

Period 4 2009/10 Capital Monitoring Report

Overview

The reported position for all Directorates is an underspend of (£23,721k). The intention is that £19,932k will be transferred into future years as slippage. Project Managers have advised that part of the slippage £8,019k for Environment and £789k for Children and Young Peoples has funding or approval related issues (see Appendix A).

The detailed information on a Directorate basis is included as part of this monitoring report, including the identification of funding issues and other aspects which may impact on the ability of the project to be delivered to budget and in a timely manner.

The main aspects of the current year forecast and slippage changes are as follows for each Directorate.

Strategy Governance & Performance £9k

- Essential Works on Computer Rooms £9k

Environment (£25,823k)

- CMK Public Transport Access Improvements (£4,345k)
- A422 - Corridor Improvement (£3,500k)
- CMK "Superstop" (£3,500k)
- CMK Station Square Approach (£3,285k)
- Street Lighting Spend to Save (£2,374k)
- Western Expansion Area Common Infrastructure (£2,000k)
- New Waste Depot at Colts Holm Road, Old Wolverton (£1,300k)
- Green Space Provision (£1,200k)
- Second Crematorium at Crownhill (£1,118k)
- Portway / North Grafton Capacity Improvement Scheme (£1,070k)

Children and Young Peoples Services (£2,744k)

- Children's Centre Contingency (Phase 2) (£1,096k)
- Walton High Roof (£1,053k)
- Walton High School (Additional 1 Form of Entry) (£1,000k)
- Radcliffe Replacement Heating (£750k)
- New Tattenhoe Park Primary School £1,172k
- New Walnut (Special School) £550k

Community Wellbeing (£31k)

- Extracare Retirement Village (£880k)
- Medbourne Pavilion (£200k)
- Tattenhoe Pavilion £516k
- Beanhill Children's Centre £297k
- Willen Village Extension £166k
- Hodge Lea Pavilion £54k

Community Wellbeing HRA £4,868k

- Decent Homes Programme £3,942k
- Heating Replacements £975k

Strategy Governance & Performance Period 4 2009/10 Capital Monitoring Report

Introduction:

This report focuses on current year movements between budget and forecast for the directorate, further information on changes covering future years is located in the detailed report.

Strategy Governance and Performance latest approved budget for the year is £560k. No significant changes to the budget to be reported for period 4.

The reported position may change in future periods due to funding and slippage.

Risks

2/C/00020 Essential Works on Computer Rooms £9k – Presently the computer rooms are undertaking substantive challenges (failing of cooling systems in computer rooms) and works are urgently required. Additional funds have been transferred from Mobile Computing to cover the costs but this is insufficient, funds maybe needed from the Revenue budget

DMT Approval:

The monitoring report was approved by Strategy Governance and Performance DMT on 13 August 2009.

Environment

PERIOD 4 2009/10 Capital Monitoring Report

Introduction

This report focuses on current year movements between budget and forecast for the directorate. Further information on changes covering future years is located in the detailed report.

The reported position in Environment is an underspend of (£25,823k); of this (£17,038k) will be slipped into future years. The largest movements into future years are Central Milton Keynes Public Transport Access Improvements (£4,345k), CMK Station Square Approach (£3,035k), Street Lighting Spend to Save (£2,374K), Western Expansion Area Common Infrastructure (£2,000k), Green Space Provision (£1,200k), New Waste Depot at Colts Holm Road - Old Wolverton (£1,300k), Second Crematorium at Crownhill (£1,118k), Wolverton Station (£820K) and East to West Bus Service (£700k).

The remaining balance of (£8,785k) is a result of projects that have not received funding and will be withdrawn, the largest are A422 - Corridor Improvement (£3,500k), CMK Superstop (£3,500k), Westcroft District Centre Bus Stop Improvements (£500k), East - West Public Transport Core Route (£500k), Contactless Smartcard Ticket Machines (£350k), CMK Station Square Approach (£250k), Carbon Management Programme - Phase 1 (£200k) and Play Area Improvement Fund (£100k). In addition to this is Portway/North Grafton Capacity Improvement Scheme (£1,070), all works have been completed. The decision has been taken to transfer the unspent funding to a holding account and hold it there.

The reported position may change in future periods due to funding and slippage.

