

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

CAPITAL PROGRAMME MONITORING 2008/09 – MONITOR 2

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 report. This results in a current approved Children's Services capital programme for 2008/09 which shows gross capital expenditure of £33.217m with £26.982m of other funding which gives a net capital programme cost to the authority of £6.235m to be funded from capital receipts.
- 3 The table below 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)	-	-	-
Current Approved Capital Programme 2008/09	33.217	25.176	0.565	1.241	6.235

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. The amendments detailed on the annex are the result of removing the VA schools devolved capital amounts from the programme as the funding does not come via the local authority, together with the updating of the programme for amounts agreed by schools towards other schemes in the programme which are in progress during 2008/09 which have not previously been reflected.

Fulford Secondary Targeted Capital (Scheme Cost £3.489m)

- 6 The final payment on Phase 1 of this scheme has now been settled. However the actual final payment is £26k above the remaining budget. This amount will be funded by a virement from the unallocated contingency held within NDS Modernisation.

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.

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

- 8 Four of the five new Children's Centres are now complete. Only Haxby Road CC is still in progress and this is due to be completed shortly. Due to delays in the completion of some of the children's centres some of the retention payments will now not be made until 2009/10 therefore a small amount of the individual budgets require slipping from 2008/09.
- 9 Work is continuing to identify a site for the ninth Children's Centre, which will be located in the south-east of the city. The approved programme currently shows £1.196m of Integrated Children's Centre (ICC) Capital Grant available to fund this centre, and also to fund any minor improvements to existing centre or development of small satellite sites. However, following clarification from the DCSF, a further element of DCSF grant funding for ICC Maintenance will be delivered as capital funding. This totals £162k and has been added to the programme in 2009/10 and

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. Work is progressing well on this scheme with Phase 1 complete and Phase 2 also almost completed.
- 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. As progress on a number of these schemes is now ahead of schedule an amount of £0.886m of funding needs to be brought forward from 2009/10 to fund these schemes. Annex B shows the current schemes within the overall modernisation programme.

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 are expected to be completed during 2008/09.

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. Bids have been invited from the PVI sector with the first tranche due to be evaluated in early December, for submission to January EMAP for approvals. At present it is not expected that there will be expenditure on this scheme in 2008/09.

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

- 16 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. Annex C details the individual schemes within this heading.

York High School (Scheme Cost £12.600m)

- 17 Work is progressing well and handover is expected at the beginning of December 2008, ready for pupils to move in at the start of the Spring term 2009. A number of adjustments to the scheme budget are required to reflect funding earmarked for this scheme but not previously shown in the programme. These comprise the addition of £438k of Devolved Formula Capital and a further £615k of modernisation funding.

Manor School (Scheme Cost £18.000m)

- 18 This scheme is in the main construction phase 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)

- 19 This scheme for the provision of new science labs and classrooms is currently in progress and nearing completion.

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

- 20 Work is progressing well on site with completion expected by February 2010, ready for occupation from Easter 2010. An additional amount of £250k has been allocated to this scheme from the 14-19 Targeted Capital Fund.

Derwent MUGA (Scheme Cost £0.763m)

- 21 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)

- 22 The local authority has just been informed by the DCSF that the submission for the first phase of the programme has been approved subject to modification. This means that the authority's indicative allocation of funding as shown in the programme has now been confirmed.

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

- 23 During 2007/08 the local authority was successful in obtaining funding as part of the first Gateway submission process under the 14-19 Diploma initiative for the capital costs of setting up two diploma lines. This funding of £515k has been allocated towards the purchase of equipment for the delivery of diploma lines in Society, Health and Development (SHD) of £240k, and Engineering of £275k. The expenditure for SHD includes the purchase of a Skills Bus to take specialist facilities to learners in schools and colleges instead of transporting learners to a single venue. The remaining budget will be spent in 2008/09.

- 24 A report was approved at Children's Services EMAP on 17th July 2008 detailing some proposals for part of the allocation of £2m in 2009/10 and £6m in 2010/11 to facilitate the delivery of diplomas and to support special needs and access issues. Since this report a further allocation of £250k has been made towards the diploma facilities at Joseph Rowntree School. A further amount of £329k has been earmarked as a contingency for the provision of a Learning Support Unit at the new Manor School, should a bid for further funding from the DCSF be unsuccessful.

Harnessing Technology (£1.586m)

- 25 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)

- 26 Work to improve the Kingswater Centre has been completed and work is progressing on Fulford and Moor Lane Youth Centres.

Scheme Addition

27 There are no new schemes to report at this monitor.

Options

28 As this report is a monitoring and information report, no options are presented.

Analysis

29 The analysis is included in the main body of the report, particularly the scheme specific updates section.

Corporate Priorities

30 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

31 Expenditure at the end of October totalled £20.856m, representing 62.8% of the approved budget, compared to 35.7% for the same period in 2007/08.

32 The predicted outturn for 2008/09 is £33.145m, against a current approved budget of £33.217m, a net decrease of £0.072m Annex A provides a scheme-by-scheme update to the 2008/11 programme, detailing predicted variances and the resulting amendments to the capital programme

33 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	33.217	31.940	20.723	85.880
<u>Adjustments: -</u>				
Removal of VA Schools Devolved Capital	(0.623)	(0.623)	(0.623)	(1.869)
Increase in ICC Capital Grant		0.081	0.081	0.162
Increase in York High Scheme TCF Grant	-	0.001	-	0.001
Slippage on Extended Schools Projects	(0.250)	0.250	-	-
Slippage on Integrated Children's Centres	(0.085)	0.085	-	-
Reverse slippage on NDS Modernisation	0.886	(0.886)	-	-
Revised Capital Programme 2008/11	33.145	30.848	20.181	84.174

Other Implications

34

- **Human Resources:** not applicable
- **Equalities:** not applicable
- **Legal:** not applicable
- **Crime and Disorder:** not applicable
- **Information Technology:** not applicable
- **Property:** not applicable

Risk management

- 35 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

- 36 That the Advisory Panel advise the Executive Member 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
 - 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.

Contact Details

Author:

Mike Barugh
Principal Accountant
Learning, Culture and Children's Services
Tel No. 01904 554573

Maggie Tansley
Head of Planning and Resources
Learning, Culture and Children's Services
Tel No. 01904 554214

Chief Officer Responsible for the report:

Pete Dwyer
Director of Learning, Culture and Children's Services

**Report
Approved**



Date 20/11/2008

Ian Floyd
Director Of Resources

Specialist Implications Officer(s)

Financial:
Mike Barugh
Principal Accountant
01904 554573

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
Annex B – NDS Modernisation Programme
Annex C – Extended Schools Programme

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