

|                         |   |   |  |
|-------------------------|---|---|--|
| <b>Subject:</b>         | <b>Targeted Budget Management (TBM) Capital Outturn 2007/08</b> |   |  |
| <b>Date of Meeting:</b> | <b>12 June 2008</b>   |   |  |
| <b>Report of:</b>       | <b>Director of Finance &amp; Resources</b>                      |   |  |
| <b>Contact Officer:</b> | <b>Name: Stuart Taylor</b>                                      | <b>Tel: 29-1074</b>                     |  |
|                         | <b>E-mail: stuart.taylor@brighton-hove.gov.uk</b>               |   |  |
| <b>Key Decision:</b>    | <b>Yes</b>  | <b>Forward Plan Reference: CAB 0008</b> |  |
| <b>Wards Affected:</b>  | <b>All</b>  |   |  |

**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT:**

- 1.1 This report sets out the capital outturn for 2007/08.
- 1.2 This report also highlights programme slippage, details budget changes and seeks approval for carry forwards to the 2008/09 programme.

**2. RECOMMENDATIONS:**

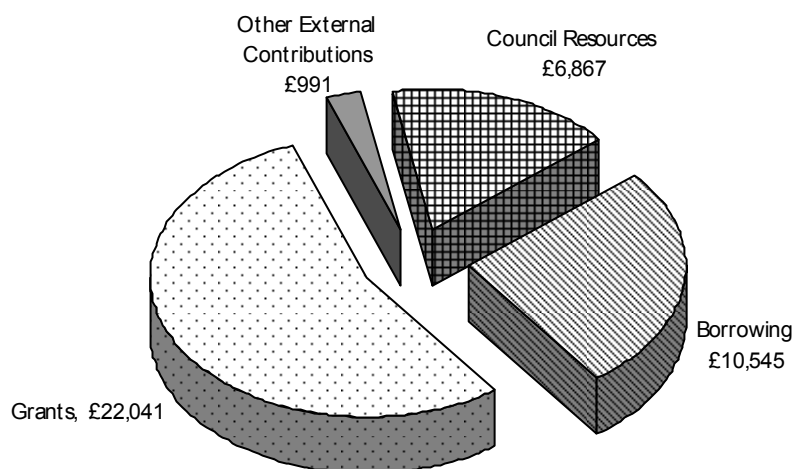
- (1) Approve the changes to the capital budget, as set out in Appendix 1
- (2) Note the programme slipped by 3.48%, as set out in paragraph 3.3.
- (3) Approve the carrying forward of 2007/08 slippage (£1.407 million) into the 2008/09 capital programme, to meet on-going commitments on these schemes.

**3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:****3.1 Capital Budget 2007/08**

On 7 February 2008, Policy & Resources Committee considered the month 9 capital monitoring report and agreed a revised capital budget of £44.939 million.

Appendix 1 to this report shows in detail the proposed changes to that budget since month 9, resulting in a final proposed 2007/08 capital budget of £40.444 million. Chart 1 shows the resources that make up that budget.

**Chart 1**  
**Capital Resources**  
**£ '000**



### 3.2 Capital Outturn

The table below shows the capital outturn for 2007/08

| Department          | Budget month 9 | New schemes | Existing schemes – resource changes | Budget re-profiling | Revised budget | Actual Outturn | Slippage into next year | Saving / (shortfall) |
|---------------------|----------------|-------------|-------------------------------------|---------------------|----------------|----------------|-------------------------|----------------------|
|                     | £'000          | £'000       | £'000                               | £'000               | £'000          | £'000          | £'000                   | £'000                |
| Cultural Services   | 1,298          | 0           | (6)                                 | (104)               | 1,188          | 1,088          | 100                     | 0                    |
| Finance & Resources | 6,190          | 41          | 10                                  | (1,235)             | 5,006          | 4,697          | 309                     | 0                    |
| ASC & HRA           | 16,731         | 13          | (124)                               | (1,241)             | 15,379         | 14,599         | 596                     | 184                  |
| CYPT                | 7,557          | 120         | (27)                                | (320)               | 7,330          | 7,108          | 165                     | 57                   |
| Environment         | 9,881          | 75          | 553                                 | (1,290)             | 9,219          | 8,982          | 237                     | 0                    |
| Sub-total           | 41,657         | 249         | 406                                 | (4,190)             | 38,122         | 36,474         | 1,407                   | 241                  |
| Schools DFC         | 3,282          | 0           | (237)                               | (723)               | 2,322          | 2,322          | 0                       | 0                    |
| <b>Total</b>        | <b>44,939</b>  | <b>249</b>  | <b>169</b>                          | <b>(4,913)</b>      | <b>40,444</b>  | <b>38,796</b>  | <b>1,407</b>            | <b>241</b>           |

The 2007/08 capital outturn is £38.796 million. A further £1.407 million of the budget is needed to complete these projects and is requested to be carried forward to the 2008/09 programme.

