



Leicester  
City Council

**PERFORMANCE & VFM SELECT COMMITTEE  
CABINET**

**16<sup>th</sup> March 2011  
21<sup>st</sup> March 2011**

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**CAPITAL PROGRAMME MONITORING – 2010/11 – PERIOD 9**

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**Report of the Chief Finance Officer**

**1 PURPOSE OF REPORT**

- 1.1 The purpose of this report is to show the position of the capital programme for 2010/11 at the end of Period 9. The next scheduled report for presentation to Cabinet and the Performance and Value for Money Committee will be for outturn.

**2 SUMMARY**

- 2.1 The actual level of expenditure at the end of period 9 totalled £53.9m. This represents 55% of the revised capital programme for 2010/11 of £97.5m. At the same point in 2009/10 63% of the revised programme had been spent. Whilst just over £12.7m of slippage has now been declared since period 6, the gap between the two years is still significant and suggests that more slippage may be declared in the final months of the year. Spending has, however, slowed down due to funding cuts, particularly in respect of BSF. The main areas of slippage since period 6 have related to spend on schools (New Primary Places, School Kitchens and Integrated Service Hubs) and on Council Houses (work on Tower Block, Mobile Working system and re-wiring). Capital spending in 2010/11 has been adversely affected by the need to respond to in-year funding cuts, and the period of uncertainty this created.

- 2.2 Capital Receipts. We remain on course to meet the relatively modest capital receipts targets set for 2010/11.

**3 RECOMMENDATIONS**

- 3.1 Cabinet is recommended to:
- i) note the actual capital expenditure of £53.9m at period 9 and the relatively low level of spend at the three quarter year point.
  - ii) consider the overall position relating to the capital programme and make any observations as necessary.

**4 CAPITAL MONITORING**

- 4.1 The capital programme is split into 4 main categories:
- i) the Transport programme;

- ii) the Childrens and Young People's Services programme;
- iii) the Housing programme; and
- iv) the Corporate programme, which covers all other services.

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

- 4.2 This report details the actual level of expenditure for 2010/11 and also considers the extent to which the Council has achieved its programme of asset sales, which help fund the programme.

## 5 POSITION AT PERIOD 9

- 5.1 The overall financial position for each division is summarised in the table below (with further detail set out in Appendix A):

| <b>Division</b>                   | <b>Revised<br/>10/11<br/>Prog.<br/>£'000</b> | <b>Spend<br/>@ P9<br/>£'000</b> | <b>%<br/>Spend<br/>@ P9</b> | <b>Para.<br/>Ref.</b> |
|-----------------------------------|--|---------------------------------|-----------------------------|-----------------------|
| Social Care & Safeguarding        | 2,134  | 2,061                           | 97%                         | 6.2                   |
| Access, Inclusion & Participation | 6,505  | 3,503                           | 54%                         | 6.3                   |
| Learning Environment              | 20,889                                       | 10,997                          | 53%                         | 6.4                   |
| Learning Services                 | 1,011  | 886                             | 88%                         | 6.5                   |
| Highways & Transportation         | 12,988                                       | 6,652                           | 51%                         | 6.6                   |
| Transport Services                | 2,800  | 2,109                           | 75%                         | 6.7                   |
| Cultural Services                 | 5,943  | 4,169                           | 70%                         | 6.8                   |
| Environmental Services            | 1,391  | 251                             | 18%                         | 6.9                   |
| Planning & Economic Development   | 3,090  | 1,262                           | 41%                         | 6.10                  |
| Safer & Stronger Communities      | 404  | 154                             | 38%                         | 6.12                  |
| Adult Care                        | 192  | 18                              | 9%                          | 6.11                  |
| Housing Services                  | 19,260                                       | 10,430                          | 54%                         | 6.13/6.14             |
| Housing Strategy & Options        | 18,029                                       | 9,498                           | 53%                         | 6.13/6.14             |
| Strategic Asset Management        | 2,748  | 1,729                           | 63%                         | 6.15                  |
| Human Resources                   | 10   | 4                               | 40%                         |                       |
| Assurance & Democratic Services   | 128  | 128                             | 100%                        | 6.16                  |
| <b>Total</b>                      | <b>97,522</b>                                | <b>53,851</b>                   | <b>55%</b>                  |                       |

## 6 ISSUES ON SPECIFIC SCHEMES

- 6.1 Detailed reporting on each scheme has been provided for each division. This report summarises the position for each division.

