

**Decision Maker:** Children & Young People PDS Committee

**Date:** 29<sup>th</sup> November 2011

**Decision Type:** Non-Urgent                      Non-Executive                      Non-Key

**Title:** CAPITAL PROGRAMME MONITORING - Q2 2011/12

**Contact Officer:** Martin Reeves, Principal Accountant (Technical & Control)  
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**Chief Officer:** Director of Resources

**Ward:** All

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1. Reason for report

On 16<sup>th</sup> November 2011, the Executive received the 2nd quarterly capital monitoring report for 2011/12 and agreed a revised Capital Programme for the four year period 2011/12 to 2014/15. This report highlights in paragraphs 3.1 to 3.5 changes agreed by the Executive in respect of the Capital Programme for the Children & Young People (CYP) Portfolio. The revised programme for this portfolio is set out in Appendix A and detailed comments on individual schemes are included at Appendix B.

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2. **RECOMMENDATION(S)**

**The PDS Committee IS asked to endorse the changes agreed by the Executive in November and to confirm that the following post-completion reports be received later in the year:**

Biggin Hill Primary School – amalgamation

Riverside ASD provision

Pupil Referral Unit – new facilities

Mottingham Community Centre – refurbishment

## Corporate Policy

1. Policy Status: Existing policy. Capital Programme monitoring and review is part of the planning and review process for all services. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.
  2. BBB Priority: Excellent Council.
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## Financial

1. Cost of proposal: Estimated cost N/A
  2. Ongoing costs: N/A.
  3. Budget head/performance centre: N/A (Capital Programme)
  4. Total current budget for this head: £Total £48.4m for the CYP Portfolio over four years 2011/12 to 2014/15
  5. Source of funding: Capital grants, capital receipts and revenue contributions
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## Staff

1. Number of staff (current and additional): N/A
  2. If from existing staff resources, number of staff hours: N/A
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## Legal

1. Legal Requirement: No statutory requirement or Government guidance.
  2. Call-in: Call-in is not applicable.
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## Customer Impact

1. Estimated number of users/beneficiaries (current and projected): N/A
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## Ward Councillor Views

1. Have Ward Councillors been asked for comments? No.
2. Summary of Ward Councillors comments: N/A

### 3. COMMENTARY

#### Capital Monitoring – variations reported to the Executive on 16<sup>th</sup> November 2011

3.1 A revised Capital Programme was considered by the Executive on 16<sup>th</sup> November, following a detailed monitoring exercise carried out after the 2nd quarter of 2011/12. The base position was the revised programme approved by the Executive on 20th July 2011, as amended by any variations approved at subsequent Executive meetings. In response to the major level of slippage at the end of 2010/11, the process has been made more robust by the introduction of considerably more challenge and review. The monitoring exercise resulted in a number of amendments to the approved programme for the CYP Portfolio and these are shown in the table below. Further details are included in paragraphs 3.2 to 3.5. The revised Programme for the CYP Portfolio is attached as Appendix A and comments on individual schemes, together with latest expenditure figures, are shown in Appendix B.

	2011/12	2012/13	2013/14	2014/15	TOTAL
	£000	£000	£000	£000	£000
Approved Programme (Executive 20/7/11)	39,935	6,372	1,010	1,010	48,327
Increased Cost of Schemes – The Highway					
Primary School (para 3.2)	140	-	-	-	140
Funding of 2010/11 Overspends (para 3.3)	-60	-	-	-	-60
CYP schemes – various adjustments (para 3.4)	-	-	-	-	-
Re-phasing of Expenditure (para 3.5)					
- Schools Basic Need	-2,500	2,500	-	-	-
Revised CYP Capital Programme	37,515	8,872	1,010	1,010	48,407

#### 3.2 The Highway Primary School – revenue contribution to fund additional costs of partial rebuild (£140k in 2011/12)

The CYP Portfolio holder has previously been advised of cost pressures on this scheme and a revenue contribution of £140k has been identified arising from an anticipated underspend on the Property Division revenue budget for asbestos management in schools. The Executive has approved the inclusion of this sum in the Capital Programme.