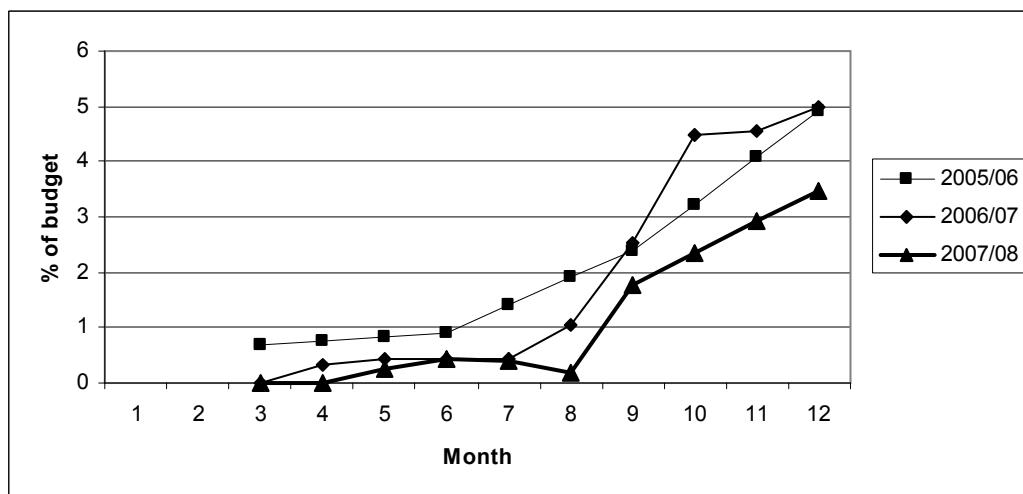
Net savings have been made of £0.241 million. This relates to two areas of the programme:

- Housing stock programme £0.184 million  
Cash incentive £0.080 million – there was no take-up of scheme in 2007/08. A further £0.080 million allocation has been made in 2008/09 budget, so this saving is to be returned to HRA reserves for future re-allocation.  
ICT fund £0.104 million - following the decision to retain the housing stock, a new ICT strategy has been in development. It has not therefore been appropriate to purchase individual solutions without fitting them into the overall strategy. This underspend will therefore be returned to HRA reserves for future re-allocation.
- Children’s Centres £0.057 million  
Savings were identified in order to allow this ring-fenced grant to be re-allocated towards the nursery class at Moulsecoomb Primary School in 2008/09. The grant can be carried forward for use in 2008/09 without the loss of funding.

### 3.3 Capital Slippage

The council endeavours to deliver its capital programme on time and within budget and as such monitors against a challenging target of spending at least 95% of the approved capital programme each year.

The graph below shows how forecasts of slippage compare to previous years



Total outturn slippage amounts to £1.407 million or 3.48% of the budget. No resources have been lost as a result of this slippage. Details of schemes with significant slippage are provided at appendix 2.

### 3.4 Requests for budget re-profiling

Delays to some projects came about as a result of factors outside of the council's control. Where this occurred, departments have requested revision of these budgets.

Departments have requested the re-profiling of £4.913 million from this year's budget, into next. Explanations are provided at appendix 3. This re-profiling will not result in the loss of any capital resources.

### 3.5 Prudential indicator for capital expenditure

Each year, the council sets a number of prudential indicators that show its capital investment plans are affordable and that borrowing levels are sustainable and prudent. For 2007/08, these were set by the council on 22<sup>nd</sup> February 2007. One of these indicators is 'capital expenditure' and in February the council set this at £43.971 million for 2007/08. This indicator helps us to demonstrate that our capital expenditure plans are affordable.

