
To: EDUCATION & CHILDREN POLICY BOARD

On: 3 NOVEMBER 2016

Report by: Director of Finance and Resources

Heading: Capital Budget Monitoring Report

1. Summary

- 1.1 Capital expenditure to 16th September 2016 totals £6.927m compared to anticipated expenditure of £6.903m for this time of year. This results in an over-spend position of £0.024m for those services reporting to this board, and is summarised in the table below:

Division	Current Reported Position	% Variance	Previously Reported Position	% Variance
Children Services	£0.024m o/spend	0% o/spend	£0.007m o/spend	0% o/spend
Total	£0.024m o/spend	0% o/spend	£0.007m o/spend	0% o/spend

- 1.2 The expenditure total of £6.927m represents 29% of the resources available to fund the projects being reported to this board. Appendix 1 provides further information on the budget monitoring position of the projects within the remit of this board.
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2. Recommendations

- 2.1 It is recommended that Members note this report.

3. **Background**

3.1 This report has been prepared by the Director of Finance and Resources.

3.2 This capital budget monitoring report details the performance of the Capital Programme to 16th September 2016, and is based on the Capital Investment Programme which was approved by members on 3rd March 2016, adjusted for movements since its approval.

3.3 The revised construction programme for the new Riverbrae school continues with expected completion for the summer of 2017. As previously intimated the delays in the project have resulted in a range of financial impacts that have been managed to date through the contractual process including the utilisation of the financial contingency element of the overall project budget.

Engagement with the contractor in relation to outstanding contractual claims and further claims that are anticipated to arise over the remaining build period are ongoing. The financial outcome that will arise from this process remains at this stage uncertain, and will be subject to due process under the terms of the contract and negotiation with the contractor. There also remains the potential for legal adjudication where agreement cannot be reached with the contractor. Notwithstanding this uncertainty, it is anticipated at this stage that the remaining contingency budget will be insufficient to meet these additional costs.

This being the case there will be a requirement to provide for additional costs in the current financial year arrangements. There is a possibility that the final cost won't be known this financial year and as such an appropriate estimate will be provided for the closure of the 2017/18 accounts. Updates will be provided to future meeting of this policy board.

4. **Budget Changes**

4.1 Since the last report budget changes totalling £5.552m have arisen which reflects the following:-

Budget re-profiled into 2017/18:

- Primary Schools Estate Programme (£6.327m) reflecting a revised cashflow based on the tenders received in the St John Bosco/Bargarran Primary Schools project.

New Funding in 2016/17:

- Close Support System (£0.750m) as approved by the Leadership Board on the 29th March 2016.

Budget transferred in 2016/17:

- Riverbrae School (£0.025m) reflecting a transfer from the Lifecycle Capital Maintenance Fund for energy measures which were part of the original funding package.

Implications of the Report

1. **Financial** – The programme will be continually monitored, in conjunction with other programmes, to ensure that the available resources are fully utilised and that approved limits are achieved.
2. **HR & Organisational Development** – none.
3. **Community Planning** –
Greener - Capital investment will make property assets more energy efficient.
4. **Legal** – none.
5. **Property/Assets** – none.
6. **Information Technology** – none.
7. **Equality & Human Rights** – The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report. If required following implementation, the actual impact of the recommendations and the mitigating actions will be reviewed and monitored, and the results of the assessment will be published on the Council's website.
8. **Health & Safety** – none.
9. **Procurement** – none.
10. **Risk** – none.
11. **Privacy Impact** – none.

List of Background Papers

- (a). Capital Investment Programme 2016/17 & 2017/18 – Council, 3rd March 2016.

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Education & Children - Appendix 1

RENFREW SHIRE COUNCIL

CAPITAL INVESTMENT STRATEGY - NON-HOUSING SERVICES

BUDGET MONITORING REPORT

BOARD: EDUCATION & CHILDREN

Project Title	Approved Programme @03/03/16	Current Programme MR 6	Year To Date Budget to 16-Sep-16	Cash Spent to 16-Sep-16	Variance to 16-Sep-16	% Variance	Cash to be Spent by 31-Mar-16	% Cash Spent
EDUCATION & CHILDREN SERVICES								
Schools Investment Programme	0	347	15	15	0	0%	332	4%
Early Years Estate Programme	2,100	1,056	74	99	-24	-33%	957	9%
Primary Schools Estate Programme(SEMP)	17,737	10,508	3,475	3,475	0	0%	7,033	33%
Other Schools Investment Programmes	8,793	10,648	3,336	3,336	0	0%	7,312	31%
Technology Replacement Strategy ICT	400	400	0	0	0	0%	400	0%
Rowanlea/Arkleston Children's Units	0	0	0	0	0	0%	0	-
Close Support System	0	750	2	2	0	0%	748	0%
TOTAL EDUCATION & CHILDREN BOARD	29,030	23,709	6,903	6,927	-24	0%	16,782	29%