

Leicester
City Council

RESOURCES AND CORPORATE ISSUES SCRUTINY COMMITTEE	11 January 2007
HIGHWAYS & TRANSPORTATION SCRUTINY COMMITTEE	17 January 2007
ENVIRONMENT AND CULTURE SCRUTINY COMMITTEE	31 January 2007
ECONOMIC DEVELOPMENT & PLANNING SCRUTINY COMMITTEE	18 January 2007
CABINET	15 January 2007

2006/07 CAPITAL PROGRAMME MONITORING - PERIOD 7

Report of the Chief Finance Officer

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update Members on the progress of the capital programme for 2006/07 up to the end of October (period 7).
- 1.2 Further reports will be produced showing the position and the forecast as at the end of December (period 9) and the end of the year.

2. CAPITAL PROGRAMME PERFORMANCE

- 2.1 This report compares the current forecast level of expenditure with the originally approved programme.
- 2.2 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 the Resources and Corporate Issues Scrutiny Committee are receiving reports in respect of the full corporate position.
- 2.3 The currently approved capital programme for 2006/07 totals £113 million.
- 2.4 The current forecast level of expenditure for 2006/07 is £103 million as shown below:

	£000
Approved Programme	113,097
Additions	1,874
Expenditure Brought Forward	358
Reduction	(2,800)
Slippage	(8,699)
Savings	(166)
	<u>103,664</u>

This forecast expenditure relates to the following areas:

	£000
Childrens & Young People	16,808
Regeneration & Culture	42,385
Housing	34,626
Adult & Community Services	1,309
Resources	8,536

3. SUMMARY

- 3.1 The actual level of expenditure at the end of October 2006 totalled £44.7 million. The expenditure to date represents 43% of the projected spend for the year.
- 3.2 The capital receipts (non-housing) target is £3.6 million for 2006/07. Receipts of £2.9 million have been raised to date in 2006/07. It is anticipated that the target will be met but the position will continue to be monitored.

4. RECOMMENDATIONS

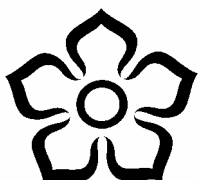
- 4.1 Cabinet is recommended to:
- i) approve a revised level of programmed expenditure of £103.6 million;
 - ii) note the level of expenditure to the end of October 2006 of £44.7 million;
 - iii) approve the increased cost of the Braunstone Schools Amalgamation scheme of £519,000 to £12.068 million;
 - iv) approve meeting the increased cost of the Braunstone Amalgamation scheme and the shortfall in Childrens Centre funding totalling £599,000 from the increase in proceeds of disposals of the existing site;
 - v) approve an increase of £300,000 for the City Council's contribution to an additional shredder unit at the Bursom waste plant;
 - vi) approve the additions to the CLABS programme as detailed in paragraph 4.6.2 of the Supporting Information increasing the total approved sum to £4.978 million;
 - vii) note the decision relating to Hamilton Footbridge and approve a potential increase in the City Council contribution of up to a maximum of £81,334;
 - viii) note the position relating to capital receipts;
 - ix) note that forecast capital programme performance is 93% of the approved programme (excluding any additions or expenditure brought forward) compared to a target of 90%; and
 - x) note the prudential indicators for 2006/07.

- 4.2 Scrutiny Committees are asked to consider issues affecting their portfolios and make any observations to Cabinet as they see fit.
- 4.3 Resources and Corporate Issues Scrutiny 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.

5. HEADLINE LEGAL AND FINANCIAL IMPLICATIONS

- 5.1 This report has been discussed with Peter Nicholls (Service Director – Legal Services); there are additional no legal implications.
- 5.2 This report is concerned solely with financial issues.

Mark Noble
Chief Finance Officer



Leicester
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WARDS AFFECTED
All wards

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**SUPPORTING DETAIL - CAPITAL MONITORING 2006/07 – Period 07
REGENERATION AND CULTURE DEPARTMENT**

Report of the Chief Finance Officer and the Director of Regeneration and Culture Department.

1. SUMMARY

- 1.1 The report provides an update on the progress of the capital programme for 2006/07, a forecast outturn, and shows actual expenditure to the end of October 2006, See Appendix A.

2. CAPITAL EXPENDITURE FORECAST AT PERIOD 07

- 2.1 The approved programme totals £47.3 million. Additions, slippage and other changes to the programme have reduced the forecast level of expenditure to £42 million. The reasons for the change are detailed below.

