

# CHILDREN'S SERVICES OVERVIEW AND SCRUTINY PANEL

TUESDAY, 18TH JULY, 2017

At 6.30 pm

in the

COUNCIL CHAMBER - TOWN HALL, MAIDENHEAD,

## SUPPLEMENTARY AGENDA

### PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
5.	<u>FINANCIAL UPDATE</u> To comment on the Cabinet report.	3 - 16
6.	<u>CAPITAL PROGRAMME UPDATE - SCHOOLS</u> To comment on the Cabinet report.	17 - 26

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Report Title:	<b>Financial Update</b>
Contains Confidential or Exempt Information?	NO - Part I
Member reporting:	Councillor Saunders, Lead Member for Finance
Meeting and Date:	Cabinet – 27 July 2017
Responsible Officer(s):	Russell O’Keefe, Executive Director
Wards affected:	All

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## REPORT SUMMARY

1. This report sets out that the Council finance position at month three, in the financial year 2017-18. In summary there is a £828,000 projected overspend on the General Fund due to net overspends being forecast in service budgets, see Appendix A.
2. The Council is in a strong financial position; with combined General Fund Reserves of £7,348,000 (8.31% of budget) in excess of the £5,780,000 (6.54% of budget) recommended minimum level, to cover risks for 18 months, be set at Council in February 2017.

## 1 DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION: That Cabinet:**

- i) **Notes the Council’s projected outturn position for 2017-18 and mitigating actions to address service pressures.**

## 2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

This is a monitoring report not requiring any decision.

## 3 KEY IMPLICATIONS

- 3.1 The Council has a combined General Fund Reserve of £7,348,000, comprising General Fund Reserve of £4,119,000 and a Development Fund balance of £3,229,000. Appendix B provides an analysis of spend and position of the Development Fund.

**Table 1: Performance of general fund reserves**

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
General Fund Reserves Achieved	Below £5,800,000	£5,800,000 to £6,000,000	£6,000,000 to £6,500,000	Above £6,500,000	31 May 2018

## 4 FINANCIAL DETAILS / VALUE FOR MONEY

### Managing Director

- 4.1 The Managing Director reports a projected outturn figure for 2017-18 of £61,190,000 against a controllable net budget of £60,362,000, an over-spend of £828,000. This is an increase of £602,000 on the pressure reported last month.
- 4.2 There is a range of pressures in Children's Services totalling £1,316,000:
- Home to school transport £226,000
  - Placements for young people £602,000
  - Legal costs £162,000
  - Agency costs £326,000
- 4.3 An over-achievement in Adult social care income gives provides a mitigation and allows the net pressure for the directorate to be reduced to £828,000.

### Home to school transport

- 4.4 The £226,000 pressure in the home to school transport budget reported last month remains unchanged.

### Placements

- 4.5 Currently there is a forecasted increase of 16% in the volume of placements for young people. This is a consequence of an increase in the number of young people 18 plus with SEND and Disabilities who require accommodation following the SEND reforms. These reforms entitle young adults to support with education and placements until the age of 25. This increase in demand is forecasted to cost £400,000. This change in statutory requirement came with no additional government funding. Allowing for this increase in demand and further SEND change that occurs in September, there is a projected LA budget shortfall of £602,000 on external placements at the current time.
- 4.6 There is a requirement to increase the level of in house foster carers by 9% in 2017-18 compared to 2016-17. The service has contracted Cornerstone to run a programme of foster carer recruitment. They are successful at recruiting adopted parents. Since they have been contracted they have identified and started the assessment process on three families.

### Legal

- 4.7 There has been an increase in the number of children being brought into care. This has directly impacted on the legal budget, giving a pressure of £162,000. Mitigating action is under way with closer contract management to ensure that the Joint Legal Team only contracts external legal advice in highly specialist cases.

### Agency

- 4.8 Agency staff costs continue to be high, creating a budget pressure of £326,000. The recent IR35 regulation changes (tightening up of tax legislation designed to reduce tax avoidance by contractors) have had little impact on the number of staff willing to convert to permanent. There are 15 agency social workers across Children's Services at 30 June 2017. There are two mitigations underway:

- In October, seven social workers will complete their qualification training as a result of the decision to invest in the Frontline training programme. This team of newly qualified social workers will replace seven agency workers. A further eight students are enrolled for the next Frontline cohort, building the pipeline for the future.
- A refreshed recruitment campaign for experienced social workers will take place in September 2017. This will seek to secure experienced social workers to augment the newly qualified staff developed via the Frontline programme.