Development & Design Management (£2,000k)

3/C/00307 Western Expansion Area Common Infrastructure (£2,000k) – Project reprofiled - £2,000k is being moved to future years due to slippage resulting from decline in economic circumstances and the assumption that Collaboration agreement is signed in October by the developer. Potential that expenditure may exceed prudential borrowing limit previously set for budget but this is dependant upon the housing market picking up. The probability of this occurring in 2009/2010 is low.

Spatial Planning (£2k)

3/C/00297 Limehouse Publisher Software (£2k) – The works are completed, remaining funding to be returned.

Passenger Transport (£13,924k)

3/C/00045 Central Milton Keynes Public Transport Access Improvements (£4,345k) – DFT allocation of £5m is to be spent before end of March 2011. The forecasted £500k will be spent this financial year to progress preliminary designs and carry out consultation - during the 3rd quarter. The future years forecast will be adjusted (via a PV) to reflect a total budget of £5m. The delay in receiving the DFT funding has resulted in a reduction in the level of work to be carried out in 2009/2010. The £4,345k will be transferred via a PV to 2010/2011.

3/C/00469 CMK Station Square Approach (£3,285k) – It is estimated that £550k will be spent this financial year on progressing detailed design/consulting of the preferred option and commencing the procurement process. Originally the total 09/10 budget was expected to be spent but due to a requirement to undertake further consultation and proceed with an alternative design this has proved not possible. £250k will be re-allocated to the MK Multi-Modal Model rebuild project (project now active). The remainder of £3,035k will be transferred to 2010/2011.

3/C/00497 CMK "Superstop" (£3,500k) – This project will be closed as it forms part of the 3/C/00045 project. This funding is already included on 3/C/00045 and will be removed. The PV is being processed.

3/C/00471 Wolverton Station (£820k) – Originally a delay was caused by inability to agree appointment of relevant engineer to progress next stage of project. A meeting between the relevant parties has taken place to resolve this issue. It is expected that the £1.08m will be spent in 2009/2010. But due to the delay in the agreement a PV is being processed to transfer £820k to 2010/2011.

3/C/00444 East to West Bus Service (£700K) – The original budget was set based on a high pre-tender estimate. The tender received was lower than estimated hence the reduced budget of £800k, to be spent in 2009/2010 on Bus Service subsidy (PV to be setup to transfer remaining budget to 2010/2011), marketing costs, and extension of RTPI to service. This will be spent over whole year (contract does not end until Mar 2017). The remainder will be slipped to 2010/2011.

3/C/00470 East - West Public Transport Core Route (£500k) – No funding available, will be withdrawn. This project was originally withdrawn last year as sufficient funding was not available to take the project to completion - the remaining £500k was future years funding and was simply missed. The PV is being processed.

3/C/00495 Westcroft District Centre Bus Stop Improvements (£500k) – This project has no funding available to take the project to completion. This will be withdrawn - a project variation will be setup to clear the budget.

3/C/00499 Contactless Smartcard Ticket Machines (£350k) – Project is to be withdrawn as much more time is required to develop a robust business case which would require committed funding over more than one year. There is also a DfT consultation paper out that may result in changes to administration of concessionary fares re-imburement. The PV is being processed.

3/C/00496 MK "Busways" £100k – Once award of contract takes place the initial task will be to revise the forecast expenditure - given we will be starting at least 4 months later than anticipated - this is due to Government not issuing grant award confirmation. A PV will need to be setup to transfer back £100k from future years as the level of spend will need to cover the schemes early design phase, this change can be met from within the total grant award.

3/C/00150 SCF PT Scheme (£24k) - The project is completed; the remaining funding will be transferred to J14 - 3/C/00217.

Traffic and Transportation £255k

There are a number of projects that are being cleared and will be closed; their budgets and current year expenditure are being transferred to new codes. Overall the net movement is zero except for £205k of additional funding (Road Safety Grant funding £106k, RSG £93k & Revenue

funding £6k). Plus there is an additional £50k to be transferred from Traffic and Transport to highway Network.

3/C/00524 Milton Keynes Multi Modal Model £50k – The project is on track and to be completed by March 2009.

Highway Network £0k

The largest change in forecast is Loughton Bridge Strengthening £132k. This project has a large overspend due to additional site works, time spent on Project Management/ supervision as the site works overran by approximately 1 month. This will be offset by various other projects.

