

Final

Meeting: Children's Services Overview and Scrutiny Committee
Date: 17 April 2012
Subject: Capital Budget Management Report Quarter ended 31st December 2011
Report of: Cllr Mark A G Versallion, Executive Member for Children's Services
Summary: The report sets out the projected full year forecast as at 31st December 2011

Advising Officer: Edwina Grant, Deputy Chief Executive / Director of Children's Services
Contact Officer: Dawn Hill, Senior Finance Manager
Public/Exempt: Public
Wards Affected: All
Function of: Council

CORPORATE IMPLICATIONS

Council Priorities:

1. Sound financial management contributes to the delivery of the Council's value for money, enabling the Council to successfully deliver its priorities.
These are:
 - Supporting and caring for an ageing population
 - Educating, protecting and providing opportunities for children and young people
 - Managing growth effectively
 - Creating safer communities
 - Promoting healthier lifestyles.

Financial:

2. The financial implications are set out in the report.

Legal:

3. Not applicable

Risk Management:

4. Not applicable

Staffing (including Trades Unions):

5. Any staffing reductions as a result of compensatory efficiencies or grant reductions are being carried out in accordance with the Council's Managing Change Policy and in consultation with the Trade Unions.

Equalities/Human Rights:

6. Equality Impact Assessments were undertaken prior to the allocation of the 2010/2011 budgets and each Directorate was advised of significant equality implications relating to their budget proposals. Many of the pressures outlined in this report are in relation to those needs led services which support the most vulnerable children in our communities.

Community Safety:

7. Any savings of efficiency proposals and reduction in grant that remove or change the level of service provided may have an impact on the community safety priorities and potentially result in an increase in crime, anti social behaviour, fear of crime and public confidence.

Sustainability:

8. Not applicable.

Procurement:

9. Not applicable.

RECOMMENDATION(S):

The Committee is asked to:-

1. **Note and consider this report.**

Introduction and Key Highlights (Appendices A1)

10. Children's Services revised annual capital expenditure budget is currently £30.75M and income budget is £27.99M which leaves a net expenditure capital budget of £2.76M. Partnerships capital budget is £86K and income budget is £86K, giving a zero net expenditure capital budget.
11. The full year projected outturn position for 2011/12 is an overspend of £173K. £289K on Schools Access Initiative (previously slipping in the capital review by £439K, now expected to under spend £150K of the £439K slippage) offset by under spend of £116K against the revised capital programme, (£85K on Arnold Middle School and £31K on Holmemead). The review of the capital programme that took place in August was approved by the Executive on the 15th November 2011.
12. The major capital budgets have been profiled in December. The actual spend to date is a slight overspend on the net profiled budget.
13. There are no new major projects for 2011/12 or uncontrolled key risks to highlight.
14. The Roecroft School project was handed over on 11 October and was part funded by £2M of the Basic Need grant, releasing the Council contribution to the scheme.

Summary Table: Directorate Overall position (Appendices A1)

	Net Budget	Profiled Net Budget YTD	Net Spend to Date	Variance to date (-under)/overspend	Net Full Year Forecast Variance (-under)/overspend
	£000	£000	£000	£000	£000
Children Services	2,765	1,203	1,593	390	173
Partnerships	0	0	(86)	(86)	0

Capital Position – exception reporting

15. Etonbury Middle School

This project is mostly funded by Section 106 funding with £781K of these works slipping into 2012/13. The breakdown of the projected spend for the remainder of 2011/12 is to be established by the current feasibility study that is underway.

16. Tithe Farm Lower

The project has made a series of improvements to the school's accommodation and site and was handed over in July. This was shortly before a second project concentrating on several condition elements commenced at the start of the school summer holiday which is now largely completed.

17. Schools Access Initiative

The programme enables the Council to meet its statutory obligations to enable pupils with disabilities to attend local schools. Schools are invited to apply for funding and a further batch of commitments were agreed at the November meeting. A potential under spend of £150K is currently forecast for this financial year.

18. Schools Capital Maintenance (formerly New Deal for Schools)

The 11/12 programme was agreed in March 2011 and the total estimated cost of works is £5.2M, the remainder of the budget allocated for fees, capitalised salaries and contingency. Of 51 approved projects within the original programme, 21 are now complete with a further 18 contractually committed and underway. The remainder are at tender stage or are subject of further technical detail to define the extent of works required.

