

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

CAPITAL PROGRAMME OUTTURN 2007/08

Summary

- 1 This report is to:
- inform Members of the final out-turn position of the 2007/08 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 2008/09 and 2010/11 Capital Programme.

Background

- 2 The original capital programme for the financial year 2007/08 was approved at Council on 21 February 2007. Since then, a number of amendments to the programme have been approved as part of the 2006/07 out-turn report, at the Urgency meeting of 3rd July 2007 and following the two monitoring reports. This results in a current approved Children's Services capital programme for 2007/08 which shows gross capital expenditure of £17.239m with £15.277m of other funding which gives a net capital programme cost to the authority of £1.962m.
- 3 The table below details the approved changes to the 2007/08 capital programme since the original programme was approved in February 2007.

Table 1- Current Approved Children's Services Capital Programme 2007/08

	Gross Spend £m	Other Funding £m	Net Spend £m
Original Capital Programme 2007/08	16.485	16.225	0.260
Slippage and Adjustments from the 2006/07 Outturn report	2.368	2.052	0.316
Amendment at Urgency Meeting	0.798	0.244	0.554
Monitor 1 Adjustments	0.488	0.109	0.379
Monitor 2 Adjustments	(2.900)	(3.353)	0.453
Current Approved Capital Programme 2007/08	<u>17.239</u>	<u>15.277</u>	<u>1.962</u>

Consultation

- 4 Not applicable.

Options and Analysis

- 5 The outturn of the 2007/08 Children's Services Capital Programme is £12.897m, financed from £11.370m of external funding, resulting in a net cost to the Council of £1.527m.
- 6 Budget slippage in to 2008/09 is £4.134m. This is comprised of £4.714m of slippage on schemes from 2007/08 to 2008/09, which is reduced by "reverse" slippage on schemes from 2008/09 to 2007/08 of £0.580m.
- 7 The schemes where there are significant variances between the current approved capital budget for 2007/08 and the final outturn are discussed in paragraphs 8 to 32 below.

Devolved Capital

- 8 This scheme represents the devolved capital which has been allocated to schools in 2007/08, net of any contributions which the schools have agreed towards LA led schemes.

Fulford Secondary Targeted Capital (Scheme Cost £3.489m)

- 9 This scheme is now complete with only the retention payment on Phase 1 outstanding. This is still being finalised but is expected to be within the remaining budget. The outstanding budget needs to be slipped into 2008/09.

Huntington Secondary (Scheme Cost £5.674m)

- 10 The major scheme for the provision of new Teaching and Performing Arts blocks is complete with the new facilities in full use. As reported previously to EMAP, there has been an overspend on the overall scheme, which has been funded from corporate resources. Property Services are currently negotiating a final account and are pursuing some outstanding claims which may result in an improvement to the previously reported figures. Further details will be reported when the negotiations are concluded. The final retention has not yet been settled, therefore an amount of £105k is required to be slipped into 2008/09.

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

- 11 The schemes at the five new Children's Centres are progressing well, although there have been further minor delays at some of the sites, which, although they have not significantly altered final completion dates, have resulted in a reduction in expenditure prior to 31 March 2008 necessitating further slippage of £1,475k above that which was approved at Monitor 2.
- 12 The scheme at Carr is in progress with completion now scheduled for the end of June 2008.
- 13 Haxby Road Children's Centre is also progressing, with completion now expected in the autumn.

- 14 Construction work at New Earswick is substantially complete with the centre now open. Any minor outstanding work is scheduled to be completed by the end of the summer. The budget for New Earswick in the capital programme has been amended to reflect previously identified funding not currently shown against this scheme.
- 15 The first phase of work at St Lawrence's is complete with Phase 2 now in progress. The scheme is still on target for completion by the end of July 2008.
- 16 Tang Hall Children's Centre became operational in mid-February with only some minor outstanding issues. The whole school site is expected to be handed over shortly.

NDS Modernisation (Scheme Cost £17.053m)

- 17 This scheme addresses condition and suitability issues at a number of schools in the city. In order to maximise the resources available schools have been invited to bid for this funding and encouraged to contribute their devolved capital to projects.
- 18 The majority of previously reported schemes within the Modernisation programme are now complete or nearing completion, with the majority delivered on or close to budget.
- 19 The schemes which were successful in the bidding round for 2007/08 and 2008/09 which were reported to EMAP on 7 December 2006 have now mostly progressed through the tendering process and many have now either started or are just about to start on site. However a number of the larger schemes did not start prior to 31 March 2008, which has resulted in slippage of £1,369k required into 2008/09.
- 20 The most significant scheme which has been delayed is the Poppleton Road Primary access works which makes up £590k of the slippage. Logistically it has proved very difficult to configure a workable design to make this school accessible. Factors such as meeting the requirements of English Heritage, difficulties with the existing building design and the complication of resolving a number of separate but inter-related accessibility issues at once have all contributed to the delay. However, a contractor is now on site with a target completion date of October 2008.
- 21 In addition a number of schemes which were being designed and tendered for during 2007/08, have not been able to start on site as early as originally envisaged.

Neighbourhood Nurseries Initiative (Scheme Cost £3.545m)

- 22 This scheme is now complete. The final account has now been paid and, together with some small items of outstanding work, has resulted in a further overspend of £26k above what was reported at Monitor 2.

Robert Wilkinson Basic Need Phase 2 (Scheme Cost £0.443m)

- 23 This scheme is complete with a small overspend on the final contract payment.

Schools Access Initiative (Scheme cost £2.108m)

- 24 The majority of schemes in the 2007/08 programme have now been completed but a small amount of funding requires slipping into 2008/09 to cover some outstanding work. The programme for 2008/09 has now been developed with a total of 24

schemes being supported. The schemes range from extensive work to doors and ramps at Westfield Primary School to the provision of sound-proof partitions at Copmanthorpe Primary.