6.2 **Social Care and Safeguarding Division (revised programme of £2.134m –  
Headline Projects including work on Children's Residential Homes and YMCA  
Re-Modelling)**

Spend of £2.061m (96.5% of approved programme). This is in line with the planned spending profiles. The main area where spend has been incurred in the Social Care and Safeguarding Division in 2010/11 is on the YMCA Remodelling project. Spend at period 9 on the project was £2.035m and no more will occur in the financial year.

The project consists of the re-modelling of the YMCA premises on East Street. The main construction work should be completed in March 2011, with the fit out works due by the end of June 2011, the project is expected to have been completed and handed over in July 2011. The grant funding for this project has been drawn down and passed onto the YMCA as per the terms and conditions of the funding. Due to work proceeding ahead of schedule we have been able to bring forward funding from the 2011/12 programme in line with the work undertaken.

**6.3 Access, Inclusion and Participation Division (revised programme of £6.505m - Headline projects including Childrens Centres, AHDC Short Break Pathfinder Grant, Youth Projects, The Childrens Play Programme and Playbuilder)**

Spend of £3.503m (53.9% of approved programme) had been incurred at the end of period 9. This is in line with the planned spending profiles. The areas where spend has been incurred in the Access, Inclusion and Participation Division in 2010/11 are:

**6.3.1 Children's Centres etc:** The full year forecast is £4.589m, with spend to period 9 of £2.457m. Children's Centres are forecast to spend the full amount of £1.37m outstanding in 2010/11, with £1.32m having been spent by period 9. Phase 3 of the programme has built childrens' centres at the Lansdowne Neighbourhood Centre, St Saviours Neighbourhood Centre, The Mayfield Centre and Alderman Richard Hallam and Kestrel Fields Schools. The Childcare Sustainability service has to achieve the ambitious target of paying out £3.2m in grants by 31 March 2011, with only £1.114m having been spent by period 9. This will be reviewed over the coming weeks as this grant ceases at 31<sup>st</sup> March 2011. Any grant not distributed by then will be subject to claw-back.

**6.3.2 AHDC Short Break Pathfinder Grant:** The full year forecast is £0.4m, with spend to period 9 of £99K. Aim Higher for Disabled Children grants are intended to provide for improvements to facilities and homes so that carers and parents of disabled children can partake in caring breaks. It is hoped that the full year's allocation of grant of £414K will be spent this year, although a legal difficulty is leading to a late revision of plans for approximately £100k of the programme.

**6.3.3 Youth Projects:** The full year forecast is £1.114m, with spend to period 9 of £0.8m.

There are a number of smaller projects within the Youth Capital Grant portfolio, but the major project is My Place at the former Haymarket Theatre with a total scheme value of £6.5m (£5m Big Lottery, £1.5m LCC). The My Place project is not now proceeding and the Lottery Board have been advised that we will not take up the grant.

**6.3.4 Childrens Play Programme:** The full year forecast is £0.354m, with spend to period 9 of £0.149m. The Council was successful in obtaining a grant from the Big Lottery Fund under the Children's Play Programme, to pay for a portfolio of play projects over 3 years. The funding is being used for 2 Open Minded Spaces, 2 Multi Use Activity Areas, a Natural Climate Play Trail, Mobile Play and 3 Play Areas. It is expected that the full year's allocation of grant of £0.354m will be spent this year.

**6.4.1 Transforming the Learning Environment Division (revised programme of £20.889m – Headline projects including Schools Devolved Capital, New Primary Places & BSF)**

The Transforming the Learning Environment Division has spend of £10.997m (52.6% of the approved programme). The portfolio of projects for the CYPS Programme is

complex and the spend profile does vary significantly from year to year depending on the start dates of the major elements of the programme. Uncertainty on the funds available for the BSF Programme and other government grant funded projects has affected the start dates of some associated projects in the CYPs portfolio. The main areas where spend has been incurred in the Learning Environment Division are;