Highways (£3,412k)

3/C/00513 A422 - Corridor Improvement (£3,500k) – No funding is available the project is to be withdrawn.

3/C/00223 Portway/North Grafton Capacity Improvement Scheme (£1,070) – Following a review it's been confirmed that all works have been completed. The decision has been taken to transfer the unspent funding to a holding account and hold it there.

3/C/00217 J14 Area Improvements (including Coachway North Fox Milne and Pineham Junctions) £1,158k – Compensation events will put the scheme into an overspend situation - awaiting final figures. These compensation figures will range from £121k to £1.3m. These figures are expected by end of August 2009. Coachway costs to be separated and separate project code setup. Additional funding is being sourced from other projects; some funding has already been transferred. The funding source for the temporary Coachway facility needs to be reviewed and a decision made on whether it is part of J14 project.

There are a number of projects within Highways (e.g. Surface Dressing/Remaking Roads) that are forecasting minor over and underspends. Any overspends at year end will be off set by other Highways projects underspends.

There are also a number of old projects that are being cleared and will be closed. Their budgets and/or expenditure will be transferred to new codes.

Street Lighting (£2,374k)

3/C/00291 Street Lighting Spend to Save (£2,374k) – Trial to take place in the next 8 weeks, if successful will roll out across CMK in 09/10. Expected spend will be £750k. Further stages are also being identified for 2009/2010 and 2010/2011. Work had started on tendering for a framework contract but was halted by head of service. A project variation is being setup to transfer the £2,374k to 2010/2011.

Environmental Health (£1,361k)

3/C/00341 MKGH Mortuary Expansion (£243k) – All payments received, remaining underspend will be shared between MKC and MKGH. Project works were over estimated and project completed ahead of schedule as no complications were experienced. A PV is to be setup to clear project.

3/C/00394 Second Crematorium at Crownhill (£1,118k) - Works are expected to start on site in October. Quantity surveyor recently appointed with initial build cost assessment within budget. Delay in start of project in 2009 is due to the appointment of new project manager and architects. This has led to a slippage of £1,118k to 2010/2011.

Waste and Energy (£1,550k)

3/C/00516 New Waste Depot at Colts Holm Road, Old Wolverton (£1,300k) – Spend in 09/10 will be £200k and the remainder in 2010/11. Works will commence in January 2010. The Tariff money is being secured (Oct/Nov 2009), a legal agreement is currently being drafted (outcome expected end of September) between MKC and the HCA to pay the tariff money once available to the green spaces project. The loan is dependant upon formal Council approvals and an agreement that it does not impact on the delivery of green spaces. Currently a review of GAF funding is taking place, the depot intended to loan money from it.

3/C/00451 Carbon Management Programme - Phase 1 (£200k) – The project is currently at design and tendering stage. A PV is to be setup to transfer £200k from the project, £100k of which will go to Salix and the other £100k will go to VFM. The remaining budget is expected to be fully spent in 2009/2010.

3/C/00518 Renewable Energy Schemes (£50k) – The projects currently obtaining planning and regulation approvals. Expected to spend £92k in 2009/2010, works to start in Sept 2009. £50k can therefore be moved to 2010/11. There is also a grant that will be sought to refund 50% of the costs.

Landscape Services (£96k)

3/C/00024 Linear Park/Hanson Centre (£96k) – This project is using a contribution (£106) from the NEA which is subject to payment on trigger points in the development. It is currently expected that funds will become available to undertake works to value of £35k. Further works are subject to remainder of the funds being paid to MKC as work has to be completed in stages with set costs.

Streetcare & Localities Services (£1,360k)

3/C/00474 Green Space Provision (£1,200k) – Forecast will be finalised in period 5 - awaiting outcome of developers agreement to cooperate. This delay has led to the expectation that the current total budget will not be spent, £1.2m to be transferred to 10/11. Project manager to provide a more accurate forecast in period 5 for the remaining budget.

3/C/00256 Play Area Improvement Fund (£100k) – The budget includes funding from a Parish source through match funding but this was never actually received – the budget of £240k will be reduced by £100k via a project variation.

3/C/00254 Access Improvements to Deprived Housing (£60k) - Project Managers to remove commitments - project has now completed. Waiting reply from project manager as to why the scheme has finished early and well under budget.

Risks

Strategic Management & Support Services – the overspends on 3/C/00242, 3/C/00243 & 3/C/000425 are still increasing this year, the works are still continuing but the funding is now being finalised.