#### **Adult social care income**

- 4.9 Adult social care income is showing an underspend of £484,000, mainly due to three successful continuing healthcare claims where Health is now responsible for costs of the individuals.
- 4.10 There are no significant variances to report the Human Resources budget, the Law & Governance budget or the Communication & Marketing budget.

#### **Communities**

- 4.11 The Executive Director now projects a balanced budget outturn on the Communities directorate's 2017-18 controllable budget of £14,842,000. The £153,000 overspend reported to Cabinet last month will be mitigated by over-achievement of income from parking fees and registrars charges.

#### **Place**

- 4.12 The Executive Director projects a balanced budget outturn on the Place directorate's 2017-18 controllable budget of £4,003,000. No material budget pressures have been identified in the year to date.

#### **Revenue budget movement**

- 4.13 Revenue budget movements this month are in Table 2, see Appendix C for an expanded full year Movement Statement.

**Table 2: Revenue budget movement**

<b>Service expenditure budget reported to February 2017 Council.</b>	<b>£79,198,000</b>
Redundancy costs funded by provision	£11,000
Budget rounding	(£2,000)
<b>Service expenditure budget this month</b>	<b>£79,207,000</b>

#### **Cash balances projection**

- 4.14 Appendix D provides details of the Borough's cash balance which is based on the assumptions contained in the 2017-18 budget report. In addition to the investments in the 2017-18 capital programme, the projection considers other capital proposals likely to come forward for approval during the year.

#### **Capital Programme**

- 4.15 The approved 2017-18 capital estimate is £66,942,000, see table 4. The projected outturn for the financial year is £66,942,000, an increase on the capital outturn in 2016-17 of £28,861,000.

4.16 There are no variances or slippage to report this month. Appendix E provides further detail. Table 5 shows the status of schemes in the capital programme. Further information on key capital schemes has been provided in Appendix F.

**Table 4: Capital outturn**

	<b>Exp</b>	<b>Inc</b>	<b>Net</b>
<b>Approved estimate</b>	£66,942,000	(£28,745,000)	£38,197,000
Variances identified	£0	£0	£0
Slippage to 2018-19	£0	£0	£0
<b>Projected Outturn 2017-18</b>	£66,942,000	(£28,745,000)	£38,197,000

**Table 5: Capital programme status**

	<b>Report Cabinet June 2017</b>
<b>Number of schemes in programme</b>	<b>299</b>
Yet to Start	39%
In Progress	40%
Completed	13%
Ongoing Programmes e.g. Disabled Facilities Grant	8%
Devolved Formula Capital Grant schemes budgets devolved to schools	0%

### **Business Rates**

4.17 Business rate income at the end of May was 21.05% against a target of 20% and performance in May 2016 of 19.99%. In cash terms we are £940,110 ahead of target. The annual collection target is 98.4%.

## **5. LEGAL IMPLICATIONS**

5.1 In producing and reviewing this report the Council is meeting its legal obligations to monitor its financial position.

## **6. RISK MANAGEMENT**

**Table 6: risks resulting from this report**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
None			

## **7. POTENTIAL IMPACTS**

7.1 None

## **8. CONSULTATION**

8.1 Overview & Scrutiny meetings are scheduled prior to this Cabinet. Any comments from those meetings will be reported verbally to Cabinet.

## 9. TIMETABLE FOR IMPLEMENTATION

9.1 Implementation date if not called in: Immediately.

## 10. APPENDICES

10.1 Appendices attached to this report are shown below.

- Appendix A Revenue budget summary
- Appendix B Development fund analysis
- Appendix C Revenue movement statement
- Appendix D Cash flow projection
- Appendix E Capital budget summary
- Appendix F Key capital scheme performance

## 11. BACKGROUND DOCUMENTS

11.1 Background documents relating to this report are detailed below.

- Budget Report to Cabinet February 2017.

