

Report of the Director of Learning Culture and Children's Services and the Director of Resources

CAPITAL PROGRAMME OUT-TURN 2007/08

Summary

1 This report is to:

- inform Members of the final outturn position of the 2007/08 Capital Programme.
- advise Members of changes to existing schemes to allow the more effective management and monitoring of the Capital Programme.
- inform Members of any slippage in budgets between financial years.
- inform Members of any new schemes and seek approval for their addition to the 2008/09 to 2010/11 Capital Programme.

Background

2 The original capital programme for the financial year 2007/08 was approved at Council on 21 February 2007. Since then a number of amendments to the programme have been approved both by the Executive Member and the Executive. This has resulted in a current approved Leisure & Culture Capital Programme for 2007/08 which shows gross capital expenditure of £2.951m, with £0.811m of other funding which gives a net capital programme cost of £2.140m. The table below details the approved changes to the 2007/08 capital programme since the original programme was approved in February 2007.

	Gross Spend £m	Other Funding £m	Net Spend £m
Original Capital Programme 2007/08	4.477	0.825	3.652
Slippage and Adjustments from the 2006/07 Outturn report	0.115	0.077	0.038
Monitor 1 Adjustments	(1.591)	0.009	(1.600)
Monitor 2 Adjustments	(0.050)	(0.100)	0.050
Current Approved Capital Programme 2007/08	<u>2.951</u>	<u>0.811</u>	<u>2.140</u>

Consultation

3 Not applicable

Options and Analysis

2007/08 Scheme Outturn

4 Each major scheme in the capital programme has been reviewed to provide an assessment of its current status. Annex A shows the current approved capital programme and the outturn position for 2007/08, together with any slippage that is required to and from future financial years. Updates have been provided for all schemes, with progress and variations explained in the following paragraphs.

York Pools and Indoor Sports Provision (Overall Scheme Cost £9.669m)

5 The separate schemes within the overall Pools programme reflect the amendments which were approved by the Executive on 23rd October 2007 and reported at Monitor 2.

6 The scheme to undertake repairs at Yearsley Pool has been completed successfully and the pool has now reopened. An additional £18k is required to be transferred from the contingency budget to fund a small overspend and this will need to be brought forward from 2009/10.

7 The detailed design for the new swimming pool on the York High site has now been completed. Tenders were due to be returned and analysed by the end of May, at which point the final price for the scheme will be established. A verbal update will be given at the meeting.

8 The latest cost estimates, however, show a budget shortfall of £0.5m. Reductions in the specification and removal of some elements has reduced this gap by £0.1m, but any further cuts would mean reducing the specifications in such a way that the lifespan of the building would be significantly reduced or taking out elements that would have a serious impact on the business plan for the Centre.

9 Any budget shortfall will be an issue for the Executive to consider in the context of the overall capital programme. Options available for the Executive to consider include:

- Extending the prudential borrowing repayment period from 17 to 30 years, which is reasonable given the life expectancy of the facility (the annual repayments would remain at £130k, funded by the reduced running costs of the new facilities). This could provide an additional £470k.
- Increasing the level of corporate capital resources allocated to the project, subject to the latest position on the overall council capital programme following the 2007/08 outturn.

10 A small amount of additional fee expenditure has been incurred earlier than expected, requiring £21k of reverse slippage from 2008/09, in addition to the £50k approved at Monitor 2.

- 11 An amount of £200k was earmarked for the provision of community facilities for users displaced following the closure of the Barbican. This was slipped from the 2007/08 programme into 2008/09 at Monitor 2, as this is the earliest that this will be required. A report will be presented to the July EMAP with the various options on allocating this money.
- 12 The remaining element of the pools investment is the £2m contribution towards a pool to be built in partnership with the University of York to be opened in 2011. It is now expected that 10% will be required in 2008/09, with the remainder split equally in 2009/10 and 2010/11. The capital programme has been amended with £1.8m initially moved from the 2007/08 programme to 2008/09. The £1.8m now needs to slip back to match this new profile of expenditure.
- 13 Procurement and legal fee expenditure of £16k in relation to the overall scheme has been incurred in 2007/08. As the approved scheme budget is only £13k, a further £3k is required to be transferred from contingency and brought forward to 2007/08 to fund this additional expenditure.
- 14 Following the transfer of £18k to Yearsley Pool and £3k to Procurement and Legal Fees the contingency budget has reduced to £78k.

