

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

CAPITAL PROGRAMME MONITORING 2006/07 - REPORT 2

Summary

1 This report is to:

- inform Members of the likely out-turn position of the 2006/07 Capital Programme based on the spend profile and information to the end of September 2006.
- advise Members of changes to existing schemes to allow the more effective management and monitoring of the Capital Programme.
- inform Members of any new schemes and seek approval for their addition to the Capital Programme.

Background

2 The original capital programme for the financial year 2006/07 was approved at Council on 1 March 2006. A number of amendments were then approved as part of the 2005/06 outturn report and at first monitor. This has resulted in a current approved Leisure & Culture capital programme for 2006/07 which shows gross capital expenditure of £2.263m, with £1.452m of other funding which gives a net capital programme cost of £0.811m. The table below details the approved changes to the 2006/07 capital programme since the original programme was approved in March 2006.

	Gross Spend £m	Other Funding £m	Net Spend £m
Original Capital Programme 2006/07	4.305	(1.393)	2.912
Slippage and Adjustments from the 2005/06 Outturn report	0.509	(0.343)	0.166
Monitor 1 adjustments	(2.551)	0.284	(2.267)
Current Approved Capital Programme 2006/07	<u>2.263</u>	<u>(1.452)</u>	<u>0.811</u>

Consultation

- 3 Not applicable

Options and Analysis

2006/07 Scheme Updates

- 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 projected outturn position for 2006/07, together with any slippage that is required into future financial years. Updates are only provided for significant schemes with progress and variations explained in the following paragraphs.

York Pools and Indoor Sports Provision (£8.133m)

- 5 As reported at Monitor 1 the delay in the capital receipt for the Barbican site has pushed back work on the major elements of this scheme. It is now expected that only a small amount of fee expenditure will be incurred in 2006/07. It is proposed that a budget of £50k is retained to cover these costs with the remaining £427k being slipped into 2007/08.

- 6 A report detailing options for a new swimming pool for the West of the City will be taken to the Executive in December 2006. This report will focus on the options of refurbishing Edmund Wilson Pool or building a new pool on the Oaklands site.

Museum Service Heritage Lottery Bid (£1.900m)

- 7 The Museums scheme was reprofiled at Monitor 1 to reflect the presentation made by the Trust at the meeting, where their proposals for a phased improvement to the Museums over the years 2007/08 to 2009/10 were set out. These proposals utilise a total of £1.763m of the councils capital funding. The remaining £50k currently in the programme has now been approved by the Executive to be released to the Museums Trust in 2006/07 for the immediate refurbishment of Kirkgate.

Oaklands Sports Centre Development (£1.892m)

- 8 The official opening of the Sports Centre took place on 6 September 2006. Although some minor refurbishing works to the changing rooms are still required the centre is fully operational.

Parks and Open Spaces Section 106 Development (£0.289m)

- 9 At present no major works are planned for the rest of 2006/07 from the Section 106 Development budget. It is proposed that £185k of the remaining budget be slipped into 2006/07, whilst the outcome of a possible bid to the Heritage Lottery Fund over the suitability of Hull Road park for a grant under the Parks for People Initiative is awaited.

- 10 Acomb Library (£0.750m)

This scheme is planned to go out to tender early in 2007, with work scheduled to begin in the Autumn and planned for completion in January 2008. The

majority of the expenditure will now fall into 2007/08 and it is proposed therefore that £700k of the budget is slipped from 2006/07 to reflect this .

New Capital Programme Items 2007-11 (2007/08 CRAM Process)

- 11 The current approved Council capital programme runs until March 2009 and is investing over £130m in the asset base of the city, of which the council is financing over £51m through capital receipts and borrowing.
- 12 The Council is legally required to set a 3 year capital budget, however, it is proposed that the 2007/08 budget process considers a 4 year capital programme, running from 1st April 2007 until 31st March 2011. This will align it with the 4 year political cycle which runs from May 2007 until May 2011.
- 13 The current high level of capital investment, a decline in the amount of surplus assets available to sell, and uncertainty surrounding the capital receipt from the sale of land at Osbaldwick means that it would be imprudent for the Council to commit to additional capital receipt funded schemes as part of this years process.
- 14 Therefore, apart from continued investment in the rolling programme schemes beyond 2008/09, there is no additional capital receipt funding for new schemes, over and above the current approved programme, which are not fully funded from external sources.
- 15 As a result of this there are no schemes to be added to the Leisure and Culture Capital Programme as part of the 2007/08 CRAM process.

Corporate Priorities

- 16 The budgets covered in this report reflect the council's corporate objectives for 2006/07.

Financial Implications

- 17 As a result of this monitoring cycle a number of adjustments to existing schemes within the programme are required. Annex 1 provides a complete view of the 2006/10 Leisure and Culture Capital Programme, taking into account the review of all existing schemes set out in this report.
- 18 The result of the amendments described above is to produce a revised capital programme for 2006/07 of £1.001m funded by £0.642m of external resources, and resulting in a net cost to the council of £0.359m.

Table 2 - Summary of Amendments to the 2006/10 Capital Programme

Gross Leisure and Culture Capital Programme	2006/07	2007/08	2008/09	2009/10	Total
	£m	£m	£m	£m	£m
Current Approved Capital Programme	2.263	3.165	4.350	1.813	11.591
<u>Adjustments: -</u>					
Scheme Slippage and Reprofiting	(1.262)	1.312		(0.050)	-
Revised Capital Programme 2006/10	1.001	4.477	4.350	1.763	11.591

Other Implications

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

Risk Management

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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.

Recommendations

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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 1, subject to the approval of the Executive;
- approve the revised capital programme as set out in Annex 1, subject to the approval of the Executive,

Reason: in order to allow the effective monitoring of the capital programme.

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Report
Approved



Date 21/08/2006

Simon Wiles
Director of Resources

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 2006/07 Estimate and Monitoring Files