## 12. CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
Cllr. Saunders	Lead Member for Finance.	27/6/17	29/6/17
Cllr. Rankin	Deputy Lead Member for Finance.	27/6/17	
Alison Alexander	Managing Director.	19/6/17	11/7/17
Russell O'Keefe	Executive Director	19/6/17	
Andy Jeffs	Interim Executive Director	19/6/17	
Rob Stubbs	Deputy Director and Head of Finance	19/6/17	27/6/17

## REPORT HISTORY

<b>Decision type:</b> For information	<b>Urgency item?</b> No
Report Author: Rob Stubbs Deputy Director Finance and Head of Finance	

## Revenue Monitoring Statement 2017/18 for July 2017 Cabinet

SUMMARY	2017/18		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
Corporate & Governance	3,762	3,591	0
Commissioning & Support	2,248	1,384	(4)
AfC Contract	46,229	44,236	1,316
Childrens Services - Retained	340	504	0
Optalis Contract	0	28,698	0
Adult Social Care - Spend	42,061	14,768	0
Adult Social Care - Income	(10,570)	(9,282)	(484)
Concessionary Fares	1,282	1,386	0
Housing	1,107	1,107	0
Better Care Fund	7,787	9,254	0
Public Health	2,263	2,297	0
Dedicated Schools Grant Spend	35,156	36,199	0
Grant Income	(72,290)	(73,780)	0
<b>Total Managing Director's Directorate</b>	<b>59,375</b>	<b>60,362</b>	<b>828</b>
Executive Director of Communities	184	184	0
Revenues & Benefits	370	254	0
Highways & Countryside	5,164	5,044	153
Community Protection & Enforcement	5,825	5,825	(120)
Library & Resident Services	3,670	3,535	(33)
<b>Total Communities Directorate</b>	<b>15,213</b>	<b>14,842</b>	<b>0</b>
Executive Director of Place	153	300	0
Planning Service	1,398	1,323	0
Regeneration Service	(1,732)	(1,657)	0
Finance	2,149	2,008	0
ICT	2,199	2,029	0
<b>Total Place Directorate</b>	<b>4,167</b>	<b>4,003</b>	<b>0</b>
<b>TOTAL EXPENDITURE</b>	<b>78,755</b>	<b>79,207</b>	<b>828</b>



## Revenue Monitoring Statement 2017/18 for July 2017 Cabinet

SUMMARY	2017/18		
	Budget	Approved Estimate	Projected Variance
	£000	£000	£000
<b>Total Service Expenditure</b>	<b>78,755</b>	<b>79,207</b>	<b>828</b>
Contribution to / (from) Development Fund	2,255	2,225	0
Pensions deficit recovery	2,415	2,415	0
Pay reward	500	425	0
Transfer to/(from) Provision for Redundancy	0	(43)	0
Apprenice Levy	280	244	0
Environment Agency levy	153	153	0
Capital Financing inc Interest Receipts	<u>5,069</u>	<u>5,069</u>	<u>0</u>
<b>NET REQUIREMENTS</b>	<b>89,427</b>	<b>89,695</b>	<b>828</b>
Less - Special Expenses	(1,009)	(1,009)	0
Transfer to / (from) balances	0	(268)	(828)
<b>GROSS COUNCIL TAX REQUIREMENT</b>	<u><b>88,418</b></u>	<u><b>88,418</b></u>	<u><b>0</b></u>
<b>General Fund</b>			
Opening Balance	5,291	5,215	4,947
Transfers to / (from) balances	<u>0</u>	<u>(268)</u>	<u>(828)</u>
	<u><u>5,291</u></u>	<u><u>4,947</u></u>	<u><u>4,119</u></u>
NOTE Service variances that are negative represent an underspend, positive represents an overspend.			

<b>Memorandum Item</b>	
<b>Current balance on the Development Fund</b>	
	£000
Opening Balance	1,004
Transfer (to) / from other reserves	
Transfer from General Fund - sweep	
Transfer (to) / from General Fund - other initiatives	<u>2,225</u>
	<u><u>3,229</u></u>

