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16 July 2010

To: All Members of the Cabinet

Dear Member,

Cabinet - Tuesday, 13th July, 2010 –
Minute CAB.20 The Council's Performance

I attach an addendum to the minutes of the above-mentioned meeting in relation to a Children and Young People's Service Capital Programme for 2010/11 as approved by the Cabinet Member for Finance and Sustainability in accordance with the authority delegated to him at the meeting (vide Minute CAB.20 (7))

Yours sincerely,

Richard Burbidge
Principal Committee Co-Ordinator

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RECORD OF DECISION TAKEN UNDER URGENCY PROCEDURES OR DELEGATED AUTHORITY

All requests for action to be taken in accordance with established urgency procedures or delegated authority must be accompanied by an appropriate report setting out all relevant considerations, in particular legal and financial considerations, and with a clear recommendation[s] for action, in order for an appropriate decision to be taken in accordance with the provisions of current legislation.

Log No.

Ward(s) affected	All
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Title of Report: Review of Capital Programme 2010/11 - Children and Young People's Service

Reason for urgency or relevant paragraph for authority under scheme of delegation.

An urgent review of the capital programme has been undertaken in light of reduced capital government funding. Approved schemes must progress as soon as possible if the planned completion dates are to be met and the school summer holiday used to the full.

Decision of Chief Officer

I approve the recommendation as set out in the attached report.

Signature 

Date 15/7/10

Concurrence of Leader/Cabinet Member

I concur with the above decision.

Signature 

Date 15/7/10

Once signed by the Chief Officer this cover sheet together with the substantive report must be forwarded to the Cabinet Committees Team - Level 7, River Park House - for processing. All requests for action to be taken in accordance with urgency procedures must be dealt with in this way to ensure that the Council complies with the necessary legal requirements. Thank you for your co-operation.

**Review of Capital Programme 2010/11
Children and Young People's Service**

1. Introduction

- 1.1. The 2009/10 financial outturn report considered by Cabinet on 15 June 2010 outlined the very challenging position that faced the Council with respect to financing the capital programme for 2009/10 as a result mainly of a shortfall in capital receipts generated in the year.
- 1.2. The forecast for capital receipts and external funding for the current year are also not particularly encouraging. As previously reported, the Government has already withdrawn £8.57m of capital grant funding originally allocated to support the provision of pupil places in the Children and Young People's service (CYP) capital programme. Additionally, there is concern about future government capital funding as demonstrated by the very regular grant cancellations or reductions seen recently. This position has prompted a review of the currently approved capital programme for 2010/11 to identify any funding and other issues which need to be considered and the consequent potential need to re-prioritise schemes.
- 1.3. Given that funding for capital schemes is generally flexible, there are numerous options that could have been considered in this review. However, in the time available, the approach that has been taken is to leave in place, as far as is possible, the majority of already approved and funded schemes in the 2010/11 programme.
- 1.4. The capital programme for the next planning period; 2011/12 to 2013/14 will, in line with the current policy, be re-based and formulated on known or forecast resources available at budget preparation time in the autumn of 2010.
- 1.5. It is not necessary, therefore, to review the current programme beyond the end of this financial year given such a review will happen normally in line with current policy.

2. Recommendations

- 2.1. To approve the **revised** CYP capital programme as set out at Appendix 1. An explanation of the revisions is summarised at paragraph 3 below.
- 2.2. To note there will be supplementary reports dealing with Urban Environment and Adults, Culture and Community Services projects.

