implement the remainder of the programme to ensure completion by the end of the financial year. Forecast expenditure is £171,000 and expenditure of £23,000 has been incurred

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 £104,000 which will be spent on Highway Consultants fees and management costs. Slippage of £196,000 has resulted as studies from consultants are required to enable an outline planning application to be submitted. A dedicated team will work on this project on a full time basis.

7.4 Adults and Housing

7.4.1 Housing

Expenditure of £30.464 million is forecast. Additions to the programme of £1 million have been offset by reductions of £998,000. The majority of the programme relates to works to improve housing stock in order to achieve the "Decent Homes Standard" and separate reports monitoring performance clearly indicate the impact this spending has had on improving the level of decent homes. 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 is currently £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. The original programme set an ambitious target for the number of properties to be upgraded this year. The tendering process made it clear that the capacity for this level of work was not available and the budget was scaled back to a more realistic level. Progress since then has shown that a

further reduction can be made in the budget which has been reallocated under delegated authority to those schemes needing greater resources.
Based on current progress, the programme has been reduced by £650,000 to £2.3 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 £400,000 to £7.1 million to ensure planned targets are achieved.

d) Disabled Adaptations

This is a £1.2 million per annum programme to make adaptations to meet the needs of disabled tenants. The provision has been increased by £200,000 to meet the demand. Expenditure at period 9 totalled £374,000.

e) Replacement of Radio Alarm System

It is intended to use mobile technology to improve the efficiency of the workforce. Visits to other authorities have taken place to assess the effectiveness of the proposals and a trial scheme will be implemented this financial year using revenue funding. The full scheme will now be introduced in 2008/09 at a full cost of £348,000.

f) St.Peters Balcony

Surveys revealed that some balconies on the St Peters are in urgent need of repair and steps were taken to reallocate funds under delegated authority so that work could start as a matter of urgency. The contract has now been awarded and work started with a view to completing as much work as possible before the end of this financial year. The cost is estimated to be £600,000.

g) 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.

h) 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 9 totalled £1.1 million.

i) 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. Provision has been made for houses to 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. Additions of £6,000 and slippage of £102,000 is forecast reducing forecast level of expenditure to £1.72 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, kitchen equipment and carpets. Expenditure of £92,000 had been incurred at period 9.

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 by the end of the year; expenditure of £135,000 has already been incurred.

c) Learning Disability Day Centre Modernisation

Expenditure of £77,000 is forecast with a slippage for £53,000. In addition a sensory garden at Hastings Road i.e. water feature, bushes and plants is planned for which costs have been evaluated and the commissions raised. Sensory gardens have been successfully been completed at Layton House. Slippage of £53,000 relates to retention from Phase 1 works and further works on Phase 2.

d) 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 £147,000 had been incurred at period 9.

e) 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 £447,000 has been incurred at period 9.

f) Crime And Disorder

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

Alley Gates - It is anticipated that the budget of £100,000 will be spent in this financial year.

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 – works are progressing well all costs will be accounted for in this financial year.

g) Highfields Centre

Building work is now complete. A further £82,000 will be spent on recording equipment for the centre, which concludes the project.

h) Manor House

The refurbishment of the Manor House centre is proposed.

Feasibility studies are being undertaken, £1,000 will be adequate to fund this. The future of Manor House remains uncertain. It is anticipated that most of the expenditure will be incurred in 2008/09. Slippage of £49,000 is required to fund this.

7.5 Resources

The approved programme totals £6.7 million. The level of expenditure at the end of period 9 was £3.1 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 March 2008. It is now anticipated that majority of the costs will be incurred in 2008/09 as a result expenditure of £167,000 is forecast to slip.

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 and a report and is expected to be taken in May 2008. Expenditure of £907,000 has been achieved this year against a revised budget of £1.676 million. Slippage of £549,000 relates to the decision taken to delay works to B Block reception, Pilot House and York Road to facilitate vacating Welford House and to enable further options to be explored to ensure best use

of the available funds in providing current services elsewhere. In addition works to the ground floor of Sovereign House have been delayed due to a change in the specification and additional works added to the Town Hall contract, these have been contained within the original contract price.