<b>Corporate Development Fund (AE35) £000</b>		
<b>Balance B/F from 2016/17</b>		<b>1,004</b>
<b>Transacted amounts in 2017/18</b>		
<b>To/From Capital Fund</b>		0
<b>To/From General Fund</b>		
Transition Grant (2017/18 budget - February 2017 Council)	1,263	
Contribution from the General Fund (2017/18 budget - February 2017 Council)	1,109	
Restructure of the Development and Regeneration service (2017/18 budget - February 2017 Council)	-56	
Minerals and Waste Strategy (2017/18 budget - February 2017 Council)	-61	
Crematorium feasibility study (CMT April 2017)	-30	
	<hr/>	2,225
		<hr/> <b>3,229</b> <hr/>

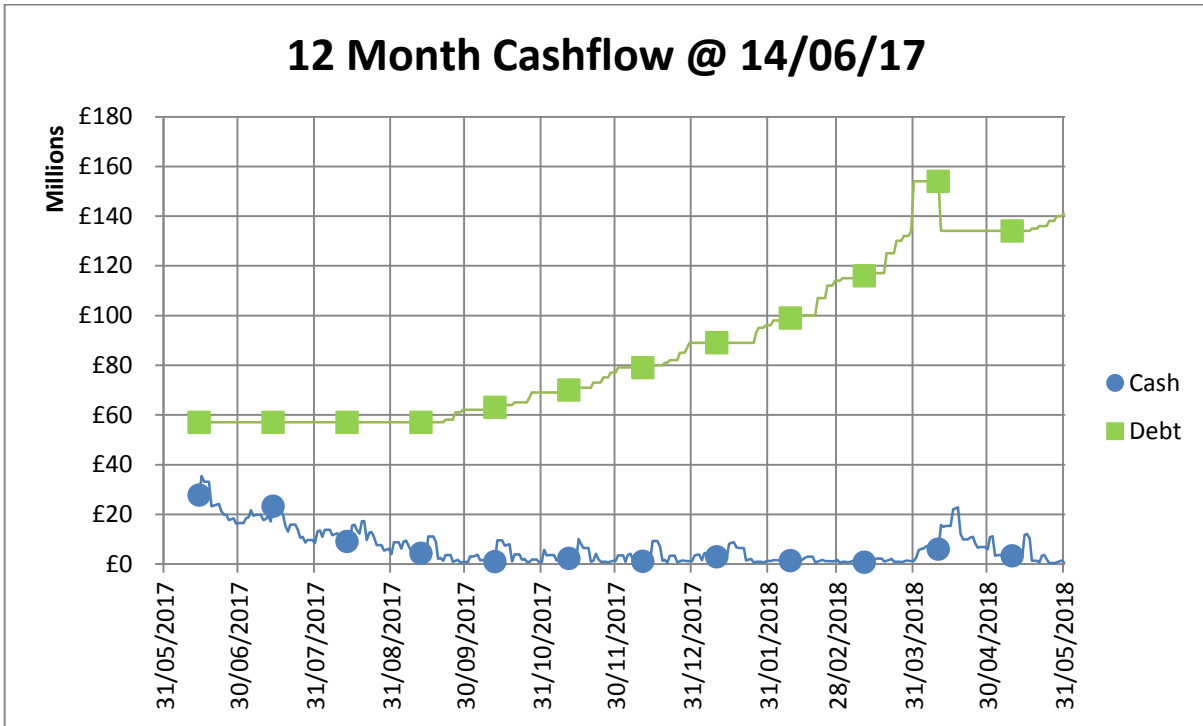


## Budget Movement Statement 2017-18

	Funded by Development Fund (1)	Funded by the General Fund (2)	Funded by Provision (3)	Included in the original budget (4)	Total	Approval
	£'000	£'000	£'000	£'000	£'000	
<b>Original Budget</b>					<b>78,755</b>	
1 Carry forward of transforming services budgets re-allocated		264			264	Cabinet May 2017
2 Optalis share of pay reward / award budget re-allocated				75	75	Council Feb. 2017
3 Optalis share of apprentice levy budget re-allocated				36	36	Council Feb. 2017
4 Redundancy cost			43		43	Cabinet May 2017
5 Crematorium feasibility study	30				30	CMT April 2017
6 Budget rounding		4			4	N/A
<b>Changes Approved</b>	<b>30</b>	<b>268</b>	<b>43</b>	<b>111</b>	<b>452</b>	
<b>Approved Estimate May Cabinet</b>					<b>79,207</b>	

## NOTES

- 1 When additional budget is approved, a funding source is agreed with the Lead Member of Finance. Transactions in column 1 have been funded from a usable reserve (Development Fund).
- 2 If additional budget is approved but no funding is specified, the transaction would, by default, be funded from the General Fund Reserve. Transactions in column 2 are funded by the General Fund.
- 3 A provision for future redundancy costs is created every year and this is used to fund additional budget in services for the costs of redundancy they incur during the year. Transactions in column 3 are redundancy costs funded by the provision for redundancy.
- 4 Transactions in column 4 are amounts approved in the annual budget which for various reasons need to be allocated to service budgets in-year. An example would be the pay reward budget. Pay reward payments are not approved until June. The budget therefore has to be re-allocated.



