

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

CAPITAL PROGRAMME MONITORING 2008/09 – MONITOR 3

Summary

- 1 This report is to:
 - inform Members of the likely out-turn position of the 2008/09 Capital Programme.
 - advise Members of changes to existing schemes and reprofiling of expenditure to allow the more effective management and monitoring of the Capital Programme
 - inform Members of any slippage in budgets between financial years
 - inform Members of any new schemes and seek approval for their addition to the 2008/11 Capital Programme.

Background

- 2 The original capital programme for the financial year 2008/09 was approved at Council on 21 February 2008. Since then, a number of amendments to the programme have been approved as part of the 2007/08 out-turn report and the Monitor 1 and Monitor 2 reports. This results in a current approved Children's Services capital programme for 2008/09 which shows gross capital expenditure of £33.145m with £26.910m of other funding which gives a net capital programme cost to the authority of £6.235m to be funded from capital receipts.
- 3 Table 1 details the approved changes to the 2008/09 capital programme since the original programme was approved in February 2008.

Table 1- Current Approved Children's Services Capital Programme 2008/09

	Gross Spend £m	External Funding £m	Section 106 £m	Prudential Borrowing £m	Capital Receipts £m
Original Capital Programme 2008/09	45.103	37.322	0.337	1.641	5.803
Slippage and Adjustments from the 2007/08 Outturn report	(11.756)	(12.016)	0.228	(0.400)	0.432
Monitor 1 Slippage and Adjustments	(0.130)	(0.130)	-	-	-
Monitor 2 Slippage and Adjustments	(0.072)	(0.072)	-	-	-
Current Approved Capital Programme 2008/09	<u>33.145</u>	<u>25.104</u>	<u>0.565</u>	<u>1.241</u>	<u>6.235</u>

Consultation

- 4 The capital programme has been developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 21 February 2008. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals do follow a consultation process with local councillors and residents in the locality of the individual schemes.

Scheme Specific Updates

Devolved Formula Capital (Scheme Cost £18.385m)

- 5 This scheme represents the devolved capital which has been allocated to schools in 2008/09, net of any contributions which the schools have agreed towards LA led schemes elsewhere in the programme.

Fulford Secondary Targeted Capital (Scheme Cost £3.489m)

- 6 As reported at Monitor 2, the final payment on Phase 1 of this scheme has now been settled.

Huntington Secondary (Scheme Cost £5.674m)

- 7 The major scheme for the provision of new Teaching and Performing Arts blocks is complete with the new facilities in full use. The final retention has not yet been settled, but is expected to be within the remaining budget. However, it is now unlikely that this retention will be settled in 2008/09 therefore it is proposed to slip the unspent remainder of the budget (£100k) into 2009/10.

Integrated Children's Centres (Overall Scheme Cost (£4.871m)

- 8 The five new Phase 2 Children's Centres are now complete with only minor issues to resolve and retentions outstanding.
- 9 Knavesmire has now been identified as the site for the ninth Children's Centre. In addition, some additional investment at Scarcroft Primary and St Clements Hall is also proposed to enable their use as outreach facilities.

NDS Modernisation (Scheme Cost £17.053m)

- 10 This scheme addresses condition and suitability issues at a number of schools in the city. In order to maximise the resources available schools were invited to bid for this funding and encouraged to contribute their devolved capital to projects.
- 11 The most significant scheme within NDS Modernisation which is currently in progress is the Poppleton Road Primary Access works. Phase 1 and Phase 2 are now complete with only minor outstanding issues and retentions to be paid.
- 12 The majority of other significant projects within the overall Modernisation programme are currently progressing well. These include an extension at Lakeside Primary to provide additional workspace and a hygiene suite, refurbishment to toilets and hygiene suite at Westfield Primary, and a classroom extension and window replacement at Wigginton Primary.