3/C/00217 J14 Area Improvements – The contractor has submitted compensation events and early warning notices which if all paid in full would result in a significant overspend. However these events have not yet been agreed by the project manager and it is unlikely that these will be paid in full. As the amount to be paid cannot yet be determined a risk of a potential overspend has been highlighted.

3/C/00400 Loughton Bridge Strengthening – Currently there is no further expenditure expected but the projects overspend will be covered by funding from various other projects under Highways network. This may cause strain on some of the project budgets later in 09/10.

Street lighting – 3/C/00291 Street Lighting Spend to Save – the majority of funding for 10/11 has been slipped, if the trial is not successful then the project may be withdrawn and expenditure incurred to date transferred to revenue.

A number of projects will be affected by a reduction in the amount of GAF funding that's been awarded in 2009/2010. Currently there is no time frame as to when a decision will be made by members.

DMT Approval:

The monitoring report was approved by Environment DMT on the 13 August 2009.

Children and Young People

Period 4 2009/10 Capital Monitoring Report

Introduction:

This report focuses on current year movements between budget and forecast for the directorate. Further information on changes covering future years is located in the detailed report.

The reported position in Children and Young People is an underspend of (£2,744k) with £2,894k being slipped into future years. The largest movements into future years are Walton High School (Additional 1 Form of Entry) (£1,000k), Radcliffe Replacement Heating (£750k), Middleton Primary (£380k), Newton Leys Primary (£305k) and Western Expansion Primary (£255k).

The remaining in year overspend of £150k arises mainly as a result of New Tattenhoe Park Primary School £1,172k (although this is not a true overspend but a reinstatement of the budget that was reduced by a financing adjustment), New Walnut (Special School) £550k, Sir Frank Markham Academy £258k (rephasing of the budget from future years), Brooksward Windows and Doors £186k. This together with underspends on the Children's Centre Contingency (Phase 2) (£1,096k) (duplication of the budget), Walton High Roof (£1,053k), the AMP Contingency (£270k) and Oakgrove 1a (£211k).

The reported position may change in future periods due to funding and slippage.

Schools, Planning and Resources (£1,517k)

4/C/00019 Heronsgate Replace Temp Classroom £52k - AMK had previously reported that the final account on this project had been agreed. Upon further investigation it was found that this was not the case and Cyril Sweett have had to resolve this. The final account has now been agreed at £47k and there will also be some fee payments outstanding.

4/C/00022-002 Oakgrove Secondary Phase 1a (£211k) - The project is nearly complete with the exception of some additional traffic calming measures that need to be undertaken (a left turn only layout near the entrance of the school). There has been a saving on the original contract sum because the final account came in less than originally anticipated.

Some of the unspent budget will be used to cover the overspend on Oakgrove Phase 1b (4/C/00022-003) and the remaining will be moved into the unallocated pot.

4/C/00022-003 Oakgrove Secondary School Phase 1b £100k - The budget has not been apportioned correctly between Phase 1a and 1b. The adaptation works on the Science Labs on Phase 1b cost more than anticipated so budget from Phase 1a will be used to cover this. There are also some landscaping works to be completed along with the final account payment for this. The total cost for this along with the adaptation works are currently being investigated and the commitments are also being reviewed.

4/C/00025 Lord Grey – SSR Extension £110k - Cyril Sweett are currently trying to settle the final account on this project. The estimated worst case scenario at present is £92k however negotiations with the contractor have stalled which will delay the agreement. There will also be fee payments to be made to Cyril Sweett.

4/C/00052 New Walnut (Special School) £550k - There has been an ongoing legal dispute with the contractors over elements of the doors and lights. It has now been agreed with the advice from legal services to settle this dispute with the contractor which has resulted in increased costs. The Capital team have not yet been informed how this will be funded.

4/C/00061 Oakgrove Secondary School Phase 2 £108k - Cyril Sweett have been reviewing the final account on this project which has now been agreed at £149k. This is £108k more than originally anticipated due to the theatre enhancements. There has also been a dispute with the contractors over the assembly hall.

4/C/00066 Western Expansion Primary 1 (£255k) - Due to the slow down in the economic climate the housing developments in the Western Expansion area have not developed as originally anticipated. This means that the opening of the primary school will also be delayed.