- 6.4.2 **Schools Devolved Capital (DFC):** The full year forecast is £4.3m, with spend to period 9 of £3.127m. Spending is under the control of schools and past experience indicates an annual spend in the region of £3.5m to £4.5m. This funding will reduce by around 80% from 2011/12.
- 6.4.3 **Schools Kitchens (SK):** The full year forecast is £1.750m, with spend to period 9 of £1.049m. The forecast has slipped from period 6 by £1.039m. This is because no work can be completed on the Secondary Kitchen projects until next financial year as we await PfS approval to proceed with our BSF phase 2 projects. There have also been delays in starting work on the Northfields Primary Kitchen which has led to £0.194m worth of slippage. The funding relating to this scheme must be spent by 31<sup>st</sup> August 2011. A report will be taken to Cabinet to show how loss of funding is to be avoided.
- 6.4.4 **New Primary Places (PCP):** The full year forecast is £6.786m, with spend to period 9 of £5.870m. The forecast has slipped from period 6 by £3.668m. The main schemes with spend in 2010/11 are at Barleycroft, Evington Valley, Rowlatts Hill, St Barnabas, Rolleston and Mellor. Rowlatts Hill and Rolleston schemes are completed and were handed over in August. Evington Valley is now substantially complete. The project at Mellor has slipped (adverse weather) by £1m in the current programme. The St Barnabas project has been delayed due to the discovery of great crested newts and to discussions regarding on-going contractual arrangements with the Diocese over the future lease and use of their premises involved in the works. The total of these slippages has led to the New Primary Places programmed expenditure reducing by £3.668m in this financial year. This has led to an overall reduction from the period 6 forecast of £10.454m to £6.786m at period 9. There will be no further grant under this programme from 2011/12.
- 6.4.5 **Integrated Service Centres (ISC Non BSF):** The full year forecast is £0.4m, with spend to period 9 of £30k. Priorities and sites have been reviewed since period 6 which has led to slippage of £676k. The project incorporates 10 sites across the City – 6 School and 4 non School sites which look to provide an all access point for service users to receive a variety of Childrens' related services. The project is funded through Standards Fund and Co-Location grant which must be spent by 31<sup>st</sup> August 2011.
- 6.4.6 **Building Schools for the Future (BSF):** The full year forecast - £6.425m, spend to period 9 £391K. This broadly comprises completion of Phase 1 financial commitments £2.6m, commencement of Phase 2 works at Rushey Mead £2.410m, ISH works at Crown Hills and Rushey Mead £0.4m, provision for Development costs £1m.

Rushey Mead – It is anticipated that the contract will be signed in mid-March. The spend profile has been reviewed in the light of the current position and a total of £2,178K will now be slipped back from 2010/11 into 2011/12, this includes further slippage of £676k which has occurred since period 6.

ISH Projects (BSF) - ISH funding is reduced by £1.5m as a result of Partnerships for Schools (PfS) decision to cut the School based element from the Co-Location grant

funding (from £5.16m). The ISH programme for both BSF and non-BSF sites are being revised to reflect the reduction in funding.

Overall the forecast outturn on BSF schemes is £6.425m, compared with the original adjusted programme of £8.6m, a reduction of £2.178m. This is the effect of the slippage on Rushey Mead.

**6.5 Learning Services Division (revised programme of £1.011m – Headline projects including IT Projects and City Learning Centres)**

6.5.1 Spend of £0.886m has been incurred up to period 9 (87.5% approved programme). The areas where the main spend have been incurred in the Learning Services Division in 2010/11 are:

6.5.2 **IT Projects: Harnessing Technology:** The full year's allocation of grant of £0.687m has been passed to Schools this year. This grant was subject to an in year cut and the programme has been amended from period 6 to reflect the new balance. The funding for this programme will cease in 2011/12.

6.5.3 **City Learning Centres:** The grant is for ensuring that the two City Learning Centres are equipped with relevant equipment. £0.1m of the £0.3m allocation will slip into 2011/12. We have until 31<sup>st</sup> August 2011 to spend this grant. The grant will cease in 2011/12.

