

## Meeting of the Executive Members for Children's Services and Advisory Panel 8 June 2006

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

### EDUCATION CAPITAL PROGRAMME OUTTURN 2005/06

#### Summary

- 1 The purpose of this report is to:
  - inform Members of the final out-turn position of the 2005/06 Capital Programme
  - advise Members of changes to existing schemes to allow the more effective management and monitoring of the future Capital Programme
  - inform Members of any new externally funded schemes and seek approval for their addition to the 2006/07 to 2008/09 Education Capital Programme
  - inform Members of any financial slippage to or from future financial years.
  
- 2 The report sets out the capital outturn for 2005/06 against the approved budget. The individual scheme variances are detailed in Annex 1, but in summary the outturn of the 2005/06 Education Capital Programme is £7.982m, against the current approved budget of £9.082m, an underspend of £1.100m (12.1%).

#### Background to the 2005/06 Capital Programme

- 3 The original capital programme for the financial year 2005/06 was approved at Council on 22 February 2005. Since then a number of amendments to the programme have been approved as part of the 2004/05 out-turn report and the two in year monitoring reports. This results in a current approved Education capital programme for 2005/06 which shows gross capital expenditure of £9.082m with £8.300m of other funding, giving a net capital programme cost to the authority of £0.782m. Table 1 below details the approved changes to the 2005/06 capital programme since the original programme was approved in February 2005.

<b>Table 1- Current Approved Education Capital Programme</b>	Gross Spend £m	Other Funding £m	Net Spend £m
Original Capital Programme 2005/06	11.422	(10.545)	0.877
Slippage and adjustments re 2004/05 Outturn report	0.086	(0.115)	(0.029)
Adjustments at Urgency Committee 12/07/05	(0.003)	0.003	0.000
Adjustments from first Monitoring Report	(0.210)	0.210	0.000
Adjustments from second Monitoring Report	(2.213)	2.147	(0.066)
Current Approved Capital Programme 2005/06	<u>9.082</u>	<u>(8.300)</u>	<u>0.782</u>

## **Consultation**

- 4 Not applicable

## **Options and Analysis**

### **2005/06 Capital Programme Outturn**

- 5 The outturn of the 2005/06 Education Capital Programme is £7.982m, financed from £7.408m of external funding, resulting in a net cost to the Council of £0.574m.
- 6 Budget slippage in to 2006/07 is £1.345m. This is comprised of £1.514m of slippage on schemes from 2005/06 to 2006/07, which is reduced by “reverse” slippage on schemes from 2006/07 to 2005/06 of £0.169m.
- 7 The schemes where there are significant variances between the current approved capital budget for 2005/06 and the final outturn are discussed in paragraphs 8 to 18 below.

#### Fulford Secondary School Targeted Capital

- 8 The second phase of the Fulford project is complete and has been well received. Some final issues around heating and the amount of the final retention remain to be settled in 2006/07, necessitating the slippage of £40k, however the project overall is expected to deliver a saving of approximately £37k.

#### Applefields Special School Targeted Capital

- 9 The project is substantially complete and running well, but there is still some outstanding expenditure required on internal equipment, external ground works and the retention on the main contract totalling £188k.

#### Huntington Secondary School Improvements

- 10 Extended negotiations on the scope and cost of the project mean that work on site did not commence until April 2006. The bulk of the expenditure will therefore now take place in 2006/07 requiring slippage of £546k.

#### NDS Modernisation

- 11 The overall modernisation programme requires combined slippage of £442k. The individual projects within this programme which have resulted in this slippage are discussed in paragraphs 12 to 18 below.
- 12 The Classroom Extension project at Dunnington Primary has been successfully completed. However, the later stages of the project to expand the hall by raising the roofline proved significantly more expensive than anticipated. The area to be refurbished was structurally integral to the roof and a full investigation could not be undertaken before work commenced. It was therefore difficult to accurately predict the amount of work required. It also proved more expensive than expected to accurately match the hall flooring which needed to be replaced. Whilst the project was in progress it was also felt that desirable improvements to the toilet facilities could be carried out alongside the main work, so this was incorporated into an expanded project brief, with additional Modernisation funding allocated to the project. As a result of all these issues the total project cost has increased by £50k (8%).

