

CITY OF PLYMOUTH



Overview and Scrutiny Commission

Scrutiny of:
Capital Programme
2005-06

FEBRUARY 2005

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Membership

Capital budget 2005-06 scrutiny

Councillor Mrs Aspinall (Chair)
Councillor Kerswell (Vice-Chair)
Councillor Fletcher
Councillor Mrs Ford (substitute for Councillor Fry)
Councillor Gordon
Councillor Savery
Councillor Vincent
Councillor Miss Gillard (co-opted representative)
Councillor Stark (co-opted representative)
Councillor Tom Wildy (co-opted representative)
Mr S. Medlin (co-opted representative)
Mr K. Willis (co-opted representative)

Apologies for absence: Councillors Fry and Williams (co-opted representative)

Meetings

The Overview and Scrutiny Commission met on 25th February 2005 to scrutinise the Capital Programme for 2005-06.

1.0 SUMMARY

The purpose of this report is to submit recommendations to the City Council following a meeting of the Overview and Scrutiny Commission, with additional Members co-opted, for the purpose of reviewing and scrutinising the draft proposals for the Capital Programme for 2005-06.

2.0 RECOMMENDATIONS

- 2.1 **We recommend** that the Overview and Scrutiny Commission monitor the repayment of the £2.5m of supported borrowing for education that had been allocated to other issues in 2004/05 and was due to be repaid to education in 2005/06.

For the attention of: City Council

- 2.2 **We recommend** that consideration be given to benefits to be gained from telemetric enhancements particularly within schools.

For the attention of: City Council

- 2.3 **We recommend** that consideration be given to value build work in the Land Registration Project being undertaken in 2 years rather than the planned 3 year programme.

For the attention of: City Council

- 2.4 **We recommend** that whilst the Overview and Scrutiny Commission is supportive of investment in the Information Technology infrastructure and it was noted that this was the start of a planned programme of developments, regular updates on the programme be submitted to the Overview and Scrutiny Commission

For the attention of: City Council

- 2.5 **We recommend** that monitoring of the capital programme be considered quarterly by this Commission and variations be clearly identifiable within future reports.

For the attention of: City Council

- 2.6 **We recommend** that the detail of actual costs of individual elements of the capital programme at Appendix A for 2005/06, 2006/07 and 2007/08 be provided to the Overview and Scrutiny Commission.

For the attention of: Director for Corporate Resources

- 2.7 **We recommend** that details be provided of the Local Safety Scheme at Alexandra Road / Lipson Road together with costings.

For the attention of: Director for Development

- 2.8 **We recommend** that details be provided of the schemes for Public Transport Passenger Information Facilities.

For the attention of: Director for Development

- 2.9 **We recommend** that details be provided of the interim and long term plans for waste management arrangements.

For the attention of: Director for Development

- 2.10 **We recommend** that details be provided of Local Safety Schemes at Western Approach, Wolseley Road, Outland Road and Royal Parade

For the attention of: Director for Development

- 2.11 **We recommend** that an explanation be provided of the provision made for the Ridgeway Plympton footpath and Ridgeway Shopping Centre footway.

For the attention of: Director for Development

- 2.12 **We recommend** that a report be submitted to the Overview and Scrutiny Commission on the rules governing the allocation of Section 106 Agreement monies, the allocations in general and particularly in relation to schools, the amounts owed and the possibility of levying interest on those monies.

For the attention of: Directors for Corporate Resources / Development

- 2.13 **We agree** that a tracking procedure for recommendations within Scrutiny Reports be introduced.

For the attention of: Scrutiny Manager

3.0 INTRODUCTION

3.1 Introduction

3.1.1 The draft Capital Programme for 2005/06 would be considered by the City Council on 7th March 2005.

3.1.2 The Proposed Capital Programme 2005/06 report to Cabinet stated that the proposed revised capital programme for 2004/05 – 2007/08 amounted to over £200m of investment.

The highlights of the proposed programme were -

- additional investment in housing to improve the quality of housing stock;
- a significant programme of investment in the City's schools, over and above the Education Private Finance Initiative scheme; Improving service performance and achieving greater efficiency in the use of resources;
- progress towards the Council's plans for Central Park reaching fruition;
- major investment in the Transport infrastructure of the City;
- a planned programme of investment in Information Technology infrastructure.

3.1.3 Two parent/governor representatives and one church representative from the Lifelong Learning Overview and Scrutiny Panel were co-opted onto the Overview and Scrutiny Commission for consideration of this matter.

3.2 Terms of Reference

3.2.1 The purpose of the piece of scrutiny work and report was to submit recommendations to the City Council following a meeting of the Overview and Scrutiny Commission with co-opted representatives for the purpose of reviewing and scrutinising the draft proposals for the Capital Programme for 2005-06.