**6.6 Regeneration, Highways and Transportation Division (revised programme of £12.99m)**

6.6.1 The revised programme for Highways and Transportation schemes at period 9 is £13.0m compared to period 6 forecast of £11.8 million. The Highways and Transportation capital programme is made up of the following main areas:

| Highways & Transportation Schemes | Approved Programme Period 06 2010/11 (£000) | Forecast Expenditure Period 09 2010/11 (£000) | Expenditure to Period 09 2010/11 (£000) |
|-----------------------------------|---|---|---|
| Integrated Transport              | 7,688                                       | 9,309   | 5,034                                   |
| Capital Maintenance               | 2,355                                       | 2,328   | 1,209                                   |
| Regeneration Schemes              | 427   | 73  | 73                                      |
| Other H&T Schemes                 | 1,347                                       | 1,277   | 336                                     |
| <b>Total H&amp;T</b>              | <b>£11,817</b>                              | <b>£12,987</b>                                | <b>£6,652</b>                           |

6.6.2 **Integrated Transport** schemes now have forecast expenditure which is £1.6m higher than at period 06. This is mainly due to the addition of Granby Street Cycle Link (£1.4m) following a successful bid in European Regional Development Funds.

6.6.1 Significant Integrated Transport scheme expenditure during the period includes improvements to Sanvey Gate, Granby Street Gateway, and feasibility and design work on the new bus station. Work to improve bus flow by reducing congestion in the Mansfield Street area is complete.

Construction works on Sanvey Gate have been completed. Works on the Sanvey Gate/Woodgate junction started in January and will be completed in May 2011. Works to Burgess Street are complete. The revised estimate for the scheme is

£0.25m less than anticipated as a result of reduced service diversion costs, demolition requirements and no CPO costs.

The Granby Street Gateway works were substantially complete by 30th November 2010. The scheme was officially opened on Friday 3rd December 2010. The next phase of work, between Northampton Street and Rutland Street, is due to start in March.

- 6.6.2 Work on the schemes in the **Capital Maintenance** programme is progressing according to schedule despite the adverse weather conditions. This mainly comprised footway maintenance schemes, the completion of the Loughborough Road carriageway, the A47 Humberstone Road Quality Bus Corridor schemes and the pothole repair programme.
- 6.6.3 The renewal of the pelican crossing on Gleneagles Avenue near Soar Valley School was completed in October. Design work has started to renew the pelican crossing on Catherine Street, near Surrey Street, for the replacement of the existing signal equipment.
- 6.6.4 The works to refurbish the decking and safety barriers on the Soar Valley Way Bridge (A563) started as planned on 10th January and are progressing well.
- 6.6.5 **Regeneration Schemes (Growth Fund)** funding has been reviewed. As a result the Wolsey Island Water Tower Stabilisation Repairs (£50k) and Abbey Meadows Road & Footbridge schemes (£267k) have now been withdrawn. No agreement could be made with the owner of the Wolsey Island Water Tower to secure progress. Further funding to build the Abbey Meadows Road & Footbridge has not been identified, hence the scheme has been withdrawn. The funding for these two schemes is now being used elsewhere within the County. The St Georges North Wharf Street South scheme is now complete and the £36k savings has been re-directed to other Growth Fund capital schemes by the Coordination Group.
- 6.6.6 **Other H&T schemes.** The bulk of these schemes relate to Local Environmental Works (LEW) (£0.9m), Hot Lofts scheme (£0.3m) with the balance of £0.1 million being for Bridge Refurbishment Programme and improvements to Watercourses. There are 25 schemes in the LEW programme, of which 10 have been completed, 5 are in progress and the rest are programmed to be completed by 31st March 2011. Cabinet approved expenditure on the 2010/11 watercourse maintenance and improvement budget at it's meeting on the 7th February 2011.
- 6.6.7 As part of the Hot Lofts scheme, survey work in the Clarendon Park area is now complete and 109 properties have had insulation work completed since period 06. There are currently a further 223 properties on the waiting list for work and we are preparing to move into Catherine St, Aylestone Road, Regent Road, Jean Drive, Knighton and Rushey Mead areas. Slippage of £70k is due to lower than anticipated take up in the target areas.
- 6.7 **Vehicle Replacement Programme (approved programme of £2.8m):** the forecast has now been revised to £2.8m to include slippage from previous year. This is a programme to replace vehicles agreed with user sections for the forthcoming financial year. Expenditure of £2.1 million has been incurred in the current financial year on purchasing 122 vehicles, with a further 35 vehicles anticipated to be delivered by 31<sup>st</sup> March 2011. The Vehicle Replacement Programme is on schedule.

