
Meeting: Children's Services Overview and Scrutiny Committee
Date: 11 December 2012
Subject: Capital Budget Management Report Quarter 2 ended 30th September 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 September 2012

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 Council's value for money which enables the Council to successfully deliver its priorities. The recommendations will contribute indirectly to all five 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 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 decision.
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:

The Committee is asked to:-

- Note and consider this report.

Introduction and Key Highlights (Appendices A1)

11. Children's Services annual capital expenditure budget is £33.77M; this includes £7.1M of slippage from 2011/12 to be approved. The income budget is £32.73M which leaves a net expenditure capital budget of £1.04M.
12. The full year reported outturn position for 2012/13 is below budget by £5.73M., This is due to significant proposed slippage with New School places works continuing into 2013/14.
13. All but two projects (Schools Access and Temporary Accommodation) are funded wholly by grant receipts. The net Council contribution for Children Services £1.04M. There is no expenditure deadline to the spending of the grant receipts.

14. Summary Table: Directorate Overall position (Appendices A1)

	Gross Expenditure Budget	Profiled Gross Expenditure Budget YTD	Gross Spend to Date	Gross Expenditure Variance to date
	£000	£000	£000	£000
Children Services	32,509	13,654	13,653	(1)
Partnerships	1,261	50	42	(8)
Total	33,770	13,704	13,695	(9)

15. 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. Department for Education (DfE) capital announcements for 2012/13 included £5.8M of basic need funding for Central Bedfordshire. This is a significant reduction on the 2011/12 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.

The current budget for 2012/13 has been reviewed to take account of the actual grant funding received for 2012/13, which was not known at the time the programme was approved by Executive. The forecast spend for 2012/13 is £5M with £12.9M proposed slippage into 2013/14.

16. 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 has been reviewed by Property and Assets and is estimated at £2.253M, 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 5th 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 Education Funding Agency (EFA).

The current budget for 2012/13 has been reviewed to take account of the actual grant funding received for 2012/13, which was not known at the time the programme was approved by Executive. Property and Assets have confirmed that they are on track to deliver all schemes by March 2013. Forecast spend for 2012/13 is £6.6M with no slippage into 2012/13.

17. All Saints Academy

The Academy buildings and part of the site were completed in September and were occupied at the commencement of the Autumn Term. The remainder of the project is concerned with the demolition of the old school buildings, asbestos removal and the completion of external works, including the provision of remodelled playing fields. The second phase is due to be completed by the end of November 2012. At the point of final completion there will be a one-year retention which will become finally payable in the financial year 2013/14.

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.

18. 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

19. Temporary Accommodation

Central Bedfordshire Council provides capital funding for schools requiring temporary units where pupil numbers exceed the maximum capacity of a school. A rolling budget of £400k is used to set a programme each year, based on forecasts from the School Organisation Plan 2012- 2017. Full expenditure of this budget is forecast for 2012/13.

20. University Technical College (UTC)

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 EFA 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.

The total spend for this project is £6.8M with £6.4M forecast as spent in 2012/13 and £400k slipping into 2013/14. The value and funding of this project was not known at the time the capital programme was approved by Executive.

21. School Access Initiative

Central Bedfordshire Council provides capital funding to improve access to mainstream schools for pupils with disabilities. All Central Bedfordshire Schools, with the exception of voluntary aided schools and academies, can apply for funding on a bid basis. A multi-agency Panel of officers from the Special Educational Needs (SEN) and Inclusion Service, the School Organisation, Admissions and Capital Planning Team and disability specialists from the Central Bedfordshire Special Schools consider the bids and award funding on a priority basis, as identified in Central Bedfordshire Council's Accessibility Strategy.

The budget for 2012/13 is currently £450K funds have been allocated for equipment (including hearing and sight aids) and access works projects.

The Panel met on 8 November 2012 to consider the second round of bids, following which it was possible to forecast a potential underspend. It is not envisaged that all of the current unallocated balance will be required.

22. 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. As a result of a recent health and safety audit a limited number of further projects have been identified and are planned to be addressed within the summer holiday period. The remaining active element of the project is to reconfigure the entrance to the building to make way for the UTC which is being provided for in the adjacent building. The Kingsland buildings used by the Pupil Referral Unit (PRU) are part of the Alternative Provision Free School Bid. 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.

23. Roecroft Lower School

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

24. Arnold Middle School

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

25. Holmemead School Autism Spectrum Disorder provision

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

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