4/C/00067 CMK Primary (SRQ) (£104k) - The project was originally put on hold by Cabinet at the interim capital programme stage pending discussions for school requirements within the area. A review meeting will take place in 2010 to discuss whether this project will continue. There is a risk that if the project is withdrawn, the costs already incurred will be abortive and will have to be transferred to revenue.

4/C/00091 Newton Leys Primary (£305k) - The project is on hold due to the slow down in the housing market. The estimated opening of the primary school is now expected to be 2016.

4/C/00094 New Tattenhoe Park Primary School £1,172k - At the end of last financial year a financing adjustment was made to reduce the budget because Basic Need Safety Valve was not to be used to fund this project. This should have been replaced with an alternative source of funding to ensure that the overall budget remained the same, but it wasn't. The budget will now be increased in the current year to reinstate to its original value.

There is currently an ongoing dispute with the contractor over elements of the roof which may affect the project budget, although the level of risk is currently not known. We are waiting on an update from the QS with regards to the programme staging so the budget may be reviewed as a result of this.

4/C/00111 Long Meadow Combined £98k - Cyril Sweett are currently investigating the status of the final account on this project after AMK had reported it as closed. They have discovered that the final account has not been agreed and are currently working on a settlement. At present they are estimating £80k plus their own fees, however this may change as discussions progress.

4/C/00178 Leon (New Library Block) TCF Scheme £20k - AMK had previously reported that the final account on this project had been agreed. Upon further investigation it was found that this was not the case and Cyril Sweett are now reviewing the project. At present they estimate that the final account will be £46k (best case) - £72k (worst case scenario) although nothing has been agreed as yet. We will also have fee payments to make to Cyril Sweett.

4/C/00180 New Waterhall School Targeted Capital Scheme £115k - Additional budget will be required due to the unexpected drainage issues on the demolished site. At the time of the demolition, the drainage was also destroyed. It has since been discovered that this drainage was also used by some of the local houses and therefore needs to be restored.

4/C/00196 Stantonbury Campus Heating and Hot Water (£33k) – The project is split into a number of phases with each phase representing a separate block within the school grounds. The heating and hot water works have been managed and carried out under a number of larger

contracts. The final phases are now coming to an end and the project is reporting a saving. The underspend will be reallocated to the AMP Contingency (4/C/00226-100).

4/C/00217 Caroline Haslette Extension £36k - Cyril Sweett have been reviewing the status of the final account on this project as AMK had previously reported this as closed. The final account has now been agreed at £25k and will be paid shortly along with the outstanding fee payments to Cyril Sweett.

4/C/00226-100 AMP Contingency (£270k) - This project is a contingency and budget will be allocated to individual projects as and when the need is identified. At present, £5k will be returned to the contingency from Simpson Heating (4/C/00314), £17k from Greenleys First School Boiler Replacement (4/C/00435) and £33k from Stantonbury Campus Heating (4/C/00196) as a result of savings on these projects. £9k will be allocated to Willows First School Day Nursery (4/C/00029), £100k to Stantonbury Windows and Doors (4/C/00318), £186k to Brooksward Windows and Doors (4/C/00322) and £30k to Brooksward Boilers (4/C/00414) to cover overspends and to allocate to new projects.

4/C/00291 Middleton Primary Extension (£380k) - The project has progressed to advanced design stage however it is now on hold pending a Cabinet decision based on an assessment of the schooling requirements are within the Oakgrove area.

4/C/00318 Stantonbury Windows and Doors £100k - The scheme was originally put on hold when capital funding was reduced. Enough budget was left on the Programme to enable the initial design works and tenders to commence. The replacement of the windows and doors will now go ahead as part of the 09-10 AMP Programme to be funded from the AMP Contingency (4/C/00226-100).

4/C/00322 Brooksward Windows and Doors £186k - The scheme was originally put on hold when capital funding was reduced. Enough budget was left on the Programme to enable the initial design works and tenders to commence. The replacement of the windows and doors will now go ahead as part of the 09-10 AMP Programme to be funded from the AMP Contingency (4/C/00226-100).

4/C/00377 Walton High School (Additional 1 Form of Entry) (£1,000k) - The design stage for this project has been extended which has caused rephasing to the project budget. The design stage was extended by approximately 6 weeks to ensure that this is done to the best possible standard, to avoid any potential problems later on in the project. The extension does not have to be open by a set date, so the delay should not cause any problems.

