



AGENDA ITEM: 5

OVERVIEW & SCRUTINY BOARD

DATE: 12 December 2006

2006/2007 2nd Quarters Capital Outturn

PAUL SLOCOMBE: DIRECTOR OF RESOURCES

1 PURPOSE OF THE REPORT

To present the 2006/2007 2nd quarters review of the Capital Programme.

2 RECOMMENDATIONS

It is recommended that:

- a) The report is noted;
- b) Services are requested to bring forward their business case for further consideration in respect of the specific projects outlined at section 7 to the report.
- c) The revisions to the currently agreed programme are approved.

3 REASONS

The recommendations are supported by the following reasons:

The Capital Programme needs to be updated for known variations including re-profiling, changes in expenditure and changes in specific resources. The prudential system requires a planning horizon of at least three years.

To enable the total capital position of the Council to be clarified.

SUMMARY POSITION

The total of variations is analysed in the table below.

	2006/07	2007/08 & Future Years	TOTAL
	£'000	£'000	£'000
Gross Expenditure	-2,364	7,521	5,157
Earmarked Resources	557	4,614	5,171
Net Expenditure	-2,921	2,907	-14

TOTAL GROSS EXPENDITURE AND RESOURCES

Total Gross Expenditure increases by an amount of **£5,157k**. This is offset by specific additional Earmarked Resources of **£5,171k** an analysis of the services and projects that have contributed to these variations is attached at Appendix B.

6 VARIATIONS IN 2007/8 AND FUTURE YEARS – GROSS EXPENDITURE & RESOURCES

- 6.1 Gross Expenditure variations in 2007/2008 and future years amount to **£7,521k**. The increase in earmarked resources amounts to **£4,614k**.
- 6.2 An analysis of the services and projects that have contributed to these variations is attached at Appendix C.

7 REQUESTS FOR ADDITIONS TO EXPENDITURE

- 7.1 The demolition of the Stokeld's building and the creation of a visitors/disabled car park facility requires an additional £40k. The MIMA car park will meet the car park standard adopted throughout Central Middlesbrough. Executive Report of 18 March 2005 to Executive Member for Resources stated the need to consolidate the current MIMA site and prevent unsympathetic development, and secure a key link into the forthcoming Dunning Street Police Station site.
- 7.2 Provision has been made within the agreed Capital Programme to compile a stage 1 bid to the National Lottery for Stewart Park Restoration of £5m with the potential for this to increase to £15m. The initial estimate for preparing the bid was £60k. Ongoing discussions with the National Lottery case officer have suggested that further consultation work is required. It is estimated that bid

preparation costs may increase to £122k and additional design and costing work may increase by an additional £62k.

- 7.3 Children Families and learning are requesting a £488k increase in the estimated cost of the Kader Primary ICT Suite. The Executive Member for Education on 4 August 2006 approved the original scheme as part of CF&L capital programme. The scope of the scheme has been increased to include the relocation of the car park. A proposed funding package has been prepared which includes a contribution from CFL's revenue budget (schools maintenance) of (£113k), School's Devolved Formula Capital /contributions (£64k), Extended Schools' Funding (£10k), Separate Programme Element funding (£24k) and a reallocation of the Formula Funding block budget (£277k).

8 EXTENSION OF PLANNING HORIZON TO 2009/10

- 8.1 The Prudential Code sets out indicators that must be used. Necessary prudential indicators include estimates of capital expenditure looking ahead for a three-year period at least. In the next review it is requested that services extend their estimates of capital expenditure and resources into 2009/10.

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BACKGROUND PAPERS:

Reports to Executive:-

- 2006/7 1st Quarter's Capital Programme - 26th September 2006

Other reports:-

- Budget clinic reports November 2006 2nd quarter Capital Expenditure and Resources Review 2006/07 to 2008/2009