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. Staff moves from the second floor of Phoenix House have taken place. Refurbishment to the second floor has commenced and is due to complete end of February.
4. Sovereign House - works to refurbish the third and ground floors have been successfully completed. Ground floor remains to be completed and it is envisaged that the refurbishment will be completed by April 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 May 2008 will provide various options relating to the future of New Walk Centre.
6. A Block - A1 & A2 - Final layouts of these floors have still to be agreed.
7. B Block - The refurbish of B1 is now complete and the Director of CYPS is taking the opportunity to relocate those staff who are critical to the success of improving educational standards within schools. Works to the ground floor of B Block refurbish will start in April.
8. The following schemes were approved by Cabinet on 10th December at a total cost of £0.465 million.
 - Appointment of Specialist Advisers
 - B3 Urgent Works

Council at its meeting on 31st March has previously approved capital expenditure of £29,676,000 for improvements to CLABs subject to Cabinet approving detailed proposals. To date, Cabinet has authorised expenditure from this budget of £7,798,000 for items such as improvements to the Town Hall, 16 New Walk, Phoenix House and fit out at Wellington House.

To date, expenditure of £5,275,000 has been incurred on the CLABs review, though a review of likely future expenditure and commitments indicates that currently there is an anticipated overspend of £238,000 on the schemes that make up the released budget of £7,998,000 which includes an additional £200,000 approved for the Data Centre under the urgent action procedure. Cabinet approval is therefore sought to increase the released budget to £8,236,000.

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 £1.375 million 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 in December. The technical installation has been completed. Workshops are now in progress as part of the preimplementation configuration design and workflow specification. The pilot scheme will go live in May 2008. Expenditure of £191,000 is forecast.

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.

Work has been commissioned throughout the year and progress is being made, however, due to the design of some schemes taking longer than anticipated, delays in delivery of some items and late approvals of some schemes slippage of £377,000 is forecast.

e) Glenfield Tunnel

The purpose of the work is to carry out essential strengthening work to the tunnel. Following a number of technical difficulties, the contract period was extended until 24 February 2008. Due to bats being found in the tunnel work had to be suspended. It is hoped to recommence on site in April 2008 with completion in June 2008. Slippage of £120,000 is to cover the cost of works in 2008/09.

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 £916,000 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. £1.2 million has been achieved to date .

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). £12.5 million has been achieved to date.

- 8.2 In both cases it is anticipated that the target will be met. However, the target for non-housing receipts is dependant upon a small number of high value disposals. Should these not be achieved on time, receipts will instead be realised in 2008/09 - this rephrasing can be accommodated without impact on spending.

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
Curve	2,902	9,000
Centrally Located Admin Buildings	2,225	10,521
City Centre Improvements	4,770	2,070
Improvements to Waterside & Abbey Meadows	0	2,065
Digital Media Centre	0	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>19,369</u>	<u>35,058</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</u> <u>Unsupported</u> <u>Borrowing</u> £000	<u>Gross</u> <u>Revenue</u> <u>Expenditure</u> £000	<u>Cumulative</u> <u>unsupported</u> <u>borrowing</u> as % of GRE
General Fund			
2005/06 (actual)	12,609	694,649	1.8%
2006/07 (actual)	19,572	729,833	2.7%
2007/08 (forecast)	31,036	722,111	4.4%
2008/09 (forecast)	62,778	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 Curve, Centrally Located Administrative Buildings and property maintenance is forecast in that year.

Housing Revenue Account

2005/06 (actual)	15,760	62,647	25.2%
2006/07 (actual)	20,487	64,051	32.0%
2007/08 (forecast)	23,865	65,017	36.7%
2008/09 (forecast)	23,841	68,670	34.7%

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

General Fund £3.4 million

Housing Revenue Account £1.988 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 – 29 January 2008

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