4/C/00403 Radcliffe Replacement Heating (£750k) - The replacement of the heating at Radcliffe will need to take place prior to the redevelopment of the school to enable it to continue to function normally. Any underspend on this project will be used to support the new project where it has been proposed that the school will become an Academy.

4/C/00408 Chestnuts PIP £23k - After the original tender was returned, it was discovered that there were significant omissions that required a re-tender. This has resulted in increased costs. This will be funded from the PIP Contingency (4/C/00226-200).

4/C/00414 Brooksward Boilers £30k - The tender return came back higher than originally anticipated resulting in increased costs. The increase will be funded from the AMP contingency.

4/C/00415 Rickley Boilers (£100k) - It is unlikely that any money will be spent from this project as a result of the amalgamation of Rivers/Rickley. However the budget will be held until the amalgamation is complete at which point it will be withdrawn.

4/C/00419 Sir Frank Markham Academy £258k - The budget on this project is currently under review with regard to the phasing. The project will not overspend but some budget may need to be brought forward from next financial year because the budget was phased incorrectly at the appraisal stage. Phase 1 of the project will be complete by September 2009 (the opening of the Academy) and phase 2 of the project (demolition of the Secklow building, landscaping etc) is expected to run from October 2009 to March 2010. Retention will be paid next financial year.

4/C/00420 Walton High Roof Replacement (£1,053k) - This project was originally approved to be a complete replacement of the roof at Walton High with new contractors because the original contractors refused to correct the problems. However, they are now responding positively and will be completing the roofing works. This means that all of the costs incurred to date should actually have been charged to the original Walton High projects and treated as defects works. However, there may be some costs that relate to the instruction of new contractors and these will now be classified as abortive costs and transferred to revenue. The costs incurred to date are currently being reviewed in light of this.

4/C/00435 Greenleys First School - Boiler Replacement (£17k) - A competitive tender return has resulted in reduced costs on this project. The original costs were based on a 5 year old condition survey. The underspend will be reallocated to the AMP Contingency (4/C/00226-100).

Quality Assurance £36k

4/C/00313 Integrated Children's Services Grant £36k - The DCSF have approved an additional £36k capital grant for the ICS development for 2009-10. Phase C of the development is due to be implemented in October 2009. The grant will be used to purchase upgrades to the current system and to fund the project work.

Sure Start (£1,263k)

4/C/00285-008 Heelands Children's Centre £14k - The additional works are for architectural services in relation to agreeing the final account and the final retention payment. The information regarding final fees was received after the slippage was submitted and nothing was slipped on this project. Budget will be moved from the Children's Centre Contingency project to cover this (4/C/00285-012).

4/C/00285-012 Children's Centre Contingency (Phase 2) (£1,096k) - The budget on this project has been overstated by £1,078k. This is because the Phase 3 future years budget was accounted for in the Phase 3 Children's Centre Programme (4/C/00431) as well as this project. £14k will be moved from the Contingency to cover overspends on Heelands Children's Centre (4/C/00285-008) and £4k will be moved to New Bradwell Children's Centre (4/C/00285-011). At present, no other works have been identified.

4/C/00440 Resurfacing of the Galley Hill Education Centre Access Road/Small Car Park (£36k) - This project was approved on the 09-10 Capital Programme. It was approved and to be funded by some of the unallocated Education funds. In the meantime, Education had allocated all of this funding for use elsewhere in the programme and there is not any alternative funding available to cover this project. Therefore the project will now not be going ahead.

4/C/00441 Replacement of the Galley Hill Education Centre Heating Distribution System (£149k) - This project was approved on the 09-10 Capital Programme. It was approved and to be funded by some of the unallocated Education funds. In the meantime, Education had allocated all of this funding for use elsewhere in the programme and there is not any alternative funding available to cover this project. Therefore the project will now not be going ahead.

Risks

Projects on hold – there are two projects currently on the programme that are at present on hold pending Cabinet discussions. The projects CMK SRQ (4/C/00067) and Middleton Primary Extension (4/C/00291) have been completed to design stage and both projects have incurred costs in prior years. There is a risk that if these projects do not proceed, the expenditure incurred to date will be deemed as abortive costs and may have to be transferred to revenue.