2.2 Slippage

Total slippage amounts to £5.4 million (Appendix A) and relates to: -

(a) Performing Arts Centre - The forecast level of expenditure has reduced from £22 million to £18 million. Expenditure of £4 million is forecast to slip into 2007/8 due to delays in the completion of construction work.

(b) St George's Infrastructure - This project has commenced work on Halford Street and Charles Street, however, there will be slippage of £1.012 million on the overall scheme of works. Work is continuing on Charles Street along with the drawings for the next phase of works.

(c) Marketing Costs – Slippage of £400,000 relates to the Big Picture Marketing Campaign, which covers all of the City Centre capital Developments. The phasing of this expenditure over the next 3 years has yet to be determined, however the current estimate for 2006/07 is £50k.

(d) Markets Food Court - Slippage of £60,000 is forecast due to problems in issuing tenders resulted in delays. Tenders now scheduled to be sent out in December 2006 and work is expected to start in February 2007.

(e) Museum Collection Facility – The Slippage of £155,000 is being carried over to 2007/08 to match fund a bid for use in further improvements to Museum Collection Facility.

2.3 Underspend / expenditure brought forward – this mainly relates to:

(a) Bridge Refurbishment - Expenditure of £158k is to be brought forward due to additional and more complex works required on the Braunstone Lane East Bridge together with the need to maintain vehicular and pedestrian traffic, it is anticipated that Bridge Refurbishment funding of £158,000 will need to be brought forward from 2007/8 to fund the total cost of these works.

(b) Integrated Transport Block - The approved programme totals £6.9 million; the current forecast is £7.3 million at the end of the year. As in previous years, more transport schemes than necessary have been identified and planned to enable spend to be managed such that by the end of the year actual expenditure matches the resource level. Any overspend at the end of the year will be funded from resources carried forward from 2005/06 to 2006/07 and the 2007/08 allocation.

2.4 Additions – Total additions to the capital programme amount to £724k and this mainly relates to:

(a) Digital Media Centre - An additional £224,000 for feasibility costs has been included in the programme (increasing the forecast outturn to £305,000); this is for feasibility costs only. The cost is to be funded by external sources (LSEP and a private contribution). A proposal for the

complete project is to be submitted to a future meeting of Cabinet if the feasibility work is successful.

(b) City Wide Allotments Strategy – In September Council approved an increase in the capital programme of £1,045,000 relating to the Citywide Allotment Strategy. Expenditure of £200,000 is forecast in 2006/07.

(c) Waste Performance and Efficiency Grant - Approval is sought for additional expenditure of £300,000 to joint fund, with Biffa Leicester, a new shredding facility for the refuse derived fuel produced at the Bursom Ball Mill. This will make the refuse derived fuel marketable to a wider range of users and therefore assist the Council to achieve additional income using the spare processing capacity of the Bursom Ball Mill. This expenditure is to be funded by the capital element of the Waste Performance and Efficiency Grant provided by Defra.

3. ACTUAL EXPENDITURE TO END OF OCTOBER 2006 (PERIOD 07)

3.1 The actual level of expenditure to the end of October 2006 (Period 07) totaled £16.4 million being 39% of forecast outturn. (Appendix A)

3.2 Details of the level of expenditure relating to each scheme are given in the tables at Appendix A1 to A5.

4 FINANCIAL, LEGAL AND OTHER IMPLICATIONS

4.1 Financial Implications

This report is concerned solely with financial issues.

4.2 Legal Implications

None arising directly from this report

5. OTHER IMPLICATIONS

	Yes/No	Paragraph Referred
Equal Opportunities	No	
Policy	No	
Sustainable & Environment	No	
Crime and Disorder	No	
Human Rights Act	No	

6. BACKGROUND PAPERS – Local Government Act 1972

Capital Programme Monitoring and Capital Budget papers at:
Cabinet 15th January 2007
Cabinet 09th January 2006
Capital Programme 2005/06
Capital Programme 2006/07

7. CONSULTATIONS

Capital Accountant and Operational Managers.

8. REPORT AUTHOR / OFFICER TO CONTACT:

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ANDY KEELING

ACTING DIRECTOR OF REGENERATION & CULTURE DEPARTMENT

MARK NOBLE

CHIEF FINANCE OFFICER