

CABINET – 15 OCTOBER 2019

CAPITAL PROGRAMME UPDATE AND MONITORING REPORT

Report by the Director of Finance

Recommendations

1. The Cabinet is RECOMMENDED to:
 - (a) approve the updated Capital Programme at Annex 2 and the associated changes to the programme in Annex 1c;
 - (b) approve the revised budget provision of £2.9m for the expansion at Hanborough Manor Primary School project, an increase of £1.3m;
 - (c) note the approvals made under delegated authority of the Director of Finance in consultation with the Leader of the Council for:
 - i. the revised budget provision of £3.581m towards the Expansion to 2FE at West Witney Primary School, an increase of £1.281m.

Executive Summary

2. The capital monitoring position set out in Annex 1a, shows the forecast directorate programme expenditure for 2019/20 is **£182m** (excluding school's local capital). This has increased by **£0.4m** compared to the latest approved capital programme.
3. The total ten-year capital programme (2019/20 to 2028/29) is now **£876.7m**, an increase of **£6.3m** compared to the capital programme approved by Council in July 2019. The updated capital programme is set out in Annex 2. The main variations are set out in paragraphs 14 to 15 of the report.
4. The report includes one new inclusion to and changes in the Capital Programme, which Cabinet is recommended to approve, an increased budget for the expansion at Hanborough Manor Primary School.
5. The report also sets out the capital programme approvals made under delegated authority of the Director of Finance in consultation with the Leader of the Council, in line with the Council's constitution, on the increased budget for the expansion at West Witney Primary School.

Introduction

6. This is the second capital programme update and monitoring report for the year and focuses on the delivery of the 2019/20 capital programme based on projections at the end of August 2019 and new inclusions within the overall ten-year capital programme.

7. The following annexes are attached:

- Annex 1 Capital Programme Monitoring
- Annex 2 Updated Capital Programme

2019/20 Capital Monitoring

8. The capital monitoring position set out in Annex 1a, shows the forecast directorate programme expenditure for 2019/20 is **£182.0m** (excluding school's local capital). This has increased by **£0.4m** compared to the latest approved capital programme. The table in the next paragraph summarises the variations by portfolio area.
9. The variations in 2019/20 include the approved recommendations from the July 2018 Cabinet meeting and schemes that have been re-profiled accordingly. Significant in-year variations for each directorate are listed in Annex 1b. New schemes and total programme/project budget changes are listed in Annex 1c.

Portfolio Area	Last Approved Programme * £m	Latest Forecast Expenditure £m	Variation £m
Children's Services	37.6	37.6	+0.0
Adult Services	7.4	7.4	+0.0
Communities: Transport	81.1	81.5	+0.4
Communities: Other Property Resources	22.9	22.9	+0.0
	32.6	32.6	+0.0
Total Directorate Programmes	181.6	182.0	+0.4
Schools Local Capital	0.8	0.8	+0.0
Earmarked Reserves	4.8	4.8	+0.0
Total Capital Programme	187.2	187.6	+0.4

* Approved by Cabinet 16 July 2019

10. The basic need programme budget provision for the year is **£15.5m**. Three projects have been completed this financial year and a fourth is due to be completed during the Autumn Term. Section 77¹ consent for building on school playing fields has been resolved on several projects which will enable contract lets to be completed. Whilst the overall budget provision has not changed from the figure reported previously, the revised programme delivery timeframe and the remaining Section 77 confirmation will impact on the in-year spend and completion of projects for September 2020.
11. Within Communities, the Transport Programme is **£81.5m**, an increase of **£0.4m** to the overall forecast project expenditure profiles since the last capital programme update. An additional £0.3m has been included within the developer funded small funded projects with an additional £0.1m re-profiled into 2019/20 within the structural maintenance programme.

¹ Local authorities wanting to dispose of playing field land or change of use of playing field land need consent under Section 77 of the Schools Standards and Framework Act 1998.