Museum Service Heritage Lottery Bid (Scheme Cost £1.900m)

- 15 The amount of £600k in the programme for 2007/08 now takes account of an amendment made to the profiling of the capital scheme which was approved at Leisure and Culture EMAP on 19th October 2007. At Monitor 2 a further £200k was brought forward into 2007/08 from later years of the scheduled programme in order to fund urgent repairs to the roof of the south gallery of the Art Gallery. Whilst the work has been carried out during the Spring, the payment to the Trust was not made until the beginning of the 2008/09 financial year and therefore the £200k needs to be slipped back into 2008/09.
- 16 As reported at Monitor 1 the remaining contribution of £400k has supported works to the Castle Museum and the Hospitium. In addition a long term loan has been given to the Trust in order to complete the refurbishment of the Hospitium into a conference centre.

Oaklands Sports Centre Development (Scheme Cost £1.855m)

- 17 This scheme is now complete with only retentions outstanding.

Parks and Open Spaces Section 106 Development (Scheme Cost £0.503m)

- 18 This scheme is funded from Developer contributions towards improving or providing play facilities, amenity open space and sports pitches within the locality of the development. Funding is used by the City Council directly and passed on to Local Councils and voluntary sports clubs where that body is best placed to improve or provide facilities within the catchment of the development.

- 19 This year the main projects within parks and open spaces have been at Hull Road Park where footpaths have been improved to DDA standards and new steps and handrails installed. Work has also commenced on the restoration of the old ranger hut to create a weather proof community base and classroom. These projects are being supported by a combination of Section 106 contributions, existing resources and Ward Committee funds to restore and enhance the park with the long-term aim of meeting the Civic Trust Green Flag Award standard.
- 20 These works have been completed and £2k of this budget is required to be reverse slipped from 2008/09 leaving a notional £98k for 2008/09. The exact amount to be drawn down will depend which schemes are able to be progressed during the year. Proposals currently include improvements to West Bank Park toilets, Rowntree Park tennis courts and Hull Road Park tennis and basketball facilities.

Acomb Library (Scheme Cost £0.653m)

- 21 Construction work on the improvements to Acomb Library began in August 2007 and was completed in February 2008. The centre is now open and operating successfully. A small amount of budget is to be slipped into 2008/09 to fund retention payments.
- 22 The cost of the scheme to the Leisure and Heritage Capital Programme has been reduced by £75k as alternative funding has been allocated from the Resources Capital Programme in relation to Health and Safety and the "Changing Places" project.

Scheme Additions and Transfers

- 23 There are no additional schemes to report as part of this monitoring exercise.

Corporate Priorities

- 24 The budgets covered in this report reflect the council's corporate objectives for 2007/08.

Financial Implications

- 25 As a result of the final outturn a number of adjustments to existing schemes within the programme are required. Annex A provides a complete overview of the 2007/11 Leisure and Heritage Capital Programme, taking into account the review of existing schemes set out in this report.
- 26 The result of the amendments described above is to produce a revised capital programme for 2007/08 of £2.609m funded by £0.663m of external resources, and resulting in a net cost to the council of £1.946m.

Table 2 - Summary of Amendments to the 2008/11 Capital Programme

Gross Leisure and Culture Capital Programme	2008/09	2009/10	2010/11	Total
	£m	£m	£m	£m
Current Approved Capital Programme	6.943	2.063	0.200	9.206
<u>Adjustments: -</u>				
Scheme Slippage and Reprofilling	(1.555)	0.879	0.900	0.224
Revised Capital Programme 2008/11	5.388	2.942	1.100	9.430

Other Implications

27

- **Human Resources:** not applicable
- **Equalities:** not applicable
- **Legal:** not applicable
- **Crime and Disorder:** not applicable
- **Information Technology:** not applicable
- **Property:** not applicable

Risk Management

28 There is always a degree of risk associated with operating a capital programme as schemes are developed and implemented. The key to minimising this risk is the effective operation of monitoring and control processes. This report is part of that process, where updated figures and corrective actions are proposed. There are no specific risks arising from the recommendations in this report

Recommendations

29 The Executive Member is recommended to: -

- note the updates to schemes as detailed above,
- agree the scheme reprofiling and slippage reported above and summarised in Annex A,
- subject to the latest budget position following the analysis of tenders, refer the decision on funding the expected budget shortfall on the York High Pool Scheme to the Executive,
- approve the remainder of the revised capital programme as set out in Annex A.

Reason: to enable the effective management and monitoring of the capital programme.

Contact Details

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Report
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Date 20/05/2008

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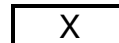
Specialist Implication Officers

Financial

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Wards Affected: *List wards or tick box to indicate all*

All



For further information please contact the author of the report

Background Papers:

Capital Programme 2007/08 Estimate, Monitoring and Final Account files

Annex

Annex A - Approved Capital Programme and Actual Outturn for 2007/08