



Haringey

Report for:	Cabinet	Item Number:	
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Title:	Children's Services Capital Programme Update
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Report Authorised by:	<i>Libby Blake</i> Libby Blake – Director of Children and Young People's Service
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Lead Officer:	Maggie Shields – Finance Manager, Corporate Finance (x3294)
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Ward(s) affected: All	Report for Key Decisions
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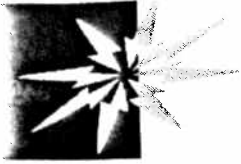
1. Describe the issue under consideration

1.1. This report aims to:

- update Members on the latest budget position of the Children and Young People's Service capital programme 2012/13 to 2015/16
- provide an update on specific projects
- obtain approval for virements within the 2012/13 CS capital programme

2. Cabinet Member introduction

- 2.1. This paper seeks approval for the final closure of the Building Schools for the Future programme in Haringey which has delivered major benefits to educational provision in Haringey. It sets out the capital funding needs for primary schools as we seek to provide sufficient places across the borough and confirms contingency funding for possible future expansion while acknowledging that this may be inadequate in the face of possible cuts to DfE grants. The need for additional funding for the expansion of Rhodes Avenue School is explained.
- 2.2. It also makes plain that there is insufficient funding to undertake all the identified work in primary schools which means that maintenance works will have to be prioritised and the quality of the estate is likely to decline over time.



3. Recommendations

- 3.1. To note the original capital programme as set out in Appendix A and approve the revised indicative 3 year CYPS capital programme set out in Appendix B
- 3.2. To approve the virements within the 2012/13 programme set out in Appendix C
- 3.3. To approve the formal closure of the BSF programme and note the total expenditure and funding used on the programme as set out in Appendix D.
- 3.4. To note the progress on individual projects described in the report.
- 3.5. To note current issues and risks relating to funding of the programme in the future.

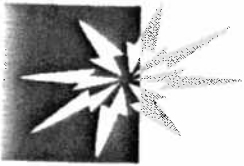
4. Background Information

The 2012/13 to 2014/15 Capital Programme

- 4.1. The current 2012/13 to 2014/15 CYPS capital programme was approved by Cabinet on 7th February 2012 and is set out in Appendix A. This report provides an update based on the latest forecasts of expenditure against a number of projects, and revised forecasts of grant income from the DfE for the future. A revised programme is proposed for approval at Appendix B.
- 4.2. A number of virements are proposed in the current year to ensure that the capital programme is monitored against the most up to date budget projections. The majority of virements reflect changes to the profile of expenditure over time. In some cases, allocations of additional budget are required from the programme's contingency budget to cover increases in projected costs. A full list of these virements and the explanations in each case are included at Appendix C. Cabinet is requested to approve these changes to the 2012/13 programme.
- 4.3. The following sections detail the progress of a number of large projects within the capital programme.

Building Schools for the Future (BSF)

- 4.4. The main construction works were completed in September 2011 for the last two major projects in the programme, Woodside High School and Heartlands High School. The final retention payments are due to be made in October 2012/13, signalling the end of the defects liability period and the financial closure of the BSF construction programme.
- 4.5. A summary of the total expenditure and financing of the programme is set out in Appendix D.
- 4.6. Members are therefore requested to approve the formal closure of the BSF programme. Any remaining issues will be transferred to business as usual for the CYPS directorate and the capital delivery team. The future maintenance of the secondary school estate is discussed in Section 5 below.
- 4.7. The BSF programme also included significant investment in Information Technology in all secondary schools in the borough under a Council held contract with RM. This contract is due to expire in September 2013. Schools will be responsible in the future for making appropriate arrangements for the provision of ICT either individually or on a



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collective basis, and for providing the full funding for such arrangements. Officers are currently working with the secondary schools to determine the preferred option post September 2013.

5. Future Lifecycle works at community secondary schools

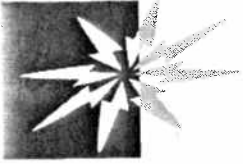
- 5.1. The Secondary School estate in Haringey currently comprises 7 community secondary schools, 3 Academies, 2 Voluntary Aided schools and a Foundation School. The Council retains landlord responsibilities for the structural and lifecycle maintenance for the 7 community secondary schools.
- 5.2. Whilst the BSF programme has provided new facilities and investment in the secondary school estate, there remains a significant amount of basic repair and maintenance work to be covered in the future from reduced capital allocations from government, and the Council's existing Lifecycle Fund which sets aside resources for this purpose each year. Future Government policy on the mechanism for allocating funds for estate maintenance remains undeveloped, and at present the Council is dependent on annual allocations of funding which are uncertain and unpredictable.
- 5.3. The current capital programme includes a number of maintenance projects across the secondary school estate. As the BSF programme concluded, various lifecycle and condition projects were commissioned in order to ensure the investment made under BSF was protected for the future. These projects are being funded from the residual BSF contingency, which is largely financed from the existing secondary school Lifecycle Fund.
- 5.4. Additional new projects to cover urgent repairs to heating systems at Fortismere, Highgate Wood and electrical works at Park View Academy have required further commitments from the Lifecycle fund. A further virement of £422k in the current year is required to deal with these projects, plus other essential condition works across the secondary school estate.