Note 1 – Capital expenditure is projected to increase steadily throughout 2017/18. The exact profile may vary and monitoring of schemes and cash balances will decide the rate at which our borrowing will increase to ensure that no unnecessary debt charges are incurred.

Portfolio Summary	2017/18 Original Budget			New Schemes – 2017/18 Approved Estimate			Schemes Approved in Prior Years			Projections – Gross Expenditure				
	Gross	Income	Net	Gross	Income	Net	Gross	Income	Net	2017/18 Projected	2017/18 SLIPPAGE Projected	TOTAL Projected	VARIANCE Projected	VARIANCE Projected
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	(£'000)	(£'000)	(£'000)	(£'000)	(%)
<b>Communities Directorate</b>														
Sports & Leisure	2,050	0	2,050	2,050	0	2,050	647	(11)	636	2,697	0	2,697	0	0%
Community Facilities	310	(70)	240	310	(70)	240	443	0	443	753	0	753	0	0%
Outdoor Facilities	310	(120)	190	310	(120)	190	920	(400)	520	1,230	0	1,230	0	0%
Revenues & Benefits	0	0	0	0	0	0	126	0	126	126	0	126	0	0%
Green Spaces & Parks	281	(231)	50	281	(231)	50	99	(81)	18	380	0	380	0	0%
Highways & Countryside	5,438	(2,977)	2,461	5,438	(2,977)	2,461	3,610	(1,004)	2,606	9,048	0	9,048	0	0%
Community Protection & Enforcement Services	668	(608)	60	668	(608)	60	1,063	(493)	570	1,731	0	1,731	0	0%
Library & Resident Services	470	(12)	458	470	(12)	458	958	(312)	646	1,428	0	1,428	0	0%
<b>Total Communities Directorate</b>	<b>9,527</b>	<b>(4,018)</b>	<b>5,509</b>	<b>9,527</b>	<b>(4,018)</b>	<b>5,509</b>	<b>7,866</b>	<b>(2,301)</b>	<b>5,565</b>	<b>17,393</b>	<b>0</b>	<b>17,393</b>	<b>0</b>	<b>0</b>
<b>Place Directorate</b>														
Technology & Change Delivery	275	0	275	275	0	275	96	0	96	371	0	371	0	0%
Property & Development	4,950	0	4,950	4,950	0	4,950	852	(251)	601	5,802	0	5,802	0	0%
Regeneration & Economic Development	560	0	560	1,235	0	1,235	5,685	(328)	5,357	6,920	0	6,920	0	0%
Planning (CAP51)	470	0	470	470	0	470	339	(185)	154	809	0	809	0	0%
<b>Total Place Directorate</b>	<b>6,255</b>	<b>0</b>	<b>6,255</b>	<b>6,930</b>	<b>0</b>	<b>6,930</b>	<b>6,972</b>	<b>(764)</b>	<b>6,208</b>	<b>13,902</b>	<b>0</b>	<b>13,902</b>	<b>0</b>	<b>0</b>
<b>Managing Director</b>														
Adult Social Care	0	0	0	0	0	0	51	(51)	0	51	0	51	0	0%
Housing	500	(500)	0	1,495	(1,495)	0	575	(545)	30	2,070	0	2,070	0	0%
Democratic Representation	88	0	88	88	0	88	130	0	130	218	0	218	0	0%
Non Schools	475	0	475	475	0	475	259	(234)	25	734	0	734	0	0%
Schools – Non Devolved	28,030	(16,640)	11,390	28,030	(16,640)	11,390	3,573	(1,726)	1,847	31,603	0	31,603	0	0%
Schools – Devolved Capital	223	(223)	0	318	(318)	0	653	(653)	0	971	0	971	0	0%
<b>Total Managing Director</b>	<b>29,316</b>	<b>(17,363)</b>	<b>11,953</b>	<b>30,406</b>	<b>(18,453)</b>	<b>11,953</b>	<b>5,241</b>	<b>(3,209)</b>	<b>2,032</b>	<b>35,647</b>	<b>0</b>	<b>35,647</b>	<b>0</b>	<b>0</b>
<b>Total Committed Schemes</b>	<b>45,098</b>	<b>(21,381)</b>	<b>23,717</b>	<b>46,863</b>	<b>(22,471)</b>	<b>24,392</b>	<b>20,079</b>	<b>(6,274)</b>	<b>13,805</b>	<b>66,942</b>	<b>0</b>	<b>66,942</b>	<b>0</b>	<b>0</b>

