

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

CAPITAL PROGRAMME MONITORING 2007/08 - REPORT 2

Summary

- 1 This report is to:
 - inform Members of the likely out-turn position of the 2007/08 Capital Programme based on the spend profile and information to the end of October 2007
 - 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 new schemes and seek approval for their addition to the 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 first monitoring report. This results in a current approved Children's Services capital programme for 2007/08 which shows gross capital expenditure of £19.460m with £18.330m of other funding which gives a net capital programme cost to the authority of £1.130m.
- 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
Current Approved Capital Programme 2007/08	<u>20.439</u>	<u>18.630</u>	<u>1.509</u>

Consultation

- 4 Not applicable.

Options and Analysis Scheme Progress Reports and Updates

- 5 The following section provides an update on all the major schemes in the capital programme with a brief summary of progress to date and any issues arising.

Devolved Capital

- 6 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 LEA led schemes.

Fulford Secondary Targeted Capital (Scheme Cost £3.518m)

- 7 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.

Huntington Secondary (Scheme Cost £5.674m)

- 8 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. Property Services are currently negotiating a final account and are pursuing outstanding claims which may result in a variation to the previously reported overspend, which has been funded by corporate resources. Further detail will be reported when negotiations are concluded.

Integrated Children's Centres (Overall Scheme Cost (£4.728m)

- 9 When tenders for the remaining five Children's Centres were returned during the summer, it became apparent that funding for this important programme for re-shaping key statutory services for children from birth to five years was insufficient to meet the City's aspirations for the Centres. The Urgency meeting of 3rd August 2007 therefore agreed to the allocation of additional funding, but this meant that there was a delay in awarding the tenders so that the summer holiday period for starting work was missed. This has had a knock-on effect on both programmes and budgets, although Project Managers are working hard to contain costs within the overall scheme budgets.

- 10 The scheme at Carr is currently on site with a provisional completion date of late March 2008.

- 11 At Haxby Road, difficulties in agreeing the design and materials of the new extension to this listed building with planners and English Heritage have meant that this project has not yet commenced. These issues have now been resolved and work is due to start on site at the beginning of 2008, with an estimated completion date of June 2008. A budget of £250k needs to be slipped into 2008/09 to reflect this timetable.

- 12 Construction work at New Earswick was halted by the discovery of a gas main where foundations were required to be sited. This has caused a 10 week delay, with completion now expected by Christmas 2007.
- 13 The first phase of work at St Lawrence's is expected to be complete by Christmas 2007. Phase 2 is due to start in the new year with completion due in July 2008. A budget of £350k needs to be slipped into 2008/09 to reflect this timetable.
- 14 Phase 1 of the scheme at Tang Hall will be completed by Christmas, and full completion of the centre is due by mid-February.

New Deal for Schools (NDS) Modernisation (Scheme Cost £12.982m)

- 15 This scheme addresses condition and suitability issues at a number of schools in the city. In order to maximise the resources available schools are invited to bid for this funding and are encouraged to contribute their devolved capital to projects.
- 16 The majority of previously ongoing schemes within the Modernisation programme are now complete or nearing completion, with the majority delivered on or close to budget.
- 17 A report to EMAP on 7 December 2006 reported on the allocation of Modernisation funding for 2007/08 and 2008/09 to schools that were successful under the bidding round carried out in summer 2006. The successful schemes are now progressing through the design and tendering process with a number now on site. However, a small number of schemes currently scheduled to be carried out in 2007/08 are now likely to take place in 2008/09, therefore £200k, needs to be slipped from the 2007/08 programme.

Neighbourhood Nurseries Initiative (Scheme Cost £3.519m)

- 18 As reported at monitor 1, this scheme is now complete with only retention payments outstanding. The final account has now been agreed and as a result there is a further overspend of £21k above what was reported at outturn which will impact in 2007/08.

Robert Wilkinson Basic Need Phase 2 (Scheme Cost £0.438m)

- 19 This scheme is complete with only the final retention payments outstanding.

Schools Access Initiative (Scheme cost £1.352m)

- 20 Included within the report to EMAP on 7 December 2006 on the allocation of the Modernisation funding for 2007/08 and 2008/09, was the allocation of Schools Access Initiative funding for the two year period, also under a bidding process. The successful schemes are now progressing through the design and tendering process with some due to begin shortly.