Final Accounts – Cyril Sweett are currently reviewing the status of the final accounts on a number of projects in the programme that had been previously reported as closed by AMK. As a result of this review additional costs have been incurred to cover Cyril Sweett's fees and it has also been discovered that some of the final accounts are yet to be paid. Some of these projects have little or no budget at present and it is yet to be identified how these will be funded.

Additional Finance Comment

Schools, Planning and Resources / Sure Start :

The processing of capital project variations to date has been delayed by the review currently being undertaken of the 2009/10 capital financing position. The review will soon be complete and it is anticipated that a large proportion of the capital project variations will therefore be processed in period 5.

DMT Approval

The monitoring report was approved by Children and Young People's DMT on the 13 August 2009.

Community Wellbeing Period 4 2009/10 Capital Monitoring Report

Introduction :

This report focuses on current year movements between budget and forecast for the directorate. Further information on changes covering future years is located in the detailed report.

The reported position in Community Wellbeing is an underspend of (£31k). This arises mainly as a result of (£880k) worth of duplicated funding on Extracare Retirement Village which is to be removed. This aside there is an overspend of £849k which is as a result of Tattenhoe Pavilion £516k, Beanhill Children's Centre £297k, Willen Village Extension £166k and Hodge Lea Pavilion £54 together with an underspend on Medbourne Pavilion (£200k)

The reported position may change in future periods due to funding and slippage.

Commissioning and Customer Care (£880k)

5/C/00067 Milton Keynes Council and Extracare Charitable Trust – Retirement Village No.2 (£880k) - The staging of when payments were received from the Department of Health differed to what was originally expected and approved on the appraisal. £880k was received earlier than expected (in 2008/09) and therefore paid out as a grant to Extracare in March 2009. Therefore the extra budget in 09/10 needs to be reduced by £880k this year to take this into account

Housing Strategy and Needs £0k

5/C/00051 Re-Development of Calverton Traveller's Site £31k – The main reason behind the increased costs/forecast is due to the late instruction by external Project Managers which has led to a delay of the utilities being ready in time for the project to progress. The project is 17 weeks behind schedule, and there has been additional works, time and cost involved in moving the gypsies from the site for the works to commence.

Learning, Leisure & Culture £849k

4/C/00039 Medbourne Pavilion (£200k) - This project has been run closely in line with Tattenhoe Pavilion (4/C/00040) and in light of the issues on Tattenhoe, some of the budget on Medbourne will be used to support the additional costs that have arisen. Enough budget will be left on Medbourne to cover the final account payment which is currently close to agreement and is expected to be settled in the autumn.

4/C/00040 Tattenhoe District Park Pavilion & Drainage £516k - Some design and execution issues in relation to roof are under investigation at present. Some of the roof is leaking which has also caused damage to parts of the building and we are currently in discussions with legal services because of this. At present it is estimated that the cost of correcting these problems will be approximately £525k, however until the detailed specification of works is known we cannot identify whether the expenditure will be revenue or capital. 25% of this cost should be reimbursed by the contractor and £200k will be moved from Medbourne Pavilion (4/C/00039) however, it is not yet known how the remaining costs will be funded.

4/C/00127 Hodge Lea Pavilion £54k – At the time of the Radcliffe reconciliation (at the end of the financial year), funding that was loaned to Radcliffe from Hodge Lea should have been returned. In error, this did not happen and the budget on Hodge Lea was reduced due to the shortfall in funding (not receiving the capital receipt from the sale of land at Radcliffe). A project variation will be created to reinstate the Hodge Lea budget to its true value.

4/C/00166 Willen Village Extension £166k - At the time of the Radcliffe reconciliation (at the end of the financial year), funding that was loaned to Radcliffe from Willen should have been returned. In error, this did not happen and the budget on Willen was reduced due to the shortfall in funding (not receiving the capital receipt from the sale of land at Radcliffe). A project variation will be created to reinstate the Willen budget to its true value.

4/C/00288 Beanhill Children's Centre £297k - This project is currently over budget due to increased costs as a result of a number of factors – a poorly specified tender, poor bill of quantities, and the contractor starting on site without a full set of drawings. The Capital team have not yet been informed how this will be funded. There was also an overspend (£212k) in the last financial year which had to be covered by borrowing until the funding source is confirmed.

