

BUSINESS SUPPORT OVERVIEW AND SCRUTINY COMMITTEE

7 FEBRUARY 2007

CAPITAL BUDGET MONITORING 2006/2007

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1. Summary

- 1.1 This report presents the capital monitoring for the period to November 2006, with an outturn forecast for 2006/2007.
- 1.2 As this report is being considered by Cabinet on 30 January, any recommendations will be reported orally to this meeting.

2. Recommendation

- 2.1 Members are requested to note the contents of the report and the progress to date towards achieving the outputs set by the capital programme.

3. Background

- 3.1 This report consolidates the capital monitoring undertaken by each directorate, which is summarised in the appendices. The textual part of each appendix provides a brief description of each scheme; and describes the progress of each, and the outputs achieved. The notes in the main body of the report, below, represent a commentary on areas of concern or items of particular interest.
- 3.2 Medway Council has a capital programme for 2006/2007 now comprising well in excess of 125 principal schemes, including a significant number rolled forward from earlier years, and the substantial regeneration programme being progressed by the Medway Renaissance.

4. Progress

- 4.1 The table below summarises the current overall expenditure on capital schemes within each directorate in the 2006/2007 capital programme. This table summarises Appendix 1. Appendices 2 to 7 show the position by directorate, with narrative from the project managers providing a more detailed explanation of the planned progress of each scheme. Table 1 shows the current outturn.

Table 1: Spend to Date

Directorate	Approved Programme	Forecast spend 2006/07	Spend and Commitments to date	Variance (is an underspend)	Approved programme forecast to spend in later years
	£'000	£'000	£'000	£'000	£'000
Chief Executive	1,776	1,776	391	0	0
Children's Services*	31,152	23,396	11,292	55	18,686
Community Services	9,388	7,069	4,516	157	2,476
Finance & Corporate Services	2,047	835	442	(41)	1,170
Regeneration & Development	73,418	48,703	30,154	2	24,717
Member's Priorities	7,597	4,616	1,896	0	2,981
TOTAL	125,378	86,395	48,691	173	50,030

*Note the Children's Services approved programme forecast to spend in later years includes some £10m relating to future year funding.

5. Specific Scheme Monitoring Issues and Completions

5.1 Children's Services

5.1.1 The directorate is currently predicting a net overspend of £55,000. Increased contributions from schools are expected which will eliminate this overspend in future monitoring reports.

5.1.2 The following schemes have now been completed:

- Chatham Grammar School for Boys – New Art Room;
- Delce Infant School – Internal Adaptations;
- Warren Wood Primary School – Nursery Building;
- Wayfield Primary School – Nursery Facilities.

5.2 Community Services

5.2.1 The directorate is forecasting an overspend on the current financial year of almost £160,000 attributable to increased expenditure on the Older Persons Plan. In addition, it is anticipated that there will be further charges for specialist work prior to completion of the Outline Business Case, the salary costs of change team staff for 2007/2008 and a half share of a Project Manager. Further funding will be considered as part of the Capital Budget proposals being reported to Cabinet on 20 February. This will enable completion of the preparatory work to bring this scheme to fruition. Capital costs of construction are intended to be met through the PFI arrangements.

5.3 Regeneration and Development

5.3.1 Rochester Riverside – the programme of major works at the site is largely on target. The visitor's viewing platform is proving popular. Expressions of interest are currently being assessed from some 20 potential developers for Phase I of approximately 550 dwellings.

5.3.2 A number of initiatives, funded from the Waste performance Grant, are worthy of report to Members:

- Extension of brown bin service;
- Trial cigarette bins;
- Trial micro bring sites;
- Trial waste disposal units in flats etc;
- Chewing gum campaign.

5.4 Member's Priorities

5.4.1 Full details of this programme are shown at Appendix 7. A thorough review of those schemes within the Community Services Directorate has been undertaken in consultation with the portfolio holder. The majority of schemes are progressing well and the opportunity has also been taken to reprofile some expenditure into 2007/2008 as detailed in the appendices. With regard to improvements to St. Georges Centre and proposed skate park at Chatham Waterfront, these will be subject to further reports to Members when detailed proposals have been formulated.

5.4.2 There are currently unallocated amounts of £60,000 and £176,500 for community sports and recreational facilities respectively.

6. New Schemes

6.1 Since approval of the capital programme, further funding has been identified for the following scheme:

- Greening the Gateway

Kent & Medway is a partnership initiative working across the Thames Gateway North Kent to promote environmental enhancements and sustainable development initiatives.

Funding has been provided from partnership funds held by KCC of £70,000 (contributions from ourselves, other Kent districts and RSPB Groundwork etc)

with a further £20,000 contribution from KCC and £10,000 from DEFRA/Natural England. In addition DEFRA/Natural England have agreed to further funding for the next three financial years to provide for the recruitment of a director plus associated cost on a 3-year, fixed term contract to increase the pace of development and to secure further funding for this initiative.

Subject to cabinet approval, this addition to the capital programme will be included in the Capital Budget proposals being considered on 20 February.

7. Funding Arrangements

- 7.1 Expenditure on capital projects is backed by cash or borrowing. The following table shows the resource allocation to support the approved capital programme as set out in Table 1. In this regard, the overspending referred to in paragraph 5.1.1 is assumed to be met from an allocation of capital receipts.

Table 2: Resources Available

Funding Source	Forecast Spend 2006/2007 £000's	Total Approved Programme £000's
Borrowing through the Single Capital Pot	13,577	13,577
Prudential Borrowing	776	776
Government Grant	51,952	86,731
Major Repairs Allowance	2,168	2,168
Capital Receipts	6,872	9,173
Developer funds/Specific reserves	4,310	5,109
Reserves	4,502	5,606
Other contributions	2,078	2,078
Unfunded Schemes	160	160
Total	86,395	125,378

8. Financial and Legal Implications

- 8.1 The financial implications are fully analysed in the report. There are no direct legal implications.

Background papers:

Report to Council 2 March 2006, Capital and Revenue Budgets 2006/2007
 Report to Council 7 September 2006, Additions to the Capital Programme
 Report to Council 7 December 2006, Additions to the Capital Programme

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