Primary School Programme

- 5.5. Existing projects in the approved programme which are currently under construction include the integrated Learning Campus at Broadwater Farm, the expansion of Rhodes Avenue Primary (2FE to 3FE), and the replacement of life expired temporary buildings at Mulberry Primary school. Progress on each is outlined below.
- 5.6. The main need for new investment in the primary school estate over the next 3 years will be driven by the requirement to ensure sufficient primary school places are provided across the borough to meet demand pressures. An update on this aspect of the programme is set out in paras 5.12-5.18. Maintenance of the existing estate is considered at paras 5.19-5.23.

Broadwater Farm ILC

- 5.7. The Broadwater Farm Inclusive Learning Campus project involves the new build re-provision of the existing 2FE Primary School and amalgamation of primary departments of two previous special schools, William Harvey and Moselle on the current single site. SEN places planned are for 100 pupils with profound needs or ASD. The first phase of



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the new building opened to pupils in September 2011. The project is experiencing a 17 week delay over the project life and is now expected to complete in April 2013. An additional allocation of £500k from the CYPs programme contingency is required to supplement the existing project budget, largely due to higher than expected costs for ICT and specialist equipment fit out.

Rhodes Avenue Primary Expansion

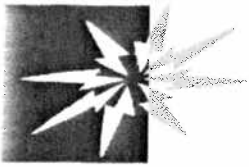
- 5.8. The works at Rhodes Avenue Primary aim to expand the school from a 2 form of entry (FE) to a 3FE school. A number of factors have contributed to delays in phase 1 and 2. The project is currently forecast to complete in June 2013 (10 months later than originally planned), although the intake of additional pupils to Reception in both September 2011 and 2012 has been achieved.
- 5.9. In order to mitigate the risk of further delays and cost over runs on the project, Phase 3 will be now be separately procured under a new Design and Build contract, to be commissioned by January 2013. Approval for the procurement of phase 3 (the final phase) of the project will be sought in a separate report to Cabinet.
- 5.10. Officers are preparing the evidence required to mount legal action for a claim of costs against parties to Phases 1 and 2 in order to mitigate the impact of estimated cost over runs on Phases 1 and 2. Contingency funding has been set aside within the programme to cover these potential additional costs pending settlement of this claim.

Mulberry Primary School

- 5.11. This project involved re-modelling works to improve the teaching and learning environment for all year groups and improved facilities for the staff and community. It enabled the removal of life-expired temporary classrooms, replacement with new classrooms and community spaces and re-development of external play space and other condition works. The project has now completed within budget ready for the start of term in September 2012. Funding for this project was specifically agreed with the DfE following the Council's action to request a judicial review of the withdrawal of funds originally awarded for pupil place planning in 2010.

Primary Pupil Place Expansions

- 5.12. In the original capital programme provision was made for four potential expansions at a total indicative budget of £10.1m.
- 5.13. Adaptations and improvements at Alexandra Primary School to allow the re-instatement of the Pupil Admission Number to 2 Forms of Entry are at detailed design stage, and are planned to be undertaken during 2013.
- 5.14. Cabinet on 20 March 2012 agreed that Welbourne Primary School be expanded from 2 forms of entry to 3 forms of entry with effect from the reception intake in September 2013. Cabinet further agreed, on 19 July 2012, when considering the Annual School Place Planning 2012 report, working priorities set out in the report which included supporting the delivery of the permanent expansion of Welbourne Primary School. Design work has progressed well on this project, and a contract for the expansion works is expected to be let in December 2012.