4/C/00373 Stony Stratford Garage Conversion £15k - The roof at Stony Stratford library is in urgent need of replacement. The extensive leaks are penetrating into the library area. If left in its current condition there will be continual damage to the fabric of the building and other materials within the library area. The works on the roof are a part of the continuing works of the garage conversion at the library. The roof in its present condition is not suitable to be used for its new adapted purpose (i.e. an office rather than a garage) - there is no insulation for example. At present the area is rented out to the Town Council as office space. The new roof will include the following additions to make the roof more suitable for the converted room - new velux windows, new lead gulley's, soakers, extrusions, insulation and tiles. The additional cost for these items will be met from the revenue budget from 3 libraries; £5k from 423201, £5k from 423202 and £5k from 423205.

Risks

5/C/00051 Re-development of Calverton's Traveller's Site – There has been recent information supplied that this project might go significantly over budget, awaiting clarification of funding from Project Manager.

4/C/00040 Tattenhoe District Park Pavilion & Drainage – This project is now forecasting an overspend of £516k due to issues with the leaking roof. £200k of this will be funded from another project currently on the programme, however at present, it is uncertain how the remaining costs will be funded. It is expected that the contractor will reimburse us with 25% of the cost but we will have to cover all of the expenditure in the first instance.

4/C/00188 Bletchley Leisure Centre Redevelopment – There are two risks associated with the funding for this project. First of all, over the life of the project there is a shortfall in funding of £1,331k. In addition to this and as stated in the approved project variation PV553, a capital receipt from the sale of land is due in 2011; however this will be spent against the project before it is received. There is a risk that if this receipt is not received, there will be an additional shortfall in funding. Funding to cover the shortfall remains to be identified. Due to the urgent and strategic nature of the scheme and the need to protect the Council's investment to date, if suitable funding alternatives are not identified, this project will have to be funded from the capital programme. As per the June CLT, this project will remain "Red" until the funding is secured in the capital programme.

4/C/00288 Beanhill Children's Centre - This project is now forecasting an overspend of £297k due to increased costs. This is in addition to the overspend incurred last financial year of £212k which has been funded by borrowing in the interim. Whilst the building opened in April, final accounts have still not been received. The matter is being escalated internally but as yet, no resolution to the overspend has been reached.

DMT Approval

The monitoring report was approved by Community Wellbeing DMT on the 13 August 2009.

Community Wellbeing - HRA

Period 4 2009/10 Capital Monitoring Report

Introduction:

This report focuses on current year movements between budget and forecast for the directorate, further information on changes covering future years is located in the detailed report.

The reported position in Community Wellbeing HRA is an overspend of £4,868k this arises mainly as a result of Decent Homes Programme (2009/10) £3,942k and Heating Replacements £975k both receiving additional funding. Neither have any slippage into future years.

The reported position may change in future periods due to funding and slippage

Housing Repairs £4,868k

9/C/00085 Heating Replacements (2009/10) £975k – The original budget was set at the level of funding available, which was lower than demand. Securing of additional funding is now in the final stages of agreement therefore the forecast is being increased to a revised demand level. The funding sources are as follows: - £700k from HRA reserves (RCCO), £250k MRA brought forward per central government initiative and £25k is unfunded; the Finance Team is still to be advised where this funding is to come from.

9/C/00086 Decent Homes Programme (2009/10) £3,942k – The increase in forecast is mainly due to receiving additional funding of which the works will consist of improvements to Kitchens and Bathrooms. Funding of £2,750k from Central Government Initiative to stimulate the economy within the Construction Industry by allowing Local Authorities to receive Major Repairs Allowance funding from 2010-11 to 2009-10. This is in the final stages of being agreed by the government and a project variation is to be prepared. Funding of £1,100k is from HRA reserves (RCCO). Funding of £49k is anticipated to be transferred from unspent balances on last years projects 9/C00083 Heating 08/09 and 9/C/00080 Decent homes. Unfunded balance of £68k, the Finance Team is still to be advised where this funding is to come from.

9/C/00088 Loft & Cavity Wall Insulation (2009/10) £12k - The works on this project are driven by available funding; the increase in forecast is due to the transfer of funds and work from 9/C/00082. Project Manager is forecasting full spend of the budget. Works are expected to commence September/October time and at present there are no issues which should affect progression of the project

DMT

The monitoring report was approved by Community Wellbeing DMT on the 20 August 2009.