Schools Access Initiative (Scheme cost £2.108m)

- 13 A total of 24 projects are being funded in 2008/09 from within this scheme. The schemes range from extensive work to doors and ramps at Westfield Primary School to the provision of sound-proof partitions at Copmanthorpe Primary. These schemes should all complete in 2008/09, but there is a need to slip a small amount of funding (totalling £45k) into 2009/10 to deal with retentions. Any remaining funding can then be added to the 2009/10 allocation available for new projects.

Skills Centre - Danesgate (Scheme Cost £2.740m)

- 14 The Walled Garden is now complete and in use. Only retentions and some minor equipment purchase are outstanding on the scheme and they are expected to be within the remaining budget.

Early Years Quality and Access (Scheme Cost £2.118m)

- 15 This scheme, funded by a three year allocation of DCSF Capital Grant is aimed at improving the quality of the environment in early years settings, with the expectation that the majority of the funding be targeted towards the PVI sector.
- 16 As previously reported, organisations were invited to bid for funding towards eligible capital projects. The results of the evaluation of the first tranche of bids was reported to January EMAP, where a total of £144k of awards were approved, with a further £139k approved in principle subject to further work being done with the organisations concerned. Work is now commencing on some of the successful bids and it is now expected that some expenditure will be required in 2008/09. To reflect this, it is proposed that an amount of £100k now needs to be brought forward into 2008/09 from 2009/10.
- 17 The deadline for the receipt of round 2 bids was 25th February 2009, with the evaluation of these bids being undertaken in March. The closing date for the final round is 27th May 2009.

Extended Schools Sure Start Projects (Scheme Cost £1.668m)

- 18 A number of the previously approved extended schools projects within this overall scheme are now progressing. In addition, Children's Services EMAP on 17th July 2008 approved a further three projects for funding within this scheme, at Wheldrake, Headlands and Lord Deramore's Primary Schools.

York High School (Scheme Cost £13.654m)

- 19 York High School opened on schedule after Christmas and the new building is proving popular with staff and students.
- 20 In order for the Engineering Diploma to be offered to students and enable new machinery to be used, a significant amount of work to the CDT Block was required and, following consultation with the 14-19 Partnership Group, £300k from the Authority's Targeted Capital Fund (TCF) allocation was earmarked for this. This funding was required to enable the new equipment, which was purchased with Gateway 1 funding, as approved by EMAP in July 2008, to be installed. The CDT Block was not included in the original contract. However, in order to take advantage of constructors being on site and thereby obtain best value, work amounting to £190,000 was commissioned against this allocation. This has enabled students to access this area of the curriculum from the start of the Spring term. Members are requested to approve the allocation of £300,000 from the TCF for Diploma provision at York High. The remainder of the funding will be used to complete the refit of the workshops.
- 21 The account for construction is currently being finalised. It is anticipated that there may be some cost pressures which could affect the final valuation. These include remedial work to the main school hall, the kitchen and one corridor where leaking roofs and a blocked drain caused major damage while the school was closed during the build programme. Any additional costs resulting from these items will be reported to members and will need to be funded from the Authority's Modernisation allocation.

Manor School (Scheme Cost £18.000m)

- 22 This scheme is nearing completion with the local authority contributing to the cost as payments are made to the contractor, based on the proportion of the budget in the capital programme in relation to the overall scheme budget. The local authority has also reserved up to £500k from the Local Authority Coordinated Voluntary Aided Programme (LCVAP). This does not require including in the capital programme, as, although it is administered by the local authority, funding through LCVAP will be paid direct to the diocese.

Fulford School Science Labs and Classrooms (Scheme Cost £1.266m)

- 23 This scheme for the provision of new science labs and classrooms is now almost complete.

Joseph Rowntree One School Pathfinder (Scheme Cost £29.435m)

- 24 Work is progressing well on site with completion expected by February 2010, ready for occupation from Easter 2010. The scheme is currently on budget and, although slightly behind schedule due to the cold weather in February, it is expected that this can be made up ready for building handover at the due date.

Derwent MUGA (Scheme Cost £0.763m)

- 25 This scheme for the provision of a Multi Use Games Area and changing rooms on the Derwent School site is now almost complete.