#### 3.3 Funding arrangements for capital scheme overspends in 2010/11 (total £60k)

In the Q1 capital monitoring report on 20<sup>th</sup> July 2011, the Executive was informed of two CYP schemes that were overspent by a total of £60k as at 31<sup>st</sup> March 2011 and was advised that officers were looking at options to fund those overspends. This comprised the Pupil Referral Unit (£41k) and Biggin Hill Primary School amalgamation (£19k) schemes. Virements totalling £60k were identified from the 2011/12 Modernisation Fund budget to cover the last two schemes and these were approved by the Executive in November. Post completion reports on the two schemes will be submitted to this PDS Committee before the end of 2011/12.

#### 3.4 CYP Capital Programme – various budget adjustments

A review of the CYP Capital Programme identified that a number of virements/budget adjustments were required from generic overall budget provisions to scheme specific budgets to ensure that funding was in the right place to cover expenditure on individual schemes. These are detailed in the table below and were approved by the Executive in November. As these adjustments were all within the 2011/12 Capital Programme, there was no bottom line impact on the programme.

Scheme / budget description	2011/12
	£000
From: School Capital Maintenance Fund	-173

To: Hawes Down Co-Location scheme (roof)	80
To: The Highway Primary rebuild scheme (roof and windows)	93
From: Targeted Capital Fund – school kitchens	-144
To: Primary Capital Programme – Crofton Junior School	144
From: Schools Access Initiative	-24
To: Primary Capital Programme – Bickley Primary	24
From: Suitability surveys	-46
To: General provision for suitability/modernisation issues in schools	46
From: Extended Services in schools	-50
To: Primary Capital Programme – Bickley Primary	50

### 3.5 Scheme Rephasing

In final outturn reports in June and July, the Executive and all the PDS Committees were informed of the major slippage at the 2010/11 year end, as a result of which some £25.2m had been rephased from 2010/11 into 2011/12. Some £21.3m of this related to CYP schemes, mainly comprising slippage on the Langley Boys School scheme (£10.7m), on the Secondary School Investment Strategy (£5.0m) and on the Primary Capital Programme (£2.3m). Members were advised that slippage of capital spending estimates has been a recurring theme over the years and it is clear that a more realistic approach towards anticipating slippage still needs to be taken. This is the first monitoring report since July and, as reported, additional challenge and review has been introduced into the process. This has resulted in the changes set out above and also in an additional appendix (Appendix B) that provides an update on the progress of all schemes in the CYP Capital Programme. Schemes are now being monitored more closely and, in this quarter, £2.5m has been rephased from 2011/12 into 2012/13 on the Schools Basic Need budget. Comments on all schemes in the CYP Programme are included in Appendix B.

### **Post-Completion Reports**

3.6 Under approved Capital Programme procedures, capital schemes should be subject to a post-completion review within one year of completion. Following the major slippage of expenditure at the end of 2010/11, Members have confirmed the importance of these as part of the overall capital monitoring framework. These reviews should compare actual expenditure against budget and evaluate the achievement of the scheme's non-financial objectives. At the September meeting, the PDS Committee agreed that post-completion reports on the following schemes should be submitted to the CYP Portfolio Holder during 2011/12:

Biggin Hill Primary School – amalgamation

Riverside ASD provision

Pupil Referral Unit – new facilities

Mottingham Community Centre – refurbishment

This will continue to be included in quarterly monitoring reports to the Executive and to the PDS Committee until the post-completion reports are submitted.

## **4. POLICY IMPLICATIONS**

4.1 Capital Programme monitoring and review is part of the planning and review process for all services. The capital review process requires Chief Officers to ensure that bids for capital investment provide value for money and match Council plans and priorities.

## 5. FINANCIAL IMPLICATIONS

5.1 These were reported in full to the Executive on 16<sup>th</sup> November 2011. Changes approved by the Executive to the Capital Programme for the CYP Portfolio are set out in the table in paragraph 3.1.

<b>Non-Applicable Sections:</b>	Legal and Personnel Implications
Background Documents: (Access via Contact Officer)	Departmental monitoring returns October 2011. Approved Capital Programme (Executive 20/7/11). Capital Programme Outturn 2010/11 report (Executive 22/6/11). Q2 Capital Monitoring Report 2011/12 (Executive 16/11/11)