6.8 **Cultural Services (revised programme of £7.972m – main schemes are summarized below)**

6.8.1 Cultural services' year end expenditure forecast is now £5.9 million which is £2.0m lower than the previous forecast. This is mainly due to the City Gallery scheme which is currently on hold.

6.8.2 The programme for 2010/11 is summarised in the table below:

| Scheme                          | Approved Programme Period 06 2010/11 (£000) | Forecast Expenditure Period 09 2010/11 (£000) | Expenditure To Period 09 2010/11 (£000) |
|---------------------------------|---|---|---|
| Football Investment Strategy    | 4,666                                       | 4,666   | 3,643                                   |
| City Gallery Replacement        | 2,133                                       | 4   | 4                                       |
| Phoenix Square Equipment        | 250   | 250   | 177                                     |
| Central Libraries Consolidation | 200   | 300   | 1                                       |
| Leisure Centre Improvements     | 308   | 308   | 48                                      |
| De Montfort Hall – Box Office   | 112   | 112   | 110                                     |
| Curve                           | 150   | 150   | 111                                     |
| Other Culture Schemes           | 153   | 153   | 74                                      |
| <b>Total Culture Services</b>   | <b>£7,972</b>                               | <b>£5,943</b>                                 | <b>£4,168</b>                           |

Key points for the above programme are as follows:

6.8.4 **Football Investment Strategy.** Contractors have completed the new pavilion, flood lighting to natural turf pitch, ball court, car parking and entrance works at Mary Linwood. Progress on the 3 sites left is as follows:

- Aylestone Recreation Ground - This scheme was delayed due to unexpected discovery of a gas main. Planning approval has been granted for the revised position and work started on 17th January 2011 which is expected to take 30 weeks for completion.
- Aylestone Playing Fields – The comprehensive ecological evaluation & mitigation proposals has now been completed and issued for consultation with the statutory regulators (English Conservation and Environment Agency). Subject to the approval of the proposals, a planning application will be submitted for the development before the scheme can commence. The scheme is expected to start in July 2011, subject to planning approval.
- Hamilton Park - Hamilton Park had been delayed due to further stakeholder consultation with the partner club. The scheme is going to commence on 31st January 2011 and work is expected to take 30 weeks for completion.

6.8.5 **Replacement of City Gallery.** The scheme remains on hold.

6.8.6 **Central Libraries Consolidation.** The Central Learning & Information (Reference) Library on Bishop Street closed for refurbishment in December 2010. Key reference and information services have been temporarily moved to the Central Lending Library on Belvoir Street. A contractor has been appointed and building works have started. Works include redecoration, lighting improvements, new shelving and guiding. Expenditure of £0.1m is being brought forward from 2011/12 following the appointment of a contractor and a revised expenditure profile for the construction element of the project agreed in December 2010. The Leicester Central Library is expected to be open in spring 2011.

6.9 **Environmental Services (revised programme of £1.8m - significant projects include Spinney Hill Park Restoration Project, and Gilroes Cemetery Burial Land Extension and Cremator Replacement works).**

6.9.1 The forecast spend for Environmental Services is now £1.4m, a reduction of £0.4m since the previous forecast. The reduction relates to the Gilroes Cemetery Burial land Extension (£0.36m) and Parks Plant & Equipment (£0.05m).

6.9.2 **Spinney Hill Park Restoration Project.** Work has now commenced on infrastructure improvements, restoration of the park railings and gates, and restoration of the path network.

6.9.3 **Gilroes Cemetery Burial Land Extension.** The scheme is expected to start on site in February 2011 with the soft landscaping works. Slippage of £362k is due to unsuitable site conditions as a result of bad weather. The scheme is now anticipated to be completed in May 2011.

6.9.4 **Parks Plant and Equipment.** Ordering of plant and equipment has been delayed pending a final decision on reductions to the budget for Highways verge maintenance from 2011/12 onwards. This will determine the type of equipment that will be purchased. As a result, there will be slippage of £50k into 2011/12.

