

Leicester
City Council

Cabinet
Scrutiny Committee

25 February 2002
VARIOUS

2001/02 CAPITAL PROGRAMME MONITORING - PERIOD 8

Report of the Chief Financial Officer

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to show the summary position of the capital programme for 2001/02 up to the end of November (period 8).

2. SUMMARY

- 2.1 This is the second report relating to the 2001/02 capital programme, following a report of the position at the end of August (period 5).
- 2.2 Improvements have been made to the management of the capital programme in 2001/02 as a consequence of a review of previous years processes. All scheme are now underpinned with milestone information in order for a better view of projected spend to be made. An officers' group has also been established to support the process. The new system of monitoring includes assurance statements from directors about the position regarding their schemes.
- 2.3 The attached supporting information and table summarises the position relating to all areas of the programme.
- 2.4 Each Scrutiny Committee will receive a report in the current cycle, consisting of this covering report and separate appendices showing the capital programme in relation to their portfolio of responsibility. Cabinet and Finance, Resources and Equal Opportunities Scrutiny Committee are receiving reports in respect of the full corporate position.
- 2.5 The originally approved capital programme for 2001/02, as approved by Cabinet in February 2001, totalled £69.082 million. Following approval by Cabinet on 19th November, this was amended to £66.005 million.

- 2.6 The current forecast level of expenditure at the end of the year is £64.363 million as shown below.

Period 5	£000
Original Approval	69,082
Approved Changes/Additions	5,171
Slippage	(8,471)
Additional spending	223
Period 5 Forecast:	66,005

Changes at period 8:	
Proposed additions	867
Slippage	(2,583)
Additional spending	74
Period 8 Forecast Outturn	64,363

- 2.7 The actual level of expenditure to the end of November 2001 totalled £31.878 million, which represents 49.5% of the projected spend for the year. This can be compared to 45.2% at this time last year.
- 2.8 The programme is dependent upon the Council achieving capital receipts (non-housing) of £4.755 million in 2001/02. Significant progress has been made towards this target since previously reported. As of 21st January, £3.4 million had been realised this financial year, and it is anticipated the target of £4.755 million will be achieved, although this cannot be guaranteed.

3. RECOMMENDATIONS

- 3.1 The Cabinet is recommended to:
- i) approve a revised level of programmed expenditure of £64.363 million, including rephasing of a further £2.583 million into 2002/03.
 - ii) note the level of expenditure to the end of November 2001 of £31.878 million.
 - iii) note the position relating to capital receipts.
 - iv) Approve the use of £366,000 of monies for feasibility studies to be spent on project management costs associated with the cultural quarter.
 - v) approve the following additions to the capital programme:-
 - Class size reduction initiative – £18,000, to be funded by an increase in specific grant funding.
 - Specialist college status in respect of Hamilton Community College and Sir Jonathan North School of £200,000 to be funded by specific grant.
 - Public Transport Interchange (PTI) £27,000, to be funded by an additional SCA.
 - Sure Start expenditure of £222,000 to be funded by additional sure start grant.

Finance, Resources and Equal Opportunities Scrutiny Committee is asked to note the position and to make any comments it sees fit to make.

4. FINANCIAL and LEGAL IMPLICATIONS

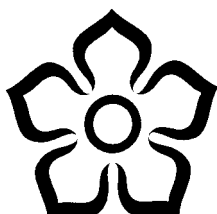
4.1 This report is concerned solely with financial issues.

5. Report Author/ Officer to contact:

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Financial Strategy

Gary Cox
Accountancy

**MARK NOBLE
CHIEF FINANCIAL OFFICER**



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2001/02 CAPITAL PROGRAMME MONITORING - PERIOD 8

Report of the Chief Financial Officer

SUPPORTING INFORMATION

1. SUMMARY

- 1.1 This report is the second capital monitoring report for 2001/02, following the report on the progress of the programme at the end of period 5.
- 1.2 This report gives information on the latest forecast outturn relating to the 2001/02 capital programme, actual expenditure to the end of November and details of key schemes. Progress in generating capital receipts is also detailed.

2. POSITION AT THE END OF NOVEMBER 2001 (PERIOD 8)

- 2.1 The overall financial position for each department is shown in Appendix 1.
- 2.2 The latest forecast outturn is £64.363 million.
- 2.3 The slippage and rephasing of £2.583 million relates to the following areas

	£000
Arts & Leisure	213
Education	188
Environment and Development	1,793
Housing	180
Social Services	(18)
Town Clerks and Corporate Resources	227
	2,583

- 2.4 Of the slippage of £2.583 million, £1.636 million relates to schemes dependent on third parties over which the Council has limited control.
- 2.5 The majority of slippage can be explained with reference to the specific programme areas detailed below. None of the projected slippage will result in any loss of resources to the Council.

