

Meeting: Children's Services Overview and Scrutiny Committee
Date: 23 July 2013
Subject: 2012/13 Provisional Outturn Capital Budget Management Report
Report of: Cllr Mark A G Versallion, Executive Member for Children's Services
Summary: The report sets out the projected full year outturn as at 31 March 2013

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 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 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 2011/12 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 revised annual capital expenditure budget is £28M, this includes £7.1M of slippage from 2011/12. The income budget is £27.1M which leaves a net expenditure capital budget of £0.9M.
12. The full year outturn position for 2012/13 is below budget by £3.283M. This is mainly due to significant proposed works that are funded through the Schools Capital Maintenance Grant (£2.198M) and Basic Need Grant (£1.05M) extending into 2013/14. There is no expenditure deadline to the spending of the grant receipts.
13. All but two projects (Schools Access £350k and Temporary Accommodation £550k) are funded wholly by grant receipts that have no spending deadline.
14. The actual to date gross expenditure overspend of £979k is mainly due to two projects. Schools Devolved Formula Capital (£811k), which is deemed spent on receipt and passported to schools. The over spend in year is funded by school capital grant received in the previous year. Schools have three years to spend the grant. The UTC with spend of £220k ahead of the expected profile with matched grant receipts.

Summary Table: Directorate Overall position (Appendices A1)

	Gross Expenditure Budget	Gross Spend to Date	Gross Expenditure Variance	Deferred Spend to 2013/14	(Under) / Over Spend
	£000	£000	£000	£000	£000
Children Services	27,720	24,603	(3,117)	(4,096)	979
Partnerships	285	119	(166)	(166)	0
Total	28,005	24,722	(3,283)	(4,262)	979

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. 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.

The 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 provisional outturn for 2012/13 is £3.954M with £1.050M deferred spend into 2013/14.

The New School Places Programme has recently been refreshed and was reported to the Council's Executive in February 2013.

The DfE has announced the Basic Need allocations for 13/14 and 14/15 which has allocated £18.281M over the two years. An update to the New School Places Programme was reported to Executive in March 2013.

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

The rolling programmed 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 12/13 programme is underway and was originally subject of consultation with School Forum on 5 March 2012.

The 13/14 programme is now being commissioned but with a much reduced DfE grant of £2.562M as a result of Academy capital held centrally by the EFA.

Property and Assets are now receiving external support to review the delivery timeframe of the 12/13 programme. The provisional outturn for 2012/13 is £4.353M with £2.198Mk deferred spend into 2013/14.

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 concerned with the demolition of the old school buildings, asbestos removal and the completion of external works, including the provision of remodelled playing fields has also now been completed.

18. Delays caused as a result of further identification of asbestos in the old school prior to demolition resulted in additional costs in relation to asbestos removal and the extended period the contractors were required to remain on site. These additional costs have now been settled with the contractors. With final completion there will now be a one-year retention which will become finally payable in the financial year 2013/14.

The project is externally funded by the 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

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

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 £450k is used to set a programme each year, based on forecasts from the School Organisation Plan 2012- 2017.

Full expenditure of the 2012/13 programme, plus works from 2011/12 has taken place. The provisional outturn position for the 2012/13 Programme is £30k overspent as a result of the reduction in budget following the capital review.

The rolling programme for 2013/14 has been reduced to £400k.

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) was completed by September 2012 to enable the UTC to admit its first cohort of students. Achieving Phase 1 was demanding but Phase 2 and 3 are less time critical.

Phase 2 was completed at the end of October 2012. Phase 3 is a new-build block and is also now complete.

22. 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.

The total spend for this project is £6.8M with £6.6M spent in 2012/13. The value and funding of this project was not known at the time the capital programme was approved by Executive. The project is forecast to complete within budget.

23. 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 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 was reduced to £350k following the capital review on 4 November 2012. The 2012/13 unallocated balance is £66k under spend and £4k deferred to 2013/14.

Funds have been allocated for equipment (including hearing and sight aids) and access works projects.

24. Kingsland PRU / Alternative Provision Free School

This project was originally 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 Kingsland buildings used by the PRU are part of the Alternative Provision Free School Bid which is progressing for opening in September 2013 with a DfE confirmed budget of £2.9M of capital grant which will come through the Council's capital programme. A business case setting out works required to deliver the Free School's curriculum, has been approved by the Council's Executive, as has the project's procurement. Contractors and architects have been appointed and design work is now well advanced with Planning applications also submitted.

25. Roecroft Lower School

This project is now complete apart from outstanding defects and the submission of the certificate of making good defects.

26. Arnold Academy

This project is now complete.

27. Holmemead School ASD provision

This is now complete and the Certificate of Making Good (COMG) issued and final account agreed.

28. 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.

29. Early Years places for 2 year olds from lower income households

On 27 November 2012, the Department for Education announced revenue and capital funding allocations to local authorities to secure early education places for two-year-olds from lower income households. Central Bedfordshire is to receive a capital allocation of £349k to support implementation of early education for two year olds by increasing capacity where these new places are required.

Further advice is being sought on the purpose, and ringfencing of revenue allocations that are also to be received by the Council to determine potential flexibility and the opportunity to increase the sums available to increase physical capacity.

This programme will need to be added to the Council's capital programme in 2013/14.

Appendices:

Appendix A1 Directorate Overall position