Skills Centre - Danesgate (Scheme Cost £2.740m)

- 25 The main construction work at the Skills Centre is complete. The building was handed over in mid January and is now fully operational. The work on the Walled Garden is now underway with completion expected during Summer 2008.
- 26 There has been a saving on the main scheme of £140k and this has been recycled back into the overall modernisation programme. An amount of £120k requires slipping into 2008/09 to fund retentions and the work to the walled garden.

Extended Schools Sure Start Projects (£1.060m)

- 27 A number of extended schools schemes are currently underway, however most have taken longer to get off the ground than originally envisaged, hence only £94k of this scheme has been spent in 2007/08, with the balance now requiring slipping into 2008/09. Approval was also given for those school bids which were unsuccessful in obtaining funding from the first tranche of funding to have further development in line with best practice and council policy so that they would be able to be reconsidered should further funding be made available by the DCSF. As reported in the budget proposals, the DCSF have made available a further £651k over the following three years, so these schemes are now in the process of being re-evaluated and it is expected the majority will be submitted to EMAP for approval later in 2008.

York High School (Scheme Cost £12.300m)

- 28 Work is currently progressing on site. The new building is in place, the steelwork for the covered atrium has been erected and the refurbishment is under way. As a result of poor ground conditions the buffer period within the programme has been used up, but the completed building is still expected to be handed over in December 2008 ready for an opening at the beginning of the spring term 2009.

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

- 29 The final business case is due to be submitted to Partnerships for Schools on 4 June 2008. A separate report on this agenda provides a detailed update on the progress of this scheme. The programme has been adjusted to reflect additional funding which has been secured to support this scheme from both the DCSF Carbon Free Schools Fund and the Project Faraday Science Fund, together some earmarked section 106 and a contribution from the school's own Devolved Capital.

- 30 Targeted Capital Fund – 14-19 Diploma, SEN and Access (Scheme Cost £8.015m)
As reported as part of the capital budget proposals for 2008/09 – 2010/11 contained in the main revenue budget report to EMAP on 21 January 2008, the authority has been allocated £2m in 2009/10 and £6m in 2010/11 to facilitate the delivery of diplomas and to support special needs and access issues. A Project Board is considering how diplomas will be offered across the city and a provisional strategy is expected to be in place this summer. This will be used to develop proposals for use of the available capital funding, with the final plan being submitted to EMAP for approval in early 2009.

Scheme Additions

- 31 There are a number of new schemes that require adding to the Capital Programme as part of this outturn report.
- 32 The DCSF have announced allocations for Sure Start Capital and Children's Centre schemes for the following three years - 2008/09 to 2010/11. The Sure Start capital allocation of £706k per year for three years has been made under the heading of Quality and Access for all young children and is intended to improve the quality of the learning environment in early years settings. There is an expectation that some of this funding is used to improve the quality of the environment in the Private, Voluntary and Independent (PVI) sector. A framework and bidding criteria that will enable the local authority to comply with financial regulations, ensure best value and meet the scheme objectives is currently being prepared and will be submitted for approval shortly. It is unlikely that any of this funding will be spent in 2008/09, therefore it has been added into the 2009/10 and 2010/11 programmes.
- 33 The allocation of funding for Children's Centres for the next three years totals £1,196k. This funding has been allocated for the provision of a further four small-scale centres. The local authority is currently investigating the most appropriate locations and recommendations will be brought forward for consideration in summer 2008. Again, it is unlikely that any of this funding will be spent in 2008/09, therefore it has been added into the 2009/10 and 2010/11 programmes.
- 34 During 2007/08 the local authority was successful in obtaining funding under the 14-19 Diploma initiative for the capital costs of setting up two diploma lines. Although the funding has been allocated, and orders placed for the provision of equipment for these two diplomas, no spend occurred in 2007/08, therefore the whole of this new funding needs to be allocated to 2008/09.
- 35 As part of the merger of the Youth Service with the former Connexions Service which was previously delivered by Guidance Enterprises, a number of staff have transferred to the local authority. This has required improvements and adaptations to some of the existing Youth Service premises to accommodate these staff and deliver the new integrated service. As part of the transfer, Connexions have provided some capital funding to contribute towards the cost of these works. In addition, it is proposed that the remaining budget on Oaken Grove Community Centre be vired to support these works as it has been established that there will be no further expenditure on this scheme.

Financial Implications

- 36 Annex A provides a scheme-by-scheme update to the 2007/11 programme, detailing predicted variances and the resulting amendments to the capital programme.
- 37 The effect of adding the new schemes in paragraphs 31-35 into the capital programme is to increase the 2008/09 programme by £0.578m, the 2009/10 programme by £1.657m, and the 2010/11 programme by £1.657m.
- 38 The effect of the items of slippage reported above is overall net slippage of £4.134m from 2007/08 to 2008/09, £16.468m from 2008/09 to 2009/10 and £0.800m from 2009/10 to 2010/11.

- 39 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	45.103	13.845	17.122	76.070
<u>Adjustments: -</u>				
Scheme Slippage and Reprofilling	(12.334)	15.668	0.800	4.134
Scheme Addition	0.578	2.157	2.731	5.466
Revised Capital Programme 2008/11	33.347	31.670	20.653	85.670

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

- 41 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

- 42 The Advisory Panel advise the Executive Member to:

- note the capital programme outturn for 2007/08 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

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

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**Report
Approved**



Date 28 May 2008

Simon Wiles
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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

2007/08 Capital Programme Estimate and Monitoring Files
2007/08 Capital Programme Final Accounts File

Annex

Annex A - Approved Capital Programme and Projected Outturn

Glossary

DCSF	Department for Children, Schools & 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