- 2.5.1 Arts & Leisure – Project management and feasibility studies relating to Braunstone Leisure Centre and the Cultural Quarter, totalling £279,000. Revised project management arrangements have been agreed and funding has been adjusted to cover the expected expenditure profile.
- 2.5.2 Education – Sports Lottery project at Highfields Youth and Community Centre; slippage of £100,000.
- 2.5.3 Environment & Development - £965,000 for the Places of Worship scheme, which has been affected by a delay in reaching agreement with the third parties involved.
- 2.5.4 Single Regeneration Budget funding - slippage of £988,000 in SRB6 in respect of a delay by a third party to purchase land and buildings, partly offset by bringing forward other projects, totalling £417,000, in SRB5.
- 2.5.5 Town Clerk's – the Town Hall scheme has been delayed because of awaiting Listed Building Consent and has resulted in slippage of £130,000.
- 2.5.6 Net slippage of £180,000 will be achieved in the Housing capital programme in order to compensate for faster than expected spending in 2000/01.

3. PROPOSED CHANGES

- 3.1 Approvals are sought for the following changes to the capital programme.
- 3.2 Sure Start capital - a further increase in Grant funding in 2001/02 of £222,000 relating to projects for Safe & Healthy Homes and GAP for Teenage Parents.
- 3.3 The balance of funds of £366,000 allocated for project management costs relating to the Cultural Quarter, to be spent in 2002/03.
- 3.4 Grant funding of £200,000 for Specialist Technology Status at Hamilton Community College, and Specialist Arts Status at Sir Jonathan North School.
- 3.5 An increase of £18,000 in the grant for Class Size Initiative for work at Whitehall Primary School.
- 3.6 £27,000 for Public Transport Interchange (PTI), to be funded by an additional supplementary credit approval.

4. CAPITAL RECEIPTS

- 4.1 The target for capital receipts is £4.755 million in 2001/02, including slippage from last year of £0.755 million, with a further target of £3 million from operational property by 2002/03. In addition, there is also a

commitment to transfer £1.6 million to EMDA (either by way of land or cash) as a result of the relocation from Abbey Meadows.

- 4.2 As at 21st January, the actual capital receipts raised in the current financial year is £3.4 million, which represents significant progress from the position reported at the end of period 5 when only £215,000 of receipts had been raised. In addition, further completions of £2.3 million are also anticipated in the near future, the majority of which should occur before the end of March. There is also another capital receipt of £2 million that may be realised soon. Thus, the outturn for capital receipts could be up to £7.7 million in the current year, though this is dependent upon a number of sales which may or may not be completed before 31 March. It is therefore very likely that the target of £4.755 million could be exceeded for 2001/02, but this is not guaranteed.
- 4.3 The operational target of £3 million by 2002/03 has to be regarded as extremely challenging. This latter target is crucially dependent upon a few significant disposals.
- 4.4 It should be noted that any under achievement of operational property receipts should be made up from further sales of investment property.

5. CONSULTATION

- 5.1 All Departments have been consulted in the preparation of this report and have provided explanations on their spending programme.

6. FINANCIAL, LEGAL and OTHER IMPLICATIONS

- 6.1 This report is concerned solely with financial issues.

Other Implications	Yes/ NO	Paragraph referred
Equal Opportunities	No	-
Policy	No	-
Sustainable & Environmental	No	-
Crime & Disorder	No	-
Human Rights Act	No	-

2001/02 CAPITAL PROGRAMME

APPENDIX

1

Department	Approved Programme (at period 5)	Proposed Revisions	Slippage / Rephasing	(Savings) / Overspends	Revised Forecast Outturn	Payments to the end of Nov 2001	Payments as a % of Forecast Outturn
	£'000	£'000	£'000	£'000	£'000	£'000	
Arts & Leisure	1,409		(213)	(29)	1,167	548	47%
Education	20,514	218	(188)		20,544	13,123	63.9%
Environment & Development							
Environment	1,464	(200)	(72)		1,192	311	26.1%
Property & Regeneration	1,673	600	(1,101)		1,172	104	8.9%
Transport	8,520	27	(17)		8,530	3,944	46.2%
Single Regeneration Budget	5,911	222	(603)		5,530	1,835	33.2%
Housing	24,818		(180)		24,638	11,281	45.8%
Social Services	603		18	103	724	217	30.0%
Town Clerks & Corporate Resources	1,093		(227)		866	515	59.5%
TOTAL	66,005	867	(2,583)	74	64,363	31,878	49.5%

