
Meeting: Children's Services Overview and Scrutiny Committee
Date: 24th July 2012
Subject: 11/12 Provisional Outturn Capital Budget Monitoring Report
Report of: Cllr Mark A G Versallion, Executive Member for Children's Services
Summary: The report sets out the financial position to the end of March 2012.

Advising Officer: Pete Dudley Interim Director of Children's Services, Assistant Director Learning and Strategic Commissioning
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 Council's value for money and enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all 5 Council priorities.

Financial:

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

Legal:

3. There are no direct legal implications arising from the report.

Risk Management:

4. Sound financial management and budget monitoring mitigates adverse financial risks.

Staffing (including Trades Unions):

5. Not Applicable

Equalities/Human Rights:

6. Public Authorities must ensure that decisions are made in a way which minimises unfairness and without a disproportionately negative effect on people from different ethnic groups disabled people, women and men. It is important that Councillors are aware of this duty before they take a decision.
7. Equality Impact Assessments were undertaken prior to the allocation of the 2011/12 budgets and each Directorate was advised of any significant equality implications relating to their budget proposals.

Community Safety:

8. Not Applicable..

Sustainability:

9. Not applicable.

Procurement:

10. Not applicable.

RECOMMENDATION(S):

The Committee is asked to:-

11. Note and consider this report.

Introduction and Key Highlights (Appendices A1)

12. 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.
13. The full year outturn position for 2011/12 is an underspend of £7.3M This underspend is largely due to the timing of Schools Capital Maintenance grant funded expenditure and All Saints Academy having slipped into 2012/13. .

Summary Table: Directorate Overall position (Appendices A1)

	Gross Budget	Gross Spend to Date	Variance to date under spend	Proposed Slippage
	£000	£000	£000	£000
Children Services	30,750	23,495	7,255	7,066

Capital Position – exception reporting

14. Etonbury Middle School

This project is mostly funded by Section 106 funding with £138K of these works slipping into 2012/13.

15. 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.

16. 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. There is an under spend of £113K for 2011/12 financial year.

17. 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 52 approved projects within the original programme, 30 are now complete with a further 11 contractually committed or in tender stage. They are subject to 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.

There is slippage of £2,937K into 2012/13, although there is no expenditure deadline on the grant itself. The 12/13 programme has been drafted and was subject of consultation with School Forum on 5th March, The programme is now being commissioned but with a much reduced funding envelope of £3.4M as a result of Academy capital held centrally.

18. 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. 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 was drafted for March Executive that outlines 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.

19. Roecroft Lower School

Despite 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.

20. 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, was not fully spend and £150K has slipped into 2012/13.

21. All Saints Academy

Slippage of £2,918K into 2012/13, part of this is attributable to the economic failure of the roofing contractor.

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.

22. Asbestos / Health & Safety

Asbestos Management Surveys have been completed at all schools. Schools have received training on the management of asbestos registers. The ongoing Health and Safety programme includes meeting Health and Safety requirements for Kitchen Gas Safety, for schools that provide catering.

23. 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. Funding for Devolved Formula Capital for 2012/13 is £938K

24. 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 spent this year, as is the requirement, following approval of CSMT.

25. 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 has now been received for the remaining balance of £100K to also be vired to Corporate ICT.

26. 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.

Appendices:

Appendix A1 Directorate Overall position