Actual Expenditure to Date

12. Excluding forecast expenditure on third party schemes (OxLEP funded schemes and the Housing and Growth Deal Affordable Housing element), the 2019/20 programme reduces from **£182.0m** to **£153.8m**. Actual capital expenditure as at the end of August for Council controlled projects was **£14.3m** with in year commitments at **£39.5m**. The combined value is 35% of the forecast expenditure. These figures are based on paid invoices at the end of August, so delivery levels are likely to be higher than this.

Ten Year Capital Programme Update

13. The total ten-year capital programme (2019/20 to 2028/29) is now **£876.7m**, an increase of £6.3m compared to the capital programme approved by Cabinet in July 2019. The updated capital programme is set out in Annex 2. The following table summarises the variations by directorate and the main reasons for these variations are explained in the following paragraphs.

Portfolio Area	Last Approved Total Programme (2019/20 to 2028/29) * £m	Latest Updated Total Programme (2019/20 to 2028/29) £m	Variation £m
Children Services	189.2	193.4	+4.2
Adults Services	26.6	26.6	+0.0
Communities: Transport	485.9	488.0	+2.1
Communities: Other	90.8	90.8	+0.0
Resources	77.9	77.9	+0.0
Total Directorate Programmes	870.4	876.7	+6.3
Schools Local Capital	5.2	5.2	+0.0
Earmarked Reserves	86.6	84.8	-1.8
Total Capital Programme	962.2	966.6	+4.5

* Approved by Cabinet 16 July 2019

14. Within the Children's Programme, the total forecast capital programme (2019/20 to 2028/29) is **£193.4m** which is an increase of **£4.2m** compared to the total programme value reported previously. The main variations to the Children's programme are the result of the following:
- Additional funding of **£4.8m** from developer contributions towards projects within the basic need programme.
 - A combined reduction of **£0.5m** on two projects; Barton Park, Oxford and GEMS Wantage new primary schools to reflect the stage 2 (contract let) budget requirements.
15. Within the Transport Programme, the total forecast capital programme (2019/20 to 2028/29) is **£488m** which is an increase of **£2.1m** compared

to the total programme value reported previously. The main variation is the additional £2m approved by Cabinet in July 2019 towards the Eastern Arc Access to Headington project.

Capital Programme Approvals

16. The following projects are recommended to Cabinet for approve. The business case documents are available as background papers.

Hanborough Manor Primary School

17. The latest cost plan at the stage 1 gateway for the expansion at Hanborough Manor Primary School to 1.5 Form Entry, has increased the overall budget requirement by **£1.3m** to **£2.9m**. The additional budget requirement will be met from the basic need programme and S106 funding. The completed feasibility study has identified an increase in scope, with two additional classrooms due to the requirement to demolish the existing reception classroom (prefabricated 'temporary' classroom) which is located in the area where the new accommodation will be built and converting an existing classroom into circulation and resource space.

Capital Programme Approvals Delegated to the Leader of the Council

18. Due to timescales, the following projects have been approved by the Leader of the Council in consultation with the Director of Finance.

West Witney Primary School

19. The latest cost plan at the stage 2 gateway for the expansion to 2 Form Entry at West Witney Primary School has increased the overall budget requirement by **£1.281m** to **£3.581m**. The additional budget requirement will be met from the basic need programme and reflects the latest delivery timeframe to let the contract to enable the additional classrooms school to be delivered for October 2020. To meet the required timeframe this has been approved under delegated authority of the Leader of the Council in consultation with the Director of Finance.
20. The delay to the project programme (initially Carillion liquidation and then Section 77 consent) has pushed the completion date back to within the Autumn Term 2020. The increase is due to a variety of reasons including inflation, market response for subcontractors' prices and the preliminaries rates of the Scape framework, approx. £0.8m. A further £0.4m is on the cost of temporary accommodation (additional pupil places September 2018 and decant of two further classrooms during construction).

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Background papers:

Stage 1 Business Case – Hanborough Manor Primary School (ED909)
Stage 2 Business Case – West Witney Primary School (ED889)

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