The Capital Investment Programme report, also approved in February, demonstrated how it was fully funded and affordable. The revenue effects of this programme were fully considered as part of the revenue budget setting process. This report advises Members that the capital outturn has not resulted in the council exceeding its capital expenditure indicator.

## 4. **CONSULTATION**

4.1 No specific consultation has taken place.

## 5. **FINANCIAL & OTHER IMPLICATIONS:**

Financial Implications

5.1 These are addressed in the main body of this report.

Legal Implications:

5.2 In reaching its decisions in relation to its budget, the council needs to have regard to a number of general points. It must provide the services that it is statutorily obliged to provide but where there is power to provide services, rather than a duty, it has discretion to provide such services. It must observe its other legal duties, such as the duty to achieve best value, to comply with the Human Rights Act 1998 and in relation to equalities. It must also act in accordance with its general fiduciary duties to its council taxpayers to act with financial prudence.

More specifically in relation to its capital budgets, under the Local Government Act 2003 the council is required to set a number of current and forward indicators to demonstrate that planned levels of capital investment are affordable (in terms of council tax and housing rents) and prudent and sustainable over the medium term. In addition, section 3 of the 2003 Act requires the council to determine how much money it can afford to borrow. For decisions which affect capital budgets, the indicators and borrowing limit need to be taken into account in the decision making process.

**Equalities Implications:**

5.3 There are no direct equalities implications arising from this report.

**Sustainability Implications:**

5.4 There are no direct sustainability implications arising from this report.

**Crime & Disorder Implications:**

5.5 There are no implications for the prevention of crime and disorder arising from this report.

**Risk and Opportunity Management Implications:**

5.6 There has been no specific risk assessment for this report.

**Corporate / Citywide Implications:**

5.7 None

**6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

6.1 It would be possible to consider redirecting slippage and re-profiling requests to other priorities. This is not recommended in this report as the resources were allocated to schemes by previous Member decisions and are required in order to complete the schemes the council has committed to. Some resources are also ring-fenced for a specific purpose by the sponsor.

**7. REASONS FOR REPORT RECOMMENDATIONS**

7.1 The budget changes are requested in order to begin or complete capital investment projects previously agreed by Members.

7.2 The slippage and re-profiling requests are required to be carried forward into 2008/09 in order to complete capital investment projects already committed to.

**SUPPORTING DOCUMENTATION**

**Appendices:**

1. Details of all budget changes
2. Reasons for significant slippage
3. Explanation of reasons for requested budget re-profiling

### **Documents In Members' Rooms**

1. None

### **Background Documents**

1. Information provided by directorates. Data provided from the council's General Ledger system. Files held within Financial Services and Strategic Finance, Finance & Resources

