

This report may be of interest to: All Members who have an interest in the work of the Community Learning Committee and its associated Committees.

CAPITAL MONITORING 1999/2000 AND BEYOND

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1. Purpose

- 1.1 To report to the Community Learning Committee on the latest projections and issues in respect of its capital programme.

2. Summary

- 2.1 The latest information suggests that the Committee is likely to underspend on its 1999/2000 Capital Programme by £3.8M, largely due to slippage in the delivery of the programme.
- 2.2 The English Partnerships Board have agreed to the free transfer of land to the Council in respect of school sites, but this decision needs to be ratified by the Department for the Environment, Transport and the Regions.
- 2.3 Planning constraints on the Castles site may result in costs from the amalgamation with Alex Campbell falling on the Capital Programme.

3. Recommendations

- 3.1 The Committee is recommended to:
- (a) note the issues raised in the report in respect of the current year's capital programme; and
 - (b) note the potential effect on the future Capital Programme of the recent consideration by EP in respect of land values.

4. **Background**

- 4.1 The current Capital Programme for the Council as a whole was approved by the Policy and Resources Committee at its meeting on 15 September 1999. This includes holding back some schemes previously supported by the Community Learning Committee until a source of funding is secured.

5. **Issues and Choices**

- 5.1 The **Annex** to this report sets out the position in 1999/2000 for each of the schemes within the control of the Community Learning Committee. This shows that the latest forecast outturn for 1999/2000 is £3,798,800 below the approved budget in total.
- 5.2 As reported to the previous meeting of this Committee, the major reason for the variation from budget is due to slippage in the programme partly as a consequence of uncertainty over funding levels to complete projects. The most significant schemes suffering slippage are Emerson Valley First School and Shenley Brook End Middle School. Walton High (phase 1b) is also behind profile, but is still anticipated to open in September 2000. In particular it is no longer anticipated that the land for either Emerson Valley First, or Shenley Brook End Middle will be acquired in the current financial year. This alone reduces the anticipated spend in 1999/2000 by about £2.3M. Some of this reduction in spending has been off-set by accelerating expenditure on projects where this is possible, such as Monkston Combined School and Shenley Brook End Secondary (Phase 2). There are in addition forecast overspends on a number of projects; Merebrook First School, Walton High (Phase 1a) and the extension at Ousedale. The anticipated overspends on these schemes may not materialise until next financial year due to the withholding of retention monies. The expenditure on the two non-school projects is also shown as being over budget as previously reported.
- 5.3 The purchase of land for Monkston Combined school is still proceeding with a view to completion before the end of the financial year at the time of writing this report. An oral report will be provided to the Committee to update the final position which will be known by the date of the Committee Meeting
- 5.4 A recent announcement on the Supplementary Credit Approval (SCA) bids put in by this Council has provided additional borrowing approval for £1,777,583. This relates to stamp duty etc. on the three recently opened schools and the land purchase at Monkston Combined. No announcement has been made in respect of additional requirements on the Ousedale extension project and it is therefore unlikely that any additional borrowing approval will be forthcoming. Helpfully, the SCA provided spans both the current year and next financial year thus permitting flexibility in resourcing the programme over these two years.
- 5.5 A recent meeting of the English Partnerships (EP) Board has agreed to propose to transfer school sites to this Council free of charge in future. This decision of the EP Board requires ratification by the Department for the Environment, Transport and the Regions (DETR) and is therefore not certain

at this point in time. If this issue is brought to a successful conclusion it will not benefit the resourcing equation previously presented to the Committee, as this has always assumed that SCAs will be provided by the DfEE. However, it will bring greater certainty to the funding position, as there has never been any guarantee in the assumption on SCAs. It will also allow officers to concentrate on the main scheme more easily rather than in negotiations with the DfEE over SCA bids.

5.6 This Committee may wish to note that the Policy and Resources Committee at its meeting on 15 February 2000 approved the school build capital programme for 2000/2001 as set out in the report to the previous meeting of the Community Learning Committee .

5.7 The amalgamation of Alex Campbell and Castles schools has been reported to this Committee previously. It has always been the intention that the cost associated with the amalgamation would be covered by the capital receipt from the disposal of the Castles site. However, the necessary planning approvals which would allow a receipt of sufficient value are still being sought. Should this not prove successful there is the potential for costs to fall on the Capital Programme.

6. **Implications**

6.1 Environmental

None arising directly from this report, although it is recognised that the implementation of the Capital Programme will inevitably have a considerable impact on the environment.

6.2 Equalities

Beyond the fact that the services provided by this Committee are aimed at maximising individuals' potential there are no issues arising directly from this report.

6.3 Financial

The main body of the report concentrates on financial matters. The impact of the uncertainty over resources is already evident within the programme, with various projects slipping back as a result.

6.4 Legal

None.

6.5 Staff and Accommodation

None arising directly from this report, although the implementation of the Capital Programme will result in an expansion of both accommodation and staff.

7. **Conclusions**

- 7.1 Much uncertainty still remains over the medium term funding of the capital programme, which impacts adversely on the ability to deliver projects smoothly, as is illustrated by the significant slippage levels in this years figures. However, a number of recent developments, most particularly the SCA announcement from the DfEE and the decision of the English Partnerships Board, provides some optimism in gaining greater stability.

Background Papers: Capital Programme 1999/2000