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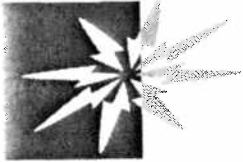
- 5.15. On 19 July 2012 Cabinet also agreed that Belmont Infant and Belmont Junior Schools be expanded from 2 forms of entry to 3 forms of entry with effect from the reception intake in September 2013 and approved an increase in the estimated cost of the expansion scheme from £2.2m, within the then currently approved Capital Programme for 2013-2015, to £3.5m. The Governing Body of Belmont Infant School have appealed the decision to expand both the Infant and Junior Schools to the Schools Adjudicator and a decision from the Adjudicator is awaited.
- 5.16. Only a limited amount of design development has therefore been undertaken on this project, pending the outcome of the Adjudicator's decision.
- 5.17. Further consultation is required in respect of the fourth potential expansion, and pending this the original indicative budget will be held within the overall pupil place planning contingency.
- 5.18. Overall the programme is carrying an unallocated pupil place planning contingency of £4.3m to cover the costs of any proposed future temporary or permanent expansions. A regular review cycle is now established to consider the options for future temporary and/or permanent expansions of existing community primary schools. However, existing options are becoming increasingly more difficult, and more expensive to achieve. Uncertainty of future funding from government and continued pressure on reception demand is the biggest risk to the overall capital programme. Members will need to be aware that a bid for corporate resources to cover these risks may be required in the future if DfE funding up to 2016 is reduced below current forecasts.

Planned Maintenance of Primary School estate

- 5.19. The primary school estate consists of 38 community schools, 20 voluntary aided or church schools, 1 voluntary controlled school and 4 academies.
- 5.20. The Council retains the landlord responsibilities for the structural and lifecycle maintenance for the 38 community primary schools.
- 5.21. During 2010/11 all of the community primary schools were surveyed in relation to condition issues, and the reports have been shared with schools on a web based system so that school governing bodies can take a view on the priorities for their school. The overall results of the surveys showed the need for high priority condition works across the estate totalling £70m over the next few years.
- 5.22. Where schools are scheduled for expansion as proposed, the highest priority condition works at each site are normally addressed as part of the expansion projects.
- 5.23. However, for the rest of the estate, because of the need to prioritise resources to the provision of pupil places, the current programme is only able to support approximately £1m per annum to tackle the highest priority works, and it is therefore likely that the backlog of condition issues will grow, and the condition of the estate overall will decline.

6. Risks

- 6.1. The capital grant from DfE is an estimate based on prudent assumptions and past allocations. Current forecasts suggest an average allocation of £6m per annum is likely. However, this is not guaranteed and there is a risk that in the event that the grant is



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lower than assumed, some projects may not be able to proceed and/or some may need additional Council resources to complete.

- 6.2. The risks on each project and the overall the programme are reviewed each month in the cycle of detailed project reviews. Contingencies on each project and the overall level of programme contingency are managed together to cover the main risks for the immediate future.

7. Comments of the Chief Finance Officer and financial implications

- 7.1. The CFO has been fully involved in the preparation of this report and the financial implications are as described in the proposed revised capital programme set out in Appendix B and the virements requested for approval in Appendix C.

8. Head of Legal Services and legal implications

- 8.1. In re-ordering the capital programme for the current financial year, Cabinet needs to remain mindful of its duty under Section 14 of the Education Act 1996 to secure that sufficient schools for providing primary and secondary education are available in the borough.
- 8.2. There are no immediate legal implications arising from this report.

9. Equalities and Community Cohesion Comments

- 9.1. An Equality Impact Assessment has been carried out for all of the Budget Proposals for 2012/13, by the respective Programme Manager for each School. As a result all equality considerations have been taken into account during the planned works. All future work for 2013/14 and 2014/15 will require equality impact assessments for each School. The Equality Impact Assessment is expected to highlight for each of the protected characteristics, any positive or negative impact. Appropriate action will be taken to address any imbalances where necessary. All Equality Impact Assessments will be signed off by the Policy and Equalities Team.

10. Head of Procurement Comments

- 10.1. Central Procurement have already established the necessary framework agreements and related supply chains; and shall also manage the commissioning of each project in order to support delivery of the Capital Programme.

11. Use of Appendices

- Appendix A – Original 12/13 CYPS Capital Programme
- Appendix B – Proposed Revised 12/13 CYPS Capital Programme
- Appendix C – Proposed virements for 12/13
- Appendix D – BSF Expenditure and Funding.