## Budget Changes

| Scheme   | £'000 | £'000         | Explanation  |
|--|-------|---------------|--|
| <b>Revised budget at 31 December 2007</b>            |       | <b>44,939</b> |  |
| <b>New schemes approved</b>                          |       | <b>249</b>    |  |
| Carbon Management Programme                          | 54    |               | Costs of in-year allocations from Carbon Management Fund. Budget Council 22/02/07  |
| Falmer City Academy Outline Business Case            | 120   |               | Costs met from DCSF grant. Project agreed Policy & Resources Committee 07/02/08  |
| Haybourne Road Traffic Calming                       | 62    |               | Latest phase of EB4U funded works to reduce anti-social behaviour and security concerns within alleyways running along backs of properties |
| Loans to Leaseholders                                | 13    |               | Being the annual transfer of right-to-buy leaseholders service charges to the capital programme  |
| <b>Existing Schemes - Change in Resources</b>        |       |               |  |
| Children's Play Programme Capital                    | -21   |               | Big lottery fund grant underspend, to be switched for use on revenue in 2009/10  |
| Cycling Demonstration Town                           | 413   |               | Use of Cycling Demonstration Town grant from Cycle England for agreed programme of works   |
| Bristol Estate Studio Space                          | -8    |               | Project underspend resulting in less ring-fenced Area Investment Fund grant being required   |
| Hove Central Library DD&A                            | 2     |               | Contribution from the revenue budget to finance project variation  |
| New Voice and Data Capability                        | 8     |               | Contribution from the revenue budget to finance project variation  |
| Hebrew Cemetery Extension                            | -2    |               | Balance of external funding not required is re-payable to funder   |
| Royal Pavilion Stoneworls Partnership                | 1     |               | Additional use of borrowing to meet minor outturn variation  |
| New Community Centres Annex                          | -4    |               | Project completed. Ring-fenced funding not available for redistribution  |
| Citywide Personal Skills Centres                     | -10   |               | Costs due to be met from a contribution from Blatchington Mill have now been met directly by the school                                    |
| NDS1 on  | -8    |               | Year-end adjustment to account for actual schools contributions received compared to budgeted  |
| Drawdowns on   | -9    |               | Project delivered under budget. Balance of unsupported borrowing not required  |
| Devolvement Capital Adjustments                      | -237  |               | Annual adjustment to capital devolved to schools, to take account of sums paid over to schools but not defrayed by them at 31st March      |
| PE & Sport Initiative                                | -9    |               | Ring-fenced New Opportunities Fund grant balance to be switched for use in revenue   |
| Estate Development                                   | -120  |               | Reduction of budget and revenue contributions to capital following identification of some costs being revenue in nature                    |
| Horsdean Site Amenity Works                          | 30    |               | Use of additional government grant   |
| Marina to Ovingdean Coast Protection Scheme          | 64    |               | DEFRA approved increase to total project cost  |
| Local Transport Plan                                 | 12    |               | Highways section 106 sums  |
| Providence Place Amenity Space                       | -2    |               | Balance of section 106 funding after works completed. May be possible to re-allocate to related works in future                            |
| Air Street Lighting Improvements                     | -2    |               | Section 106 funding no longer required. To be re-allocated at future date under terms of agreement towards related works                   |
| Preston Park Improvements                            | 2     |               | Use of additional ring-fenced section 106 receipts   |
| Central Brighton Parking Scheme                      | -8    |               | Project completed. Balance of borrowing not required   |
| Extension of Westbourne Parking                      | 12    |               | Additional unsupported borrowing to be repaid from parking income  |
| Trafalgar Street Enhancement                         | 20    |               | Cycle England contribution   |
| NDS Modernisation 2007/08                            | 30    |               | Schools contribution   |
| Madeira Drive Regeneration                           | -11   |               | Lower than anticipated internally recharged professional fees. Less general grants usage therefore required                                |
| DEFRA Waste Performance & Efficiency                 | 2     |               | Contribution from the revenue budget to finance project variation  |
| Improving the Care Home Environment for Older People | 3     |               | Contribution from the revenue budget to finance project variation  |
| Enforcement Cameras 143 - 150 North St               | 1     |               | Contribution from the revenue budget to finance project variation  |
| Hangleton CCTV                                       | 8     |               | Contribution from the revenue budget to finance project variation  |
| Pelham Terrace Crossing Works                        | 12    |               | Contribution from the revenue budget to finance project variation  |
|  |       | <b>169</b>    |  |

## Budget Changes

|   |      |        |                |
|---|------|--------|----------------|
| <b>Budget re-profile</b>                            |      |        |                |
| Replacement Library Management System               | -104 |        | See appendix 3 |
| External Improvement Works to Allen Centre          | -29  |        | See appendix 3 |
| Re-roofing Works to Knoll House                     | -45  |        | See appendix 3 |
| Geographical Information Systems                    | -57  |        | See appendix 3 |
| Citizens Relationship Management                    | -87  |        | See appendix 3 |
| Mobile & Flexible Working                           | -52  |        | See appendix 3 |
| Improving Information Management                    | -36  |        | See appendix 3 |
| Extension of City Mortuary                          | -238 |        | See appendix 3 |
| Disability Discrimination Act – Access Improvements | -215 |        | See appendix 3 |
| Ovingdean Grange Farm                               | -51  |        | See appendix 3 |
| Kensington Street                                   | -19  |        | See appendix 3 |
| New England House Lift Refurbishment                | -42  |        | See appendix 3 |
| Woodvale Spire Structural Repairs & Refurbishment   | -81  |        | See appendix 3 |
| Corporate Fire Precautions & Fire Alarm Systems     | -168 |        | See appendix 3 |
| Repl  | -115 |        | See appendix 3 |
| Prive   | -445 |        | See appendix 3 |
| Disal   | -173 |        | See appendix 3 |
| Hous  | -30  |        | See appendix 3 |
| Housing Stock - Door Entry Systems                  | -49  |        | See appendix 3 |
| Housing Stock - General Refurbishment               | -544 |        | See appendix 3 |
| Honey Croft Children's Centre                       | -57  |        | See appendix 3 |
| Royal Spa Early Years Childcare                     | -48  |        | See appendix 3 |
| Mobile Play Project                                 | -58  |        | See appendix 3 |
| Moulsecocomb Children's Centre - Nursery Class      | -61  |        | See appendix 3 |
| Schools Access Initiative                           | -96  |        | See appendix 3 |
| Devolved Capital to Schools                         | -723 |        | See appendix 3 |
| Downland Initiative                                 | -204 |        | See appendix 3 |
| Extension of Communal Bins Scheme                   | -615 |        | See appendix 3 |
| Playground Improvements                             | -138 |        | See appendix 3 |
| Bandstand Restoration Project                       | -124 |        | See appendix 3 |
| Ocean Hotel Saitclean Crossing Works                | -25  |        | See appendix 3 |
| Peace Statue Toilets                                | -86  |        | See appendix 3 |
| Volks Railway Shed                                  | -98  |        | See appendix 3 |
|   |      | -4,913 |                |