3.3 Declaration of Interest

3.3.1 The following declarations of interest were made in accordance with the Code of Conduct –

Councillor Mrs	Governor of Hillside School	non-pecuniary
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Aspinall

Councillor Mrs Ford	Governor of Heles and Boringdon Primary Schools	non-pecuniary
	Ward Member for the Ridgeway area	non-pecuniary
Councillor Miss Gillard	Member of the Stock Options Group	non-pecuniary
Councillor Gordon	Governor of North Prospect Primary School	non-pecuniary
Councillors Kerswell	Member of Drake Community Forum	non-pecuniary
	Governor of Plym View and Hillside Schools	non-pecuniary
	Ward member for the Alexandra Road / Lipson Road area	non-pecuniary
Councillor Vincent	Governor of Plym View School	non-pecuniary
Councillor Tom Wildy	Director of Millfields Estate Management Committee and Millfields Community Economic and Development Trust	non pecuniary
Mr Medlin	Governor of South Trelawney Primary School	non-pecuniary
Mr Willis	Coach of the Ladies Team at Central Park	non-pecuniary

4.0 EVIDENCE

- 4.1 The Overview and Scrutiny Commission spoke with and questioned the Leader and Director for Corporate Resources on the draft programme.
- 4.2 The Commission also spoke with and questioned Councillors King (Cabinet Member for Housing Services), Purnell (Cabinet Member for Performance, Personnel and Best Value) and Smith (Cabinet Member for Sport, Leisure and Culture), the Directors for Development and Housing Services, the Head of School Organisation and Services and the Senior Education Officer with regard to their particular areas of responsibility.
- 4.3 Concern was expressed by some Members at the number of Cabinet Members absent which it was explained was due to the rescheduling of the Commission and existing obligations of Cabinet Members.

- 4.4 It had been necessary to reschedule the meeting as the papers, with the detail required, were not available 5 days before the meeting and therefore did not comply with the Access to Information Act. Following consultation with the Chair of the Commission and at the request of the Opposition Group, the meeting was postponed.
- 4.5 The Commission was advised that the capital programme was fluid and the report set out those proposals that had received approval. The intention was to project lifetime costs of schemes and provide an estimate of the impact into future years. With this knowledge rephasing or reprogramming could be achieved to ensure affordability.
- 4.6 The report set out the funding base but it was recognised that changes were likely for example to guidelines for borrowing approval, and the use capital receipts. The current programme was set out in Appendix A with the new projects detailed at Appendix B.

5.0 FINDINGS

5.1 Corporate Priorities

- 5.1.1 Every project meets one of the targets within the Corporate Plan for example Economic Development schemes meet the targets within the priority of 'a vibrant City Centre' and Environment schemes meet the targets of 'safer, cleaner streets.'

5.2 Financing

- 5.2.1 The capital programme will be funded from a variety of sources. Principally these will be supported borrowing, grants and contributions, revenue and capital receipts.
- 5.2.2 Supported borrowing represents borrowing 'approvals' where Central Government provide some element of support for the revenue costs of borrowing. The revenue implications of the proposed programme for 2005/06 have been included within the revenue budget proposals for 2005/06. The longer term implications of the proposed programme over the period to 2007/08 will be included in the Treasury Management Strategy due to be presented to Cabinet in mid-March.
- 5.2.3 To achieve this programme, capital receipts of circa £50m - £60m will be required over the life of the programme. Whilst this represents a significant sum, the Council has a strong asset base. A review of this asset base is currently underway to identify potential assets that could be released.
- 5.2.4 The programme will be managed on an annual basis to ensure affordability by slipping or bringing forward individual projects to ensure funding and expenditure match on a year-on-year basis.

5.3 SPORT AND LEISURE

In commending the budget for Sport and Leisure, the Cabinet Member referred to proposals to improve Central Park in addition to the scheme for the proposed Brickfields scheme which had been fully met from grant aid.

5.3.1 Libraries

Since the Scrutiny Report in February 2004, book stocks had increased and there had been some changes to opening hours. The Scrutiny Report was being used to inform Cabinet's decision on one-stop shops and the possibility of linking housing and library services. No new provision had been made in the capital programme for libraries pending consideration and approval of a report to Cabinet. When approval was given to a scheme, amendments would be made to the capital programme accordingly. For example a new library had been opened at West Park with another one due to open at Southway shortly.

5.3.2 Brickfields

The scheme for the Brickfields had been considered by Cabinet and the provision in the capital programme to date reflects the cost of preparing the scheme. The scheme itself would be 100% funded from external sources.