<b>Portfolio Total</b>	(£'000)	<b>45,098</b>	(£'000)	<b>66,942</b>	(£'000)	<b>66,942</b>
<b>External Funding</b>						
Government Grants	(17,447)		(18,670)		(18,670)	
Developers' Contributions	(3,934)		(5,898)		(5,898)	
Other Contributions	0		(4,177)		(4,177)	
<b>Total External Funding Sources</b>	<b>(21,381)</b>		<b>(28,745)</b>		<b>(28,745)</b>	
<b>Total Corporate Funding</b>		<b>23,717</b>		<b>38,197</b>		<b>38,197</b>

June 2017 @ 08/6/17																		
Project	CAPITAL SCHEME	2017/18 APPROVED ESTIMATE			APPROVED SLIPPAGE FROM PRIOR YEARS			TOTAL BUDGET 2017/18			PROJECTIONS			PROJECT STATUS				
		Gross	Income	Estimate	Gross	Income	Estimate	Gross	Income	Estimate	2017/18 Projected Variance	2018/19 Expected Slippage	2018/19 SLIPPAGE Projected	Yet To Start	Preliminary / Feasibility Work	Work On-site	Ongoing Annual Programme	Expected Completion
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Communities Directorate</b>																		
<b>Sports &amp; Leisure</b>																		
CZ18	Magnet LC Reprovision Design / Initial Site Costs	1,650	0	1,650	350	0	350	2,000	0	2,000	0	0	0					
<b>Highways &amp; Transport</b>																		
CD12	Roads Resurfacing-Transport Asset & Safety	1,650	(1,650)	0	132	(131)	1	1,782	(1,781)	1	0	0	0					
CD84	Street Lighting-LED Upgrade	1,600	0	1,600	634	0	634	2,234	0	2,234	0	0	0					
<b>Community, Protection &amp; Enforcement Services</b>																		
CT52	Disabled Facilities Grant	600	(600)	0	0	0	0	600	(600)	0	0	0	0					
<b>Place Directorate</b>																		
<b>Regeneration</b>																		
CI14	Maidenhead Waterways Construction phase 1	0	0	0	1707	(141)	1566	1,707	(141)	1,566	0	0	0					
CI29	Nicholson's Car Park & Central House Scheme	0	0	0	2952	(187)	2765	2,952	(187)	2,765	0	0	0					
<b>Managing Director</b>																		
<b>Housing</b>																		
CT51	Affordable Home Ownership Capital Investment	0	0	0	500	(500)	0	500	(500)	0	0	0	0					
CT55	Brill House Capital Funding	500	(500)	0	0	0	0	500	(500)	0	0	0	0					
<b>Non Schools</b>																		
CKVT	Marlow Road Youth Centre Roofing and Maintenance Work	400	0	400	0	0	0	400	0	400	0	0	0					

Project	CAPITAL SCHEME	2017/18 APPROVED ESTIMATE			APPROVED SLIPPAGE FROM PRIOR YEARS			TOTAL BUDGET 2017/18			PROJECTIONS			PROJECT STATUS				
		Gross	Income	Estimate	Gross	Income	Estimate	Gross	Income	Estimate	2017/18 Projected Variance <i>Underspend as negative</i>	2018/19 Expected Slippage	2018/19 SLIPPAGE Projected	Yet To Start	Preliminary / Feasibility Work	Work On-site	Ongoing Annual Programme	Expected Completion