Revised budget at 31 March 2008

40,444



Director comments on the impact on service delivery resulting from slippage over £50,000

|                        |                         |                      |             |
|------------------------|-------------------------|----------------------|-------------|
| Department:            | ASC & HRA               |                      |             |
| Project Name:          | Housing Stock Programme |                      |             |
| Budget 2007/08:        | £11,311,210             | Outturn expenditure: | £10,767,280 |
| Slippage into 2008/09: | £543,930                |                      |             |

### **1. Estate Development**

The Estate Development Budget (EDB) funds a large variety of works that enhance the immediate environment for council tenants. The expenditure comes from both the revenue and capital budget depending on the nature of the works. The programme of works is agreed each year at Housing Area Panel meetings (which consists of Member, officers and tenants representatives).

The £0.133 million to be carried forward in to 2008-09 is made up of approximately fifteen projects, which could not be completed during the 2007-08 financial year. The delays were due to a variety of reasons ranging from continuing consultation with the residents and tenants and waiting for decisions on planning permission. Orders have now been placed for three of the jobs, accounting for approximately £0.070 million of the underspend, and it is anticipated they will be complete within the next four months. The remainder of the programme will be completed by the end of the financial year 2008-09.

### **2. Disabled Adaptations**

The full HRA adaptations budget was approved in November 2007. Orders for works with a total value covering the whole of the budget were placed with our approved contractors. However, in the event, although these contractors worked hard to deliver the programme, limitations in their capacity meant that it was not possible for them to carry out all of the scheduled adaptations by the end of the financial year.

The waiting period for adaptations has been extended for some tenants. This has resulted in a backlog of demand, and a year-end commitment of £0.311 million. It is therefore proposed that the whole of the underspend be allocated to 2008/09.

### **3. Newstead Flats refurbishment**

Due to tendering issues and discovery of additional works it has been decided that new tenders should be sought. Seeking new tenders has impacted on the ability to complete this project in 2007/08.

This project has now started on site and will be completed by July 2008.

### **4. Carden Road Flats External Repairs**

The contract was retendered owing to the original tender omitting to specify properties that are part of the block, but on an adjacent street. These works affect leased shops and flats, therefore further statutory leaseholder consultation was necessary to progress the tender. This has delayed execution of the work into 2008/0

Director comments on the impact on service delivery resulting from slippage over £50,000

|                        |                                 |                      |            |
|------------------------|---------------------------------|----------------------|------------|
| Department:            | Children & Young People's Trust |                      |            |
| Project Name:          | NDS Modernisation               |                      |            |
| Budget 2007/08:        | £1,689,450                      | Outturn expenditure: | £1,587,700 |
| Slippage into 2008/09: | £101,750                        |                      |            |

As reported at TBM 9 the NDS Modernisation funding was resourcing a number of projects that were at various stages of development and delivery. Some work had to be programme during the recent Easter holiday. While the majority of work was completed and paid for in 2007/2008 some work will complete in the early part of the new financial year. As a result, we wish to carry forward £0.102 million of slippage to meet these commitments.