The project is externally funded by DfE grant but does require schools to contribute to the cost of works, as set out in a formula contained within the Scheme for Financing Schools. These contributions are invoiced once planned works are complete.

The programme is currently forecast to be completed within the financial year, although there is no expenditure deadline on the grant itself. The 12/13 programme is being drafted but with a much reduced funding envelope of £3.4M as a result of Academy capital held centrally.

19. Basic Need

This grant funding is to enable management of pressures related to population growth and capacity within our schools and has in part funded Roecroft Lower School by £2M. Central Bedfordshire has been allocated a further £730K on the original allocation for 2011/12 of £9.7M and this will be added to the programme. Following the capital review, £8.321M will slip into 2012/13 whilst feasibility studies are carried out. There is no expenditure deadline on this grant. DfE capital announcements for 12/13 included £5.8M of basic need funding for Central Bedfordshire. This is a significant reduction on the 11/12 allocation as a result of changes in DfE methodology. A report is being drafted for March Executive that will outline a programme to commission new school places over the next five years. This programme will drive the expenditure of basic need grant and will also align S106 contributions that are being collected for major projects.

20. Roecroft Lower School

Due to delays caused by last winter's severe weather, the new school opened on 1 November 2011. Financially the project remains within its programme provision, funded externally by DfE grants and Section 106 income.

21. Temporary Accommodation

This funding covers planning renewal fees for existing temporary units and provides funding for additional school accommodation fulfilling a temporary demand. The total budget, which includes an additional amount of £183K Section 106 funding, is forecast to be fully spent.

22. All Saints Academy

The project is mid way through its construction phase.

During the summer 2011 period early construction work brought to light asbestos in the current building, not included in the earlier surveys undertaken, predominantly in a hall-floor and sealed external heating ducts. Under the terms of the Partnerships for Schools' model contract, the responsibility for removal lies with the Council, not the design and build contractor. Further surveys of the buildings which will be demolished in 2012 has better quantified the risk, which is being dealt with within the existing contract sum through value engineering, agreed with the Academy and Sponsors and a further, small contingency has been created in case further asbestos is discovered during the final demolition works on the site. All material has/will be removed by specialist sub-contractors.

Accordingly, the project risk register has been updated in the light of newer information and the situation is being monitored during the lifetime of the construction contract.

The project is externally funded by DfE, other than a commitment given by the Council's Executive to contribute £300k of its own capital over the lifetime of the project to the cost of site surveys, project management and CDM costs. The project is not reliant on other third party income.

The new school is expected to be open from September 2012.

23. Asbestos / Health & Safety

A series of asbestos management surveys is underway, building on the work undertaken in 10/11 with removal and reinstatement work prioritised on the basis of risk.

24. School Devolved Formula Capital

The allocation to Schools is for use on capital condition / improvement works on their buildings in line with the priorities in their School Improvement Plan and in context with the Schools Asset Management Plan. The schools have three years to spend the funds and are deemed spent for this purpose of reporting. A provisional announcement of the funding for Devolved Formula Capital for 2012/13 has been made and this will be confirmed in April 2012.

25. Short Breaks - Aiming High Disabled Children (AHDC)

Approval has been obtained from Partnerships for Schools for the original grant of £183K that was allocated for the co-location of the Council's Youth Support Services with front line delivery services from the third sector in Dunstable and Houghton Regis to be reallocated to complete the existing AHDC East Beds Family project. This amount is fully committed in year.

AHDC capital allocation for 2011/12 was announced in June of £166K and will be spent this year, as is the requirement, following approval of CSMT.

26. Integrated Children's Systems (ICS) & Electronic Social Care Record (ESCR) & Various Children's ICT projects unfunded by 'Your Space'

£400K has been vired to Corporate ICT to fund ICS. Approval of the business case for the £100K balance is awaited.

27. Local Public Service Agreement (LPSA) & Local Area Agreement (LAA)

This funding belongs to the Central Bedfordshire Together partnership (CBT) and the Council holds this for administrative purposes. How it is spent rests with the CBT. The CBT has so far allocated a total of £212K and it is anticipated that £1,135K will be carried forward into 2012/13.

Appendices:

Appendix A1 Directorate Overall position