Skills Centre - Danesgate (Scheme Cost £2.880m)

- 21 The construction work for the Skills Centre is due to be completed and the building handed over on 30 November. Reports from colleagues in Property Services, who are regularly monitoring progress, indicate that this date will be achieved, though some external works will be completed in the following week. Furniture and equipment will be moved in from early December, giving time for the staff to be familiarised with the new building ready for opening at the start of the Spring term.

Extended Schools Sure Start Projects (£1.060m)

- 22 At the start of 2006/07 funding was announced under the Sure Start, Extended Schools and Childcare Grant initiative covering the years 2007/08 and 2008/09. This funding was allocated under three separate streams, (including the previously announced Integrated Children's Centre grant, which was already shown separately in the Children's Services Capital Programme). Local Authorities were given the freedom to allocate the funding towards schemes which contributed to their overall Extended Schools and Childcare Strategy. After topping up the Integrated Children's Centre programme with £416k from the other two funding streams, the remaining £1.060m was made the subject of a bidding round for schools to put forward proposals for small capital schemes to contribute towards the provision of Extended School facilities. The results of this bidding process were reported to EMAP on 22nd January 2007. Some of these schemes are now commencing with the remainder still in the design and tender stages.

York High School (Scheme Cost £12.200m)

- 23 The scheme reaches a critical phase this month with the tendered prices for substantial work packages due to be received. Detailed surveys have revealed the need for remedial work to the existing roof structure and this work is now being progressed urgently. It is proposed that the cost of this additional work, £106K, is funded from the 2008-09 Modernisation budget. A further report to EMAP will set out the detail of the scheme once the prices for the various work packages are known and the contract target Price is agreed later this year. Action is now being taken to ensure that the target completion date of November 2008 is achieved. It is essential that this scheme is delivered to the original deadlines in order to allow the school to move back into the new and refurbished facilities at the end of 2008.
- 24 It is now estimated that spend on this scheme in 2007/08 will be approximately £2.3m, therefore the remaining budget of £2.6m needs to be slipped into 2008/09.

Joseph Rowntree One School Pathfinder (Scheme Cost £27.362m)

- 25 Thanks to the hard work, commitment and expertise of the Project Director, the Project Manager and the school, this project is on schedule with the preferred bidder due to be appointed on 23 November 2007. Work on refining the details of the chosen design will continue with the aim of having planning permission in place for a start on site in April 2008.

Scheme Addition

- 26 There is one addition to the Capital Programme to be reported. This is a scheme for the provision of a Multi Use Games Area (MUGA) at Derwent Infant and Junior schools. The provision of sports facilities at Derwent school was agreed as part of the planning condition for the sale of a piece of land at Osbaldwick Lane, and the facility will be funded by an amount of £675k reserved from the capital receipt. Authorisation for this was granted at Resources EMAP on 18th April 2005 and the scheme is being overseen by Property Services.

Financial Implications

- 27 Annex A provides a scheme-by-scheme update to the 2007/08 programme, detailing predicted variances and the resulting amendments to the capital programme.

- 28 The slippage on York High School, Haxby Road and St Lawrence's Children's Centres and NDS Modernisation reduces the 2007/08 programme by £3.4m in 2007/08.
- 29 The addition of the scheme for Derwent MUGA increases the programme by £500k in 2007/08 and £175k in 2008/09.
- 30 The net effect of the variations reported above and illustrated in Annex A is to produce a Children's Services gross capital programme for 2007/08 of £17.239m, funded by £15.277m of external funding, resulting in a net cost to the city of £1.962m. The changes to the capital programme are summarised in the table below.

Table 2 - Summary of Amendments to the 2007/10 Capital Programme

Gross Education Capital Programme	2007/08	2008/09	2009/10	Total
	£m	£m	£m	£m
Current Approved Capital Programme	20.139	36.734	2.412	59.285
<u>Adjustments: -</u>				
Scheme Slippage and Reprofiting	(3.400)	3.400	-	-
Scheme Addition	0.500	0.175	-	0.675
Revised Capital Programme 2007/10	17.239	40.309	2.412	59.960

Other Implications

31

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

Risk management

- 32 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

33 The Executive Member is recommended to:

- note the capital programme forecast 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 22 November 2007

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

Annex

Annex A - Approved Capital Programme and Projected Outturn

Glossary

DfES	Department for Education and Skills
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