### Request to re-profile capital project budgets

Below is a table of budget re-profiling requests. These are projects where a need to adjust the budget profile has arisen, usually due to outside factors. Where the a change of £0.100 million or greater is requested, a more detailed explanation has been provided.

| Capital budget re-profiling requests                |                   |  |
|---|-------------------|--|
| Project name  | Budget Re-profile | Explanation  |
| Replacement Library Management System               | £104,250          | See below – Ref I  |
| External Improvement Works to Allen Centre          | £29,190           | Specification changes once on site and adverse weather   |
| Re-roofing Works to Knoll House                     | £45,000           | Scope & nature changed following severe weather at the end of 2007, highlighting unknown defects   |
| Geographical Information System                     | £57,030           | In year 1, scoping the phases of work identified need to adjust budget profile, as well as payment withheld due to some sub-standard work                          |
| Citizens Relationship Management                    | £86,560           | Proposed extension to use GIS functionality & customer self service to be developed next year (see above)  |
| Mobile and Flexible Working                         | £51,520           | No business case found for Wireless Broadband Infrastructure in City. Now to be used in mobile & flexible working programme linked to wider accommodation strategy |
| Improving Information Management                    | £36,050           | CareFirst v6 implementation costs less than expected. Ring-fenced grant required to meet scheme costs in 08/09   |
| Extension of the City Mortuary                      | £237,810          | See below – Ref II   |
| Disability Discrimination Act – Access Improvements | £214,510          | See below – Ref III  |
| Ovingdean Grange Farm                               | £50,690           | Agents fees expected in-year now due in 08/09. In-going tenants later than expected notification of repairs  |
| Kensington Street                                   | £19,280           | On-going Party Wall Act and rights of light issues where we will incur legal fees  |
| New England House Lift Refurbishment                | £42,400           | Lift design requires specialist expert input. Council had difficulty recruiting to Senior Mechanical and Electrical Engineers post                                 |
| Woodvale Spire Structural Repairs & Refurbishment   | £80,530           | Timing of works needed to avoid adverse weather and the cemeteries busiest periods to avoid running a reduced service  |
| Corporate Fire Precautions & Fire Alarm Systems     | £168,140          | See below – Ref IV   |

## Appendix 3

|  |                   |   |
|--|-------------------|---|
| Replacement Financial Information System     | £115,170          | See below – Ref V   |
| Private Sector Housing Renewal               | £444,890          | See below – Ref VI  |
| Disabled Facilities Grant                    | £173,310          | See below – Ref VII   |
| Housing Stock - Mechanical & Engineering     | £30,000           | Planning delays and concerns over value for money of quotes received for St James House works   |
| Housing Stock - Door Entry Systems           | £49,000           | Insufficient tenders received for Walton Bank, resulting in the need to retender  |
| Housing Stock - General Refurbishment        | £544,070          | See below – Ref VIII  |
| Honey Croft Children's Centre                | £57,190           | Heavy rainfall and subsequent water penetration delayed completion  |
| Royal Spa Early Years Childcare              | £48,130           | Contractor went into liquidation  |
| Mobile Play Project                          | £58,000           | Vehicle delivery delayed and graphics work re-done due to being below standard expected   |
| Moulsecomb Children's Centre – Nursery Class | £61,420           | Buffer Bear nursery closure has changed scope of early years provision in Moulsecomb area. Works in 08/09 will link in with Moulsecomb Primary School |
| Schools Access Initiative                    | £95,540           | Notification from schools came through later in the year  |
| Devolved capital to schools                  | £722,870          | See below – Ref IX  |
| Downland Initiative                          | £204,350          | See below – Ref X   |
| Extension of Communal Bins Scheme            | £615,000          | See below – Ref XI  |
| Playground Improvements                      | £138,100          | See below – Ref XII   |
| Bandstand Restoration Project                | £123,710          | See below – Ref XIII  |
| Ocean Hotel Saltdean Crossing Works          | £24,810           | Awaiting the developer providing a number of on street parking spaces within existing verges around the site  |
| Peace Statue Toilets                         | £86,310           | Surveyor work on hold awaiting results of the asbestos and electrical surveys   |
| Volks Railway Siding Sheds                   | £98,430           | Cost of repair found to be uneconomical. Further consideration needed to ensure VFM and meeting Railway Inspectorate safety requirements              |
| <b>TOTAL</b>                                 | <b>£4,913,260</b> |   |

|        |   |
|--------|---|
| Ref: I | Project Name: Replacement Library Management System |
|--------|---|

The company supplying the software have failed to deliver to specification, necessitating further development time on their part. They also failed to put in place adequate facilities management, resulting in the Service Level Agreement performance measures not being met. This caused serious disruption to services. As a result, payment is being withheld until we are satisfied that their software and facilities management are complete and performing to expected standards.