- 13 The Canon Lee School Extension project requires slippage of £79k into 2006/07. The complex nature of the project meant that the development work took longer than anticipated and construction work began a month later than originally predicted. However construction is now progressing well and completion is planned for autumn 2006.
- 14 The availability of additional funding through the Targeted School Meals Grant (£90k in 2005/06 and approximately £150k in each of 2006/07 and 2007/08) has created the opportunity for coordination with existing Kitchen Improvements projects funded from the Modernisation Fund. Therefore £92k of capital funding has been held back to allow schools to submit bids, and this funding needs to be slipped into 2006/07.
- 15 The Rufforth Community Hall project is now progressing well, however spend in the early stages of the project has been slower than anticipated resulting in slippage of £58k into 2006/07.
- 16 Scarcroft Access Works project is also now progressing well and work on site is expected to be completed by mid-July. However delays at the beginning of the project due to complications around a sloping floor, and the time taken to agree the works with English Heritage and our Building Conservation department have resulted in the requirement to slip £97k into 2006/07.

#### Schools Access Initiative

- 17 There are 27 individual schemes currently on-going within the Schools Access Initiative. All schemes are currently in progress, but a small number have been subject to delays. One was due to the need to rework the project because the initial quotes were unaffordable. A number of others were delayed due to lack of capacity caused by sickness absence in the surveyor's section of Property Services.

#### Skills Centre

- 18 The project is currently on schedule but some of the early expenditure on enabling works was incurred slightly later than anticipated. Therefore £44k of expenditure needs to be slipped into 2006/07.

### **2006/07 Capital Programme Budget**

- 19 The 2006/07 budget has increased as a result of the above slippage by £1.345m. This gives a start budget for the 2006/07 financial year of £14.477m, £13.423m of which is externally funded and £1.054m from CYC resources.

### **Corporate Objectives**

- 20 The budgets covered in this report reflected the council's corporate objectives for 2005/06.

## Financial Implications

- 21 Table 2 below summarises the capital programme from 2005 to 2009 following the changes highlighted in this report.

<b>Table 2: Gross Education Capital Programme</b>	2006/07 £m	2007/08 £m	2008/09 £m
Current Approved Capital Programme	13.132	12.935	8.000
Slippage	1.345		
<b>Capital Programme after 2005/06 Outturn</b>	<b>14,477</b>	<b>12.935</b>	<b>8.000</b>
<u>Funded by</u>			
External Sources	13.423	12.675	2.500
City of York Council	1.054	0.260	5.500

- 22 Annex A illustrates the complete 2005-09 capital programme showing the current approved budgets and outturn position for 2005/06 and summarises the scheme slippage and adjustments discussed in above.

### Implications:

- **Human Resources:** not applicable
- **Equalities:** not applicable
- **Legal:** not applicable
- **Crime and Disorder:** not applicable
- **Information Technology (IT):** not applicable

### Risk Management

- 23 Contained in the main body of the report.

### Recommendations

- 24 The Executive Member is recommended to:
- note the capital programme outturn for 2005/06 as highlighted in this report and summarised in Annex A.
  - approve the slippage to and from financial years to allow the effective monitoring of the schemes.
  - agree the revised capital programme as shown at Annex A, subject to the approval of the Executive.

## Contact Details

### Authors:

Mike Barugh  
Principal Accountant - Learning,  
Culture and Children's Services  
Tel. 554573

Maggie Tansley  
Head of Planning and Resources  
- Learning, Culture and Children's  
Services

### Chief Officers Responsible for the Report:

Patrick Scott  
Director of Learning, Culture and Children's Services  
**Report Approved** ✓ **Date** *26 May 2006*

Simon Wiles  
Director of Resources  
**Report Approved** ✓ **Date** *26 May 2006*

### Specialist Implications Officers:

None

### Wards Affected:

All

✓

**For further information please contact the author of the report**

## Background Papers

2005/06 Estimate and Capital Programme Monitoring Files

**Annex 1** - Approved Capital Programme and final outturn

## Glossary

DfES Department for Education and Skills  
LSC Learning and Skills Council  
NDS New Deal for School  
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