5.3.3 Hoe Foreshore (No 65 Appendix A)

Provision of £20,000 for the Hoe Foreshore was the residue from the 2003 funding and would be used to commence refurbishment. The Single Regeneration Budget had approved yesterday a major programme of works that it was hoped would receive match funding from the lottery or similar fund. The provision of £20,000 would restore the antique lamp stands in keeping with the character of the area, to provide a safer environment.

5.3.4 Central Park

Proposals would be submitted to Cabinet in March 2005 on Central Park. The consultant's report commissioned by the Council would provide a base line but in view of the time lapse the position had now changed.

5.3.5 Playparks

A number of playground improvements were included within the programme. A survey was currently taking place with a view to looking at need and locations.

5.3.6 Arts Centre Development

Cabinet had indicated their support to the proposed relocation of the Centre to North Hill. A guarantee of funding had been given subject to resources being

available at the appropriate time. To date no request had been received for specific funding.

5.3.7 Drake's Reservoir, North Hill

No provision had been made within the capital programme pending the production of a detailed scheme. The Council was seeking a partnership arrangement in order to bring forward a community project for which funding could be from the lottery or similar initiative. Discussions were currently taking place with the University.

5.3.8 Pitches (No. 75 Appendix A)

The provision of £49,000 was mainly for drainage improvements at Central Park. Further pitches would be improved as part of a Central Park, University and College of St Mark and St John joint initiative.

5.3.9 Barbican Landing Stage (No. 72 Appendix A)

A sum of £285,000 had been bequeathed by the Plymouth Development Corporation to improve water taxis and was match funded with capital receipts. The proposal was part of the Water Transport Strategy to provide a link between the Hoe, the Barbican and Mount Batten.

5.4 EDUCATION

5.4.1 Asbestos Survey

The Council would be meeting the cost of any works to schools required as a result of the asbestos survey.

5.4.2 Repayment: Education Supported Borrowing

Members were reminded that as a result of the scrutiny exercise last year, the Leader had given an assurance that £2.5m would be made available to education in 2005/06 in return for the money being allocated to other issues in 2004/05. The Commission was advised that the sum would be repaid over time.

5.4.3 Funding from Section 106 Agreements

Concern was expressed at the funding distribution for schools from Section 106 agreements particularly in relation to provision for Mutley.

5.4.4 School Adjustments

The downward adjustments to schemes at a number of schools had been made as figures on the capital programme had been clarified. There was no amendment to the schemes.

5.4.5 Plym View School (Nos. 390-391 Appendix A)

Provision for Plym View School was in relation to the specific Government project relating to sports and arts facilities. The project was submitted for approval in advance of the outcome of the Private Finance Initiative proposal.

5.4.6 Modernisation of Schools: Ideas for Change (Appendix B)

Provision of £32m was required to implement the first wave of the long term strategic programme. £12.5m had been included within the capital programme that was secured funding. The Council will be looking at all funding options to achieve the first wave.

5.4.7 New Pupil Places (Appendix B)

The funding for new pupil places was received directly from the Department for Education and Skills. There was a changed method of distribution comprising basic need plus growth. With falling school rolls, it was anticipated that the Council would qualify for the formula element only.

5.5 TRANSPORT

5.5.1 Street Lighting

Funding had been withheld last year and had been released back to the local authority primarily for public transport schemes. A delegated decision was taken last year in relation to the funding. In a response to the Department of Transport, an indication had been given in principle, that the Council would seek to make a commitment for implementation of the street lighting programme. The method of funding remained uncertain following the Council's unsuccessful bid for funding Private Finance Initiative funding. Provision of £158,000 had been made in the revenue budget. The Government Office for the South West had been made aware of the current position. A scrutiny proposal had been submitted on the issue.

5.5.2 Section 106 Agreements

The Commission noted the lack of funding identified within the report for traffic proposals from Section 106 Agreement monies and was advised that a Section 106 Manager had now been appointed to manage Section 106 agreements. The newly appointed manager would be working with the Director for Corporate Resources to identify outstanding monies. It was acknowledged that all contributions were not shown in the budget proposals.

5.5.3 Future Years Provision (Appendix B)

No figures were included in the programme for transport proposals for 2006/07 and 2007/08 as there was no certainty with regard to future borrowing approval particularly in relation to transport issues.

5.5.4 Plymcard / Smart Card

Provision of £150,000 had been made to enable implementation of the scheme.

5.5.5 Safer Journeys to Schools

Schools were in the process of preparing plans and a total provision of £276,000 has been made in the 2005/06 programme.

5.5.6 Drop Crossings

There was no specific provision in the programme for the provision of dropped kerbs at crossings from wheelchair users. It was not thought that such provision was required as part of compliance with the Disability Discrimination Act.