Service delivery was seriously disrupted between December 2007 and February 2008. An alternative broadband connection via our corporate Internet feed had to be put in place for a couple of months to replace the inadequate one that our supplier had provided. Extra staffing was needed to deal with the long customer queues caused by the slow system and the lack of proper self-service facilities.

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| Ref: II | Project Name: Extension of the City Mortuary |
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Structural survey work identified additional requirements which set back the project timetable, including 'party wall' issues that have required getting the consent of multiple neighbouring tenants. The knock on effect was then that the structural elements of the project would have to be undertaken after the winter months, in order to avoid disruption to the operational requirements during the mortuary's busiest period of the year.

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| Ref: III | Project Name: Disability Discrimination Act – Access Improvements |
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This is a rolling programme of works linked into meeting the BVPI 156 (% of publicly accessible buildings) target. The purpose of this budget is to provide funding to remove prioritised physical and sensory barriers to Council services. Works are not always the smart, cost-effective answer to overcome barriers; management procedures or providing the service in a different way may overcome a barrier at a reduced cost.

The appointment of a Technical Access Manager has brought skills to the Council that have enabled new innovative solutions to be applied to the removal or avoidance of service barriers.

Due to alternative and cost effective solutions, not all of the allocated funds were spent by the end of the financial year. However the BVPI target for 2007/08 of 65% has been achieved.

The rolling nature of the DDA programme means that projects and funding will be carried over into 2008/09

| Year    | Target | Actual Score |
|---------|--------|--------------|
| 2005/06 | 53.6%  | 53.94%       |
| 2006/07 | 60%    | 60.00%       |
| 2007/08 | 65%    | 65.45%       |
| 2008/09 | 70%    |              |

to ensure that the required access adjustments are made to services and infrastructure and that the BVPI target for 2008/09 is met.

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| Ref: IV | Project Name: Corporate Fire Precautions & Fire Alarm Systems |
|---------|---|

Despite repeated efforts the Council had difficulty in filling the vacant Senior Mechanical and Electrical Engineers post. This post was filled on 15th February 2008. As a result external consultants were employed to deliver this project within the financial year. The consultant slipped from the original programme timetable due to their own work pressures and the resultant problems allocating sufficient resources.

It is anticipated that works will commence in May 2008.

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| Ref: V | Project Name: Replacement Financial Information System |
|--------|--|

Following implementation of the replacement system, Authority Financials, in December 2006 there have been a number of system performance issues to address. Some of these were addressed in a major upgrade (v8.1) installed in December 2007, however, there are still a number of outstanding issues which have been notified to the supplier. Until these are resolved, forward development of the system, particularly interfaces, the debtors module and some aspects of reporting, is being held up and therefore re-profiling of the budget is required.

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| Ref: VI | Project Name: Private Sector Housing Renewal |
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Expenditure under this cost centre is dependent upon the completion of works by individual applicants following approval of applications for Housing Renewal Assistance. The rate at which applications are received and the timescale for completion of works are therefore outside the control of the council.

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| Ref: VII | Project Name: Disabled Facilities Grant |
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Expenditure on this budget is dependent upon private sector grant applicants arranging for works to be undertaken following a process of preliminary assessment and prioritisation by the OT Assessment Team, detailed needs assessment and specification of a bespoke adaptation within the Housing Adaptations Team and the processing of a detailed means tested grant application. The council has no effective control over the time in which the adaptation works are carried out following grant approval.

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| Ref: VIII    Project Name:    Housing Stock - General Refurbishment |
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#### Citywide Door Replacement

The original London Housing Consortia (LHC) framework expired in January 2008. It was decided to use the new framework commencing January 2008 to enable further value for money. Additionally, the new framework included an improvement to the locking mechanisms of external doors.

All works within the scheme are still expected to meet the original target for completion in 2009/10.