6.10 **Planning and Economic Development (revised programme of £3.56m – significant projects include Leicester Business Centre Phase IV Project, Ashton Green, Market Improvements, and Growth Fund Schemes).**

6.10.1 The approved programme for Planning & Economic Development at period 06 was £3.56m. Slippage of £494k is the main cause of a revised forecast of £3.09m.

6.10.2 **New Business Quarter 2 (NBQ2)** scheme is on hold as a result of the Government cuts announced.

6.10.3 **Leicester Business Centre Phase IV** – The works have been delayed as a result of the original tenders being in excess of the available funding. The demolition and construction works are now due to commence in February 2011 and are to be completed by October 2011, hence £494,000 will be slipped to 2011/12.

6.10.4 **Ashton Green** - The project received outline planning approval on 20 December 2010. This will enable the developer procurement process to continue leading to development delivery from 2012. A funding strategy is being developed for 2011/12 and 2012/13. The expenditure incurred relates to the outline planning application process and further work on ecological impact.

6.10.5 **Market Improvements** - This scheme consists of a package of improvements to the City Centre Retail Market costing £600,000. The Canopy Removal element is expected to cost £401k. The contractor has been appointed and commenced site works on 10 January for completion in March. The remaining £199k improvements include works to the indoor market toilets, a new baling machine and new dismountable stalls. These other improvements are also due to be completed by March.

6.10.6 **Growth Fund Schemes** – Ground surveys were completed in December on the Rally Park and Abbey Meadows Strategic Greening Infrastructure scheme. Work has commenced at Abbey Park Road and will progress towards the Space Centre. Both projects are due for completion in December 2011.



6.11 **Safer & Stronger Communities Division (approved programme of £404k – including Belgrave NC £54k, Community Centres £13k, Safer Stronger communities fund £66k, Leicester & Leicestershire Multi Access Centres £272k)**

6.11.1 Spend of £154k has occurred at period 9 (38% of approved programme). This is lower than planned spend profiles and is due in the main to spend being put on hold while confirmation was received on the amount of grant funding for the Safer Stronger communities fund and Leicester & Leicestershire Multi Access centres. All schemes are forecast to spend as per approved programme.

6.12 **Adult Care Division (revised programme of £192k, including EPH's, Intermediate Care, ICT Investment, Adult Social Care IT Infrastructure and Mental Health SCER)**

6.12.1 Spend of £18k (9% of approved programme). This is much lower than spend profiles and is a result of significant slippage occurring on:

- ***The Dementia Centres project*** (£130k). This is because the project has been put on hold whilst the DOH reviews the deliverability assessment.
- ***ASC IT infrastructure*** (£150k). The project has slipped to 2011/12. Funding has been switched to mobile working for Social Workers and orders will be placed in March/April 2011.
- ***ICT Investment*** (£70k). Spend will now occur in the early part of 2011/12.
- ***Mental Health SCER*** (£125k). Bids have been received but are being revised by projects in the light of Central Government budget cuts.

6.13 **Housing Services Division (revised programme of £19.26m – headline projects include replacement kitchens and bathrooms/ central heating boilers / wiring, disabled adaptations and environmental works all on Council Houses)**

6.13.1 Spend of £10.4m has occurred at period 9 (50% of approved programme). Slippage has been declared on a number of projects including Framland House Tower Block (£800k), the replacement radio system and mobile working project (£450k) and Rewiring (£300k). These are due to a combination of contractor and staff resourcing issues. Otherwise project officers have stated that the revised programme will be achieved.

6.14 **Housing Strategy & Options Division (revised programme of £18.03m – headline projects include the New Build Challenge Fund Project, Disabled Facilities Grants and Decent Homes Grants)**

6.14.1 Spend of £9.4m has occurred at period 9 (53% of approved programme). Spend on phase 2 of New Build Challenge is now forecast as £800k higher than at period 6. Disabled Facilities Grants have slipped by £550k and Private Sector Decent Homes by £118k. Slippage is primarily due to staff resourcing issues. Otherwise project officers have stated that the revised programme will be achieved.