5.6 ENVIRONMENT

5.6.1 Waste Management

In order to maintain Chelson Meadow, a £10m investment programme is currently identified.

5.7 HOUSING

The capital programme comprised £18m for new schemes that was an increase on the 2004/05 original programme of £14.8m for new schemes. The focus of the programme was to meet the decent home standard on heating, kitchens, bathrooms, roofing and window replacement at a cost of £10m

Investment was being maintained in the East End in the sum of £3.5m.

The programme provided a balanced programme of public/private sector investment, estate regeneration and decent homes work.

5.7.1 Monitoring

A Capital Programme Working Group would monitor the programme and the Cabinet would receive monthly updates.

5.7.2 Stock Options

Whatever decision the Council takes regarding housing stock options, there would be no transfer of housing stock prior to 2007 and the current investment programme assumed no change of management.

5.7.3 Window Replacements (Appendix B)

There was an ongoing programme of window replacements which included replacement of single glazed uPVC windows for the now standard double glazed windows.

5.7.4 Decency Standard

The estimated amount allowed within the capital programme for meeting the decency standard is £42m - £43m of which the Housing Revenue Account would bear £32m with additional monies from capital receipts.

5.7.5 Gypsy Site (No 554 Appendix A)

No site had been identified at the present time although provision of £5,050 had been made in the capital programme.

5.8 CORPORATE

5.8.1 Information Technology

The pace of developments within information technology meant that information technology was always out of date. The Council had brought in significant expertise and the level of investment was warranted. Other local authorities were in similar positions.

The procurement process had been strengthened and investment would be monitored.

Teams within the Information, Communications and Technology and the Social Services Department were being co-ordinated and the expertise within both teams would be put to the best use within the Council as a whole. The team within the Social Services Department had been essential as part of the recovery programme.

To reflect necessary investment, an additional £1m has been built into the capital programme over each of the years 2004/05, 2005/06, 2006/07 and 2007/08.

5.8.2 Telemetric Enhancements

With the increasing use of mobile telephones and the Council's truancy initiatives, the possibility of reducing costs by such installations was identified and could in particular assist schools.

5.8.3 Land Registration Project (Appendix B)

A three year programme was planned to register 6,000 deeds on a database which would assist both planning and asset management. A possible invest

to save opportunity was identified to reduce the programme by one year to two years.

5.8.4 Asset Management

In order to improve asset management, a Head of Asset Management had been appointed and staff had been restructured. The land registration project had commenced and a survey of assets, including need, was in progress.

5.8.5 Legal Services Accommodation (No 19 Appendix A)

Works to the existing accommodation at St Andrew's Court for Legal Services was now complete at less than the provision of £60,000. Further accommodation was required following the restructure of the department. However it was noted that at the end of the lease, the accommodation had to be returned to the landlord as open plan thus incurring similar costs.

5.8.6 Capitalisation (Nos 11,13 and 14 Appendix A)

Salaries could be capitalised where posts were specifically identified for specific projects. A capitalisation direction of £900,000 enabled capital resources to be used for revenue purposes. Authority had been received from the Office of the Deputy Prime Minister.

6.0 Recommendations

The recommendations of the Overview and Scrutiny Commission are set out in Section 2 of this report.

Appendix 1 – Reference Materials

Report to Cabinet on 22nd February 2005
Corporate Plan 2004 – 2007
Scrutiny Report on the Proposed Capital Programme 2004/05

Appendix 2 – Contributors

The Overview and Scrutiny Commission would like to express their sincere thanks to all those who provided information and advice:

Councillor Evans, Leader

Councillor King, Cabinet Member for Housing Services

Councillor Purnell, Cabinet Member for Performance, Personnel and Best Value

Councillor Smith, Cabinet Member for Sport, Leisure and Culture

Barbara Booth, Head of School Organisation and Services

Adam Broome, Director for Corporate Resources

Nigel Pitt, Director for Development

Gareth Simmons, Senior Education Officer

Clive Turner, Director for Housing Services

Apologies were received from the following individuals who were unable to attend the meeting –

Councillor Camp, Cabinet Member for Schools and Colleges

Councillor Dann, Cabinet Member for Transport and Customer Focus

Councillor Mrs Nelder, Cabinet Member for Planning Policy and Regeneration

Councillor Pattison, Cabinet Member for Social Services and Health

Councillor Weekes, Cabinet Member for Youth and Community Development

Councillor Wheeler, Cabinet Member for Environment and Street Services

Bronwen Lacey, Director for Lifelong Learning

Richard Willoughby, Director for Strategic Projects and Service Change