#### Denton Drive Walkway

A change in specification achieved a reduction in costs for this scheme. This change has resulted in a delay to the progress of the tendering process. The contractors are now on site and are due to complete within the first quarter of 2008/09.

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| Ref: IX    Project Name:    Devolved capital to schools |
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Devolved Formula Capital is a financial resource that is devolved to schools by the Local Authority. Part of the terms of this Department of Children, Schools & Families grant provides schools the option to accrue the money for a maximum of 3 years. However, accrued funds are normally retained by the Local Authority. The outstanding balance represents the funds that schools have chosen not to take this year. These outstanding budgets are being re-profiled to 2008/09.

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| Ref: X    Project Name:    Downland Initiative |
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Progress has been made with the East Brighton easy access trail, but has been slower than expected due to needing to reach agreement with English Heritage on Whitehawk Hill. There is a wider reaching plan for that area that we are working on with the Brighton & Hove Archaeology group, with the top of Whitehawk hill being a scheduled ancient monument.

The Falmer to Woodingdean cycle route works will include financial support from the Local Transport Plan, but the recent priority for LTP spending on cycle routes has been the Hove area, in order to ensure matched funding for the Cycling Demonstration Town grant. Delays have also been experienced due to the complexities of working with our partners in East Sussex County Council, as well as having to take full account of the new Community Stadium factors in the works.

The table below shows the expected revised spending profile.

| 2007/08<br>£ | 2008/09<br>£ | 2009/10<br>£ | 2010/11<br>£ |
|--------------|--------------|--------------|--------------|
| 96,000       | 75,000       | 75,000       | 54,500       |

The Stanmer easy access route has been completed under budget. Work will continue throughout the autumn, winter and spring of year 2 on the East Brighton easy access trail and work will be carried out on Falmer to Woodingdean cycle route to make it accessible by walkers, horse riders and off-road cyclists.

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| Ref: XI | Project Name: Extension of Communal Bins Scheme |
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This project was originally approved at Environment Committee on 13<sup>th</sup> September 2007. At that meeting Members agreed

- 1) That the Chairman of the Environment Committee works with the Opposition Spokesperson for Environment and the spokesperson/ representative from the Green and Liberal Democrat Groups to oversee a process of consultation with residents in the areas where it is proposed to implement an extension of the Communal Bin Scheme. These discussions to involve the ward councillors representing the 10 wards affected as necessary.
- 2) That the results of the consultation are reported back to the Environment Committee for a decision on further extensions to the scheme.
- 3) That the unions continue to be fully informed and consulted as part of this process.

This extended period of consultation has impacted upon the project implementation timetable, resulting in the budget not now being spent until 2008/09.

The consultation period has just ended. Officers are now collating the information and anticipate reporting back to Members in May/June.

It is likely that any proposed project will start being implemented in February 2009.



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| Ref: XII    Project Name:    Playground Improvements |
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A tender was let to install play equipment purchased for Hove and Hollingbury playgrounds with an anticipated contract start of February 2008. However, on receipt the tenders needed some amendment and reconfiguration, as the budget was exceeded. The playgrounds tenders have been reconfigured to accommodate these changes and re-tendered.

The project will now start on the ground after the Easter school holidays with a completion date in mid June for Hove Park and beginning of August for Hollingbury Park. The extended delay to the second play area is beyond our control as the same contractor won the tender for both sites and is unable to install both sites at the same time.

The existing play equipment has been left in situ and is useable and safe although not to the standard expected.

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| Ref: XIII    Project Name:    Bandstand Restoration Project |
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The budget for 2007/08 was based on a cost plan compiled for the HLF application which estimated professional fees at 20% of the total budget. Once tenders started to come in, it was apparent that fees could well be lower than this.

It was envisaged that the majority of professional fees would be met by the end of March 2008. Although the main body of work has been completed by the architects and landscape designers, other consultancy work is now expected to fall in 2008/09.

It should be noted that although savings are expected to be realised in professional fees, additional costs are likely to be incurred as a result of a significant increase world wide in the price of raw materials since the original budget estimate.

Due to the nature of historic building restoration projects, the precise costs are not yet clear. The combined effect of timing issues and some savings on fees requires a re-profiling of some of the budget into 2008/09, where a budget review will be undertaken once the tenders are returned.