6.15 **Strategic Asset Management Division (revised programme of £1.37m – headline projects include Property Schemes and spend on Centrally Located Administrative Buildings (CLABs) – including New Walk Centre)**

6.15.1 Spend of £1.729m has occurred at period 9 (63% of the revised programme). £885k of additions have been made relating to the purchase of 62-64 New Walk and recently approved water hygiene and Property schemes. £415k of expenditure has

also been brought forward from 2011/12 in respect of the work on hot spots and strengthening at New Walk Centre and to some statutory completion works on the Victoria Road East/Lewisham Road Link project. A report on the Office Accommodation Strategy Board was submitted to the Cabinet on 7th February 2011. The report emphasised the need to address the structural problems at NWC and recommended 2 options for further appraisal.

## 7 CAPITAL RECEIPTS

- 7.1 The target for non-earmarked, non-housing capital receipts in 2010-11 is £500k. This is a deliberately modest figure due to the continuing stagnation in the property market. The target has been exceeded with a total of £618k achieved. No further substantial receipts are expected.
- 7.2 The target for Housing usable capital receipts to help fund the Housing Programme is £870k. Sales are on course to meet this target.

## 8 CAPITAL MONITORING TARGETS

- 8.1 In October 2003 Cabinet agreed a performance target for capital expenditure of 90% of the original programme, excluding schemes where there is significant 3<sup>rd</sup> party involvement.
- 8.2 For programmes excluding those schemes with significant 3<sup>rd</sup> party involvement and additions/budget reductions, at period nine the forecast equals 81% of programme. This has been significantly affected by the need to respond to in-year funding cuts.

## 9 PRUDENTIAL BORROWING

- 9.1 Details of schemes to be funded by prudential borrowing and the forecast level of expenditure for 2010/11 are shown on the next page:

| <b>Approved Prudential Borrowing</b>      | <b>2010/11 Pd 9 Estimate<br/>£000</b> |
|---|---------------------------------------|
| <b>Corporately Funded</b>                 |                                       |
| Accommodation Strategy (CLABs)            | 732                                   |
| Phoenix Square (provisional - retentions) | 250                                   |
| Curve (provisional - retentions)          | 150                                   |
| Football Facilities                       | 0                                     |
| <b>HRA</b>                                |                                       |
| New Build                                 | 7,533                                 |
| General                                   | 0                                     |
| <b>Spend to Save</b>                      |                                       |
| Vehicles in lieu of leasing               | 2,800                                 |
| Parks – Plant and Equipment               | 0                                     |
|   |                                       |
| Future Spend to Save – contingency        | 500                                   |
| <b>Total Prudential Borrowing</b>         | <b>11,965</b>                         |

- 9.2 Prudential borrowing for new build housing will be funded by additional income.

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

| <b>General Fund</b>            | <b>Cumulative Unsupported Borrowing<br/>£000</b> | <b>Gross Revenue Expenditure<br/>£000</b> | <b>Cumulative Unsupported Borrowing as % of GRE</b> |
|--------------------------------|--|---|---|
| 2007/08 (actual)               | 29,913   | 772,491                                   | 3.9%  |
| 2008/09 (actual)               | 53,417   | 779,889                                   | 6.9%  |
| 2009/10 (actual)               | 58,257   | 785,289                                   | 7.42%   |
| 2010/11 (estimate)             | 66,043   | 746,066                                   | 8.85%   |
| <b>Housing Revenue Account</b> | <b>Cumulative Unsupported Borrowing<br/>£000</b> | <b>Gross Revenue Expenditure<br/>£000</b> | <b>Cumulative Unsupported Borrowing as % of GRE</b> |
| 2007/08 (actual)               | 20,121   | 65,017                                    | 30.9%   |
| 2008/09 (actual)               | 19,246   | 69,057                                    | 27.9%   |
| 2009/10 (actual)               | 18,372   | 72,634                                    | 25.3%   |
| 2010/11 (estimate)             | 28,988   | 83,240                                    | 34.8%   |

## 10 CONSULTATION

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

## 11 FINANCIAL AND LEGAL & OTHER IMPLICATIONS

11.1 The report is largely concerned with financial issues.

12.2 Legal Implications – Peter Nicholls, Director Of Legal Services, has confirmed that there are no additional legal implications to those included in the body of the report.

12.3 Climate Change Implications - This report does not contain any significant climate change implications and therefore should not have a detrimental effect on the Council's climate change targets.