Primary Capital Programme (Scheme Cost £8.378m)

- 26 A preferred bidder for the provision of the first two schools in the programme has been approved by the Executive, and work on design and the cost plan is ongoing.

Targeted Capital Fund – 14-19 Diploma, SEN and Access (Scheme Cost £8.015m)

- 27 A further £629k has been allocated within this scheme since Monitor 2 by the 14-19 Strategy and Resources Group. This includes £300k which has been allocated to work at the CDT block at York High to support the Engineering Diploma. As reported in paragraph 19 above, this work is now being incorporated within the main York High scheme, therefore it is proposed to transfer this £300k into this scheme. The remaining £329k has been earmarked towards the provision of a Learning Support Unit at Manor School.

Harnessing Technology (£1.586m)

- 28 This scheme is funded by a DCSF grant which spans the years 2008/011 and is being made available to support schools in delivering the priorities of the government's Harnessing Technology Strategy. In 2008/09 £200k has been devolved to schools with the remainder being retained by the local authority to support the procurement of a new broadband contract and the provision of learning platforms.

Youth Service Connexions Building Works (Scheme Cost £0.101m)

- 29 Work to improve Kingswater and Fulford Youth Centres has now been completed.

Scheme Addition

- 30 The local authority has recently been awarded Wave 2 Playbuilder status from April 2009 by the DCSF. As a result the authority will receive capital funding of £1.12m to be used to develop 22 play spaces in the city. A paper detailing proposals for the use of this grant will be brought to a future meeting.

Corporate Priorities

- 31 The capital programme covered in this report has been developed through the Capital Resource Allocation Model, a tool used to allocate scarce capital resources to schemes that best meet the council's corporate priorities.

Financial Implications

- 32 Expenditure at the end of December totalled £27.818m, representing 83.9% of the approved budget, compared to 63.6% for the same period in 2007/08.
- 33 The predicted outturn for 2008/09 is £33.8m, against a current approved budget of £33.145m, a net increase of £0.655m Annex A provides a scheme-by-scheme update to the 2008/11 programme, detailing predicted variances and the resulting amendments to the capital programme.

- 34 The changes to the capital programme for 2008/09 to 2010/11 are summarised in the table below.

Table 2 - Summary of Amendments to the 2008/11 Capital Programme

Gross Education Capital Programme	2008/09	2009/10	2010/11	Total
	£m	£m	£m	£m
Current Approved Capital Programme	33.145	30.848	20.181	84.174
<u>Adjustments: -</u>				
Slippage on Huntington School	(0.100)	0.100	-	-
Slippage on Schools Access Initiative	(0.045)	0.045	-	-
Reverse slippage on York High	0.800	(0.800)	-	-
Addition of Playbuilder scheme	-	1.120	-	1.120
Revised Capital Programme 2008/11	33.800	31.313	20.181	85.294

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

- 36 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. There are no specific risks arising from the recommendations in this report.

Recommendations

37 The Executive Member is recommended to:

- note the capital programme forecast outturn for 2008/09 as shown in Annex A
- approve the additions and amendments to the capital programme reported above and summarised in Annex A
- approve the scheme reprofiling and slippage reported above and summarised in Annex A
- approve the scheme virements reported above, subject to the approval of the Executive
- agree the revised capital programme as shown at Annex A, subject to the approval of the Executive

to enable the effective management and monitoring of the capital programme.

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**Report
Approved**



Date 23/02/2009

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Wards Affected: *List wards or tick box to indicate all*

All

For further information please contact the author of the report

Background Papers

2008/09 Capital Programme Estimate and Monitoring Files
2008/09 Capital Programme Final Accounts File

Annex

Annex A - Approved Capital Programme and Projected Outturn

Glossary

DCSF Department for Children, Schools and Families
LSC Learning and Skills Council
MUGA Multi-Use Games Area
NDS New Deal for Schools
NMOD New Deal for School Modernisation Scheme
NNI Neighbourhood Nursery Initiative
NOF New Opportunities Fund
PFI Private Finance Initiative
PRU Pupil Referral Unit
TCF Targeted Capital Fund