3. Summary of CYP Project Revisions

- 3.1. The programme has been fully reviewed in light of the reduced levels of capital resources available. The reduction in resources resulted from the Government's withdrawal of £8.57m of Basic Need Safety Valve Grant but, additionally, the significant revenue pressures facing the Council mean that all options are being considered to reduce revenue spend. This includes borrowing costs, so the originally planned levels of borrowing underpinning the programme are now proposed for reduction to support the Council's efficiency and savings programme. Consequent reductions in the CYP capital programme are proposed as a result.
- 3.2. The total of planned borrowing would be reduced from the originally approved total of £23.7m to a revised total of £13m, a reduction of £10.7m. The level of planning gain contributions has been reviewed to take account of likely forecast receipts over the next three years and has been increased by £900k as a result. Overall the available resources for the CYP service capital programme have reduced in this model by £18.175m since the originally approved programme in January 2010.
- 3.3. Projects and programmes which support Haringey's statutory obligation to make sufficient provision of additional primary school places have been protected as far as possible within the proposed revised programme. The forecasts of pupil numbers continue to confirm that significant numbers of new places will be required from 2011 onwards. However, the loss of the BNSV grant has meant that the budget provision for a new school in Tottenham is proposed for deletion. The project at Rhodes Avenue to expand by one form of entry, which is fully designed and ready to start on site, is proposed for retention and the project at Coleridge (expansion to four forms of entry) is also proposed to progress through to completion. It is also proposed that a budget of £4.1m should be retained to cater for temporary expansions and early work on the design and options appraisal for permanent expansions of primary schools. Work is underway to ascertain which schools within the estate can be permanently expanded at minimum cost.
- 3.4. The Broadwater Farm Inclusive Learning Campus is proposed to proceed under the new programme. A saving of £1.7m has been achieved on the construction cost following competitive tender and the saving has been returned to the benefit of the overall programme. The project is about to start on site, subject to approval of this revised programme, and is on target to complete during 2013.
- 3.5. The original programme included a budget of £2.9m for Mulberry School. The revised programme budget, proposed at £200k, will allow the design of this programme to progress to detailed design stage by December 2010. By this time the Council will have a better knowledge

of the government's intentions in relation to future capital allocations for the next three years (through to 2014) and a decision can then be made on the overall priorities for the programme going forward.

- 3.6. Other reductions to the programme are proposed to allow the above projects to proceed. These reductions include a reduced budget for Alternative Provision, pending a review of how these services should be provided in the future and a reduction in the budget for planned maintenance. This latter constraint increases the risk of condition issues across the estate which may affect service delivery or could cause disruption. Condition surveys which have recently been undertaken across the estate will be used to inform the most urgent of works required. It is also proposed to reduce the overall level of contingency budget supporting the Primary and Pre-School programme from £4m to £1.8m. The contingency represents approximately 3% of planned expenditure in the primary sector.
- 3.7. There has been no impact on the BSF programme as a result of this review.

CYP Capital Programme 2010/11 - 2012/13	Original £000	Revised £000	Change £000
BSF	63,171	63,171	-
Primary ICT strategy	876	876	-
Broadwater Farm (saving)	17,111	15,367	(1,744)
Rhodes Avenue	8,137	8,137	-
Coleridge	753	753	-
Electrical and ICT	1,100	1,100	-
Noel Park - 2 Classes	-	200	200
Pupil place expansion fund	4,033	4,100	67
Alternative provision	2,100	900	(1,200)
Mulberry primary	2,900	200	(2,700)
New 1FE school	7,000	-	(7,000)
Match funded projects	1,200	400	(800)
Project development	200	-	(200)
PCP delivery	2,453	2,000	(453)
Programme Contingency	4,000	1,885	(2,115)
Playcentre integration	400	-	(400)
			-
Childrens Centres	824	824	-
Early Years Quality and Access	1,343	1,343	-
Youth centres	330	200	(130)
Schools Access	200	-	(200)
Disabled children	329	329	-
			-
Planned Maintenance	3,000	1,500	(1,500)
PFI costs	600	600	-
Devolved Capital	8,449	8,449	-
Carer Home Adaptations	304	304	-
	130,813	112,638	(18,175)
Changes to funding	Original	Revised	Change
Capital grants from Central Gov	99,788	91,418	(8,370)
Grants from Private Developers	3,440	4,340	900
Capital receipts	2,080	2,080	-
General Fund	1,800	1,800	-
Borrowing	23,705	13,000	(10,705)
	130,813	112,638	(18,175)
Capital grants from Central Governemnt			
Loss of BNSV	8570	0	(8,570)
Additional forecast grant	0	200	200
	8570	200	(8,370)