Helen Lansdown, Senior Environmental Consultant - Sustainable Procurement

| <b>OTHER IMPLICATIONS</b>     | <b>YES/NO</b> | <b>Paragraph referred</b> |
|-------------------------------|---------------|---------------------------|
| Equal Opportunities           | No            |                           |
| Policy                        | No            |                           |
| Sustainable and Environmental | Yes           | 6.6 & 6.9                 |
| Crime and Disorder            | No            |                           |
| Human Rights Act              | No            |                           |
| Elderly/People on Low Income  | No            |                           |
| Corporate Parenting           | No            |                           |
| Health Inequalities Impact    | No            |                           |

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Date: 15<sup>th</sup> February 2011

|                                      |                     |
|--------------------------------------|---------------------|
| <b>Key Decision</b>                  | No                  |
| <b>Reason</b>                        | N/A                 |
| <b>Appeared in Forward Plan</b>      | N/A                 |
| <b>Executive or Council Decision</b> | Executive (Cabinet) |

| Division                          | Approved Programme | Full Year Forecast Period 6 | Additions    | Budget Transfers/ (Reduction) | (Slippage)      | Overspend/ Payments Brought Forward | Full Year Forecast Period 9 | Payments to end of Period 9 | % of Spend compared to Forecast |
|-----------------------------------|--------------------|-----------------------------|--------------|-------------------------------|-----------------|-------------------------------------|-----------------------------|-----------------------------|---------------------------------|
|                                   | £'000              | £'000                       | £'000        | £'000                         | £'000           | £'000                               | £'000                       | £'000                       | £'000                           |
| Social Care & Safeguarding        | 1,519              | 1,519                       |              | (20)                          |                 | 635                                 | 2,134                       | 2,061                       | 97%                             |
| Access, Inclusion & Participation | 8,124              | 8,365                       | 458          |                               | (2,318)         |                                     | 6,505                       | 3,503                       | 54%                             |
| Learning Environment              | 27,496             | 27,544                      | 90           | 186                           | (6,931)         |                                     | 20,889                      | 10,997                      | 53%                             |
| Learning Services                 | 2,701              | 1,611                       | 125          | (449)                         | (276)           |                                     | 1,011                       | 886                         | 88%                             |
| Highways & Transportation         | 11,536             | 11,816                      |              | (353)                         | (70)            | 1,595                               | 12,988                      | 6,652                       | 51%                             |
| Transport Department              | 1,600              | 2,800                       |              |                               |                 |                                     | 2,800                       | 2,109                       | 75%                             |
| Culture Services                  | 11,813             | 7,972                       |              | (2,129)                       |                 | 100                                 | 5,943                       | 4,169                       | 70%                             |
| Environmental Services            | 3,134              | 1,803                       |              |                               | (412)           |                                     | 1,391                       | 251                         | 18%                             |
| Planning and Economic Development | 3,837              | 3,565                       | 28           | (9)                           | (494)           |                                     | 3,090                       | 1,262                       | 41%                             |
| Safer and Stronger Communities    | 142                | 404                         |              |                               |                 |                                     | 404                         | 154                         | 38%                             |
| Adult Care                        | 571                | 571                         |              |                               | (379)           |                                     | 192                         | 18                          | 9%                              |
| Housing Services                  | 22,512             | 21,061                      |              |                               | (1,801)         |                                     | 19,260                      | 10,430                      | 54%                             |
| Housing Strategy and Options      | 20,054             | 17,919                      |              |                               |                 | 110                                 | 18,029                      | 9,498                       | 53%                             |
| Strategic Asset Management        | 1,370              | 1,370                       | 885          |                               |                 | 493                                 | 2,748                       | 1,729                       | 63%                             |
| Human Resources                   | 10                 | 10                          |              |                               |                 |                                     | 10                          | 4                           | 40%                             |
| Assurance and Democratic Services |                    | 128                         |              |                               |                 |                                     | 128                         | 128                         | 0%                              |
| <b>TOTAL</b>                      | <b>116,419</b>     | <b>108,458</b>              | <b>1,586</b> | <b>(2,774)</b>                | <b>(12,681)</b> | <b>2,933</b>                        | <b>97,522</b>               | <b>53,851</b>               | <b>55%</b>                      |