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**Meeting:** Children's Services Overview and Scrutiny Committee  
**Date:** 4<sup>th</sup> September 2012  
**Subject:** Capital Budget Management Report Quarter ended 30<sup>th</sup> June 2012  
**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 30<sup>th</sup> June 2012

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**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

<b>CORPORATE IMPLICATIONS</b>
<b>Council Priorities:</b>
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.
<b>Financial:</b>
2. The financial implications are set out in the report.
<b>Legal:</b>
3. There are no direct legal implications arising from the report.
<b>Risk Management:</b>
4. Sound financial management and budget monitoring mitigates adverse financial risks.
<b>Staffing (including Trades Unions):</b>
5. Not applicable
<b>Equalities/Human Rights:</b>

6. Public Authorities must ensure that decisions are made in a way which minimised 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 dedision.
7. 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:**

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 £34.09M, this includes £7.1M of slippage from 2011/12 to be approved. The income budget is £32.65M which leaves a net expenditure capital budget of £1.44M.
13. The full year reported outturn position for 2012/13 is on budget, however it should be noted there may be significant slippage with New School places works continuing into 2013/14.
14. All but three projects (Schools Access, Temporary Accommodation and Asbestos, Health and Safety) are funded wholly by grant receipts. Health and Safety works will be transferred to Assets making the net Council contribution for Children Services £1M. There is no expenditure deadline to the spending of the grant receipts.

## Summary Table: Directorate Overall position (Appendices A1)

	Gross Budget	Profiled Gross Budget YTD	Net Spend to Date	Variance to date	Full Year Forecast Variance (
	£000	£000	£000	£000	£000
Children Services	32,909	3,942	4,182	240	0
Partnerships	1,183	47	0	(47)	0
Total	34,092	3,989	4,182	193	0

### 15. Learning, Commissioning and Partnerships

#### 16. New School Places /Basic Need

This grant funding is to enable management of pressures related to population growth and capacity within our schools. 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. The outline programme to commission new school places over the next five years will drive the expenditure of basic need grant and will also align S106 contributions that are being collected for major projects.

#### 17. Schools Capital Maintenance (formerly New Deal for Schools)

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 slippage into 2012/13 still remains under review as the expectation was that the project would be largely complete and fully committed within 2011/12, although there is no expenditure deadline on the grant itself. The 12/13 programme is drafted and was subject of consultation with School Forum on the 5<sup>th</sup> March 2012. The programme is now being commissioned but with a much reduced funding envelope as a result of Academy capital held centrally by the EFA.

18. All Saints Academy

Slippage into 2012/13 is partly attributable to the economic failure of the roofing contractor.

The construction phase which provides the Academy's new buildings should complete in mid-August, 2012. It is anticipated that this date will be met although poor weather is currently hampering progress on site. The Academy are due to occupy the new buildings in September 2012. The final phase of the project will lead to the completion of the external works and the demolition of the former school premises.

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. 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. The pre-demolition survey of the old school buildings is scheduled for late July.

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.

19. 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

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, is forecast to be fully spent.

21. University Technical College

This scheme was added to the Capital Programme in March, 2012 and involves converting existing premises at the Kingsland Campus, Houghton Regis, vacated by Central Bedfordshire College, together with the addition of a small new adjoining block .

The project has three Phases. Phase 1 (conversion works) has to be completed by September 2012 to enable the UTC to admit its first cohort of students. It is currently running behind programme but arrangements for accelerated working have recently been agreed with the contractors in order secure completion.

Achieving Phase 1 is demanding but Phase 2 and 3 are less time critical. Phase 3 start arrangements are dependent on achieving planning permission, which is currently under consideration.

The project is funded by external capital grant from the Education Funding Agency together with some £400k of 'section 106' funding for additional local secondary school provision. An element of this budget has been centrally retained by the Council and is being used to cover project support costs and the capital costs of relocating some existing users of the Kingsland Campus within the site.

22. School Access Initiative

This is a programme to enable the Council to meet its Statutory obligations. There is a Statutory duty on the Council to have an agreed accessibility strategy to enable local pupils to attend (local) school.

23. .Kingsland PRU

This project is funded from S106 contributions and direct revenue transfer from SEN budgets to address urgent health and safety issues at the Kingsland building, following disaggregation of the pupil referral unit from Bedford Borough Council and the more intensive use of the existing building. The majority of health and safety issues have now been addressed and the remaining active element of the project is to reconfigure the entrance to the building to make way for the University Technical College which is being provided for in the adjacent building. The Kingsland buildings used by the PRU are part of the Alternative Provision Free School Bid which is progressing for opening in September 2013. A business case setting out further internal works required to deliver the Free School's curriculum, will be commissioned as part of the approval of the Free School capital project in due course.

24. Roecroft Lower School

This project is now complete apart from outstanding defects and the submission of the final account.

25. Arnold Middle School

This project is now complete apart from outstanding defects and the submission of the final account.

26. Holmemead School ASD provision

This project is now complete apart from outstanding defects and the submission of the final account

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.

**Appendices:**

Appendix A1 Directorate Overall position