Original Capital Programme 2012/13 to 2014/15

Appendix A

Ref. No.	Name of Capital Scheme	Proposed Original Budget 2012/13 £'000	Indicative Original Budget 2013/14 £'000	Indicative Original Budget 2014/15 £'000	Total £'000
BSF Programme					
1	Heartlands High School	840	0	0	840
3	Woodside High	300	0	0	300
4	ICT MSP Contract	1,330	2,060	0	3,390
5	BSF Other	640	0	0	640
6	Lifecycle works (Secondary Schools)	200	200	200	600
BSF Total		3,310	2,260	200	5,770
Primary and Pre-School Programme					
7	Broadwater Farm ILC	5,437	1,254	0	6,691
8	Rhodes Avenue Expansion to 3 FE	2,670	787	0	3,457
9	Mulberry modernisation	726	164	0	890
10	Alexandra - Primary Expansion	490	790	280	1,560
11	Belmont - Primary Expansion	670	1,090	380	2,140
12	Lancasterian - Primary Expansion	780	1,260	440	2,480
13	Welbourne - Primary Expansion	1,240	2,020	700	3,960
14	Primary Pupil Place expansion fund	500	0	0	500
15	Ferry Lane MUGA	70	0	0	70
16	Alternative Provision	0	1,000	0	1,000
Total Primary and Pre School		12,583	8,365	1,800	22,748
Planned asset improvement					
22	Planned and reactive condition works	1,000	1,000	1,000	3,000
23	School Kitchen enhancements	200	200	200	600
24	Electrical infrastructure upgrades	500	0	0	500
25	Carer Home adaptations	100	0	0	100
Total Planned Asset Enhancement		1,800	1,200	1,200	4,200
Devolved Schools Capital					
26	Devolved Capital	800	800	800	2,400
Total Devolved Schools Capital		800	800	800	2,400
Programme Delivery and Contingency					
27	Programme Delivery Costs	800	700	600	2,100
28	Programme Contingency	1,500	0	0	1,500
Total Programme Delivery and Contingency		2,300	700	600	3,600
Total		20,793	13,325	4,600	38,718

Proposed Revised Capital Programme 2012/13 to 2014/15

Ref. No.	Name of Capital Scheme	Proposed Revised Budget	Indicative Original Budget	Indicative Original Budget	Total
		2012/13	2013/14	2014/15	
		£'000	£'000	£'000	£'000
BSF Programme					
1	Heartlands High School	880	0	0	880
2	Heartlands High/Alexandra Sports Club	222	0	0	222
3	Woodside High	50	0	0	50
4	ICT MSP Contract	428	400	0	828
5	BSF Other	550	0	0	550
6	Lifecycle works (Secondary Schools)	1,532	1,400	200	3,132
BSF Total		3,662	1,800	200	5,662
Primary and Pre-School Programme					
7	Broadwater Farm ILC	4,500	2,646	0	7,146
8	Rhodes Avenue Expansion to 3 FE	2,676	3,979	1,177	7,832
9	Mulberry modernisation	1,100	301		1,401
10	Alexandra - Primary Expansion	490	1,383	513	2,386
11	Belmont - Primary Expansion	300	1,460	1,724	3,484
12	Lancasterian - Primary Expansion	50	0	0	50
13	Welbourne - Primary Expansion	600	2,660	1,146	4,406
14	Primary Pupil Place expansion fund	395	2,004	2,000	4,399
15	Ferry Lane MUGA	70			70
16	Alternative Provision (Bruce Grove, Coppetts Wood)	105			105
17	Coleridge Expansion Phase 3	70			70
18	Downhills remodel of kitchen/reception	20			20
19	Wood Green Youth Centre	30			30
20	Aiming High for Disabled Children	205			205
21	Muswell Hill Playcentre	18			18
Total Primary and Pre School		10,629	14,433	6,560	31,622
Planned asset improvement					
22	Planned and reactive condition works	750	1,000	500	2,250
23	School Kitchen enhancements	200	200	200	600
24	Electrical infrastructure upgrades	371	281	8	660
25	Carer Home adaptations	100	100	100	300
Total Planned Asset Enhancement		1,421	1,581	808	3,810
Devolved Schools Capital					
26	Devolved Capital	591	550	550	1,691
Total Devolved Schools Capital		591	550	550	1,691
Programme Delivery and Contingency					
27	Programme Delivery Costs	800	800	800	2,400
28	Programme Contingency	500	1,064	0	1,564
Total Programme Delivery and Contingency		1,300	1,864	800	3,964
Total		17,603	20,228	8,918	46,749

Appendix C - Virements for 12/13

Summary of carry forward budgets and virements for approval							
Ref. No.	Projects	Original plan 12/13	Approved c/fwds from 11/12	Re-allocate existing budgets	Re-profile spend to future years	Revised Plan 12/13	Narrative Comment explaining changes
				Total Virement			
				Reduced Funding			
Secondary Schools							
1	Heartlands High School	840,000		40,000		880,000	Residual costs to close project (FF&E)
2	Heartlands High/Alexandra Sports Club	0	222,000			222,000	Project delayed but should complete autumn 2012
3	Woodside High	300,000		-250,000		50,000	Retention accrued in 11/12, budget not required
4	ICT MSP Contract	1,330,000	1,349,000		-2,251,500	427,500	Some budget required in 12/13. Remaining resources will be transferred to support revenue costs of MSP contract to Sep 13
5	BSF General	640,000		-90,000		550,000	Projected underspend on delivery costs
6	Lifecycle maintenance	200,000	855,000	477,000		1,532,000	Revised budget includes £855k c/fwd relating to BSF lifecycle works and additional essential works across secondary estate
Total Secondary Schools		3,310,000	2,426,000	177,000	0	3,661,500	
Primary and Pre-School Programme							
7	PCP BWF - Inclusive Learning C	5,437,000			-937,000	4,500,000	Reduction in profiled expenditure for year offset by an additional £500k allocation to support Project Contingency
8	PCP Rhodes Ave - Expansion to	2,670,000	510,000		-504,300	2,675,700	Project expenditure behind profile due to delay, c/fwd budget transferred to cost of legal claim
9	PCP Mulberry - Remodel & Refur	726,000	512,000		-138,000	1,100,000	Reprofile spend to future year
10	Alexandra Primary - Expansion	490,000			490,000		
11	Beimont Primary - Expansion	670,000			-370,000	300,000	Reprofile spend to future year due to project slippage
12	Lancasterian Primary - Expansi	780,000			-730,000	50,000	Transfer budget to Pupil Place expansion fund pending further instruction/consultation
13	Wobourne Primary - Expansion	1,240,000			-640,000	600,000	Reprofile budget to future year, contract let expected Dec 12
14	PCP Other Pupil Place Expansio	500,000	547,000		-651,900	395,100	Budget for approved temporary expansions (bulge classes). C/fwd budget transferred to future years.
15	Ferry Lane MUGA	70,000				70,000	
16a	Coppetts Wood (Primary PRU)	0		20,000		20,000	
16b	Bruce Grove - Tuition Service	0		85,000		85,000	Move of Tuition Service from Williams Grove
17	Colndge expansion Ph 3	0		70,000		70,000	Residual costs to close project
18	PCP Downhills - Kitchen & Rece	0		20,200		20,200	Residual costs of remodel project
19	Wood Green - youth centre	0		30,000		30,000	Minor works
20	Aiming High for Disabled Children	0	205,000			205,000	
21	Muswell Hill Playcentre	0		18,000		18,000	Residual costs of playcentre project
Total Primary & Pre-School Programme		12,583,000	1,774,000	243,200	0	-3,971,200	10,629,000
Planned asset improvement							
22	Planned and reactive condition works	1,000,000		-250,000		750,000	Budget transferred to support lifecycle works
23	School Kitchen enhancements	200,000				200,000	
24	Electrical infrastructure upgrades	500,000	72,000		-201,000	371,000	Budget not required in current year, transfer to future year
25	Carer Home Adaptations	100,000				100,000	
Total Planned Asset Improvement		1,800,000	72,000	-250,000	0	-201,000	1,421,000
Devolved Schools Capital							
26	Devolved Capital	800,000			-209,000	591,000	Reflects reduction in government grant to schools
Total Devolved Schools Capital		800,000	0	0	-209,000	591,000	
Programme Delivery and Contingency							
27	Programme Delivery costs	800,000				800,000	
28	Programme Contingency	1,500,000		-170,200	-829,800	500,000	Reprofile contingency to cover future programme risk.
Total Devolved Schools Capital		2,300,000	0	-170,200	-829,800	1,300,000	
Total Programme		20,793,000	4,272,000	0	-7,253,500	17,622,500	

Total BSF Expenditure and Funding

Appendix D

Project	Total Expenditure £
Alexandra Park	4,162,136
Fortismere/Blanche Neville	5,166,638
Gladesmore	12,619,075
Haringey Sixth Form Centre	34,981,166
Heartlands High School	39,989,141
Highgate Wood	4,762,008
Hornsey Girls	4,699,155
John Loughborough	4,930,933
Northumberland Park	16,578,099
Park View	14,284,628
Pupil Support Centre	5,120,685
St Thomas More	7,940,189
Woodside High	29,156,045
ICT MSP	12,520,337
Lifecycle projects	2,713,002
BSF Programme Delivery	14,583,835
	<hr/> 214,207,073

Financed by	£
DfE Grant for BSF	178,395,001
Supported Borrowing	13,812,000
Learning and Skills Council (Haringey)	10,000,000
Growth Area Fund	4,200,000
Big Lottery Fund	491,000
Section 106 contributions	2,362,774
School contributions	1,254,602
Capital Receipts	554,176
Revenue contributions	1,560,858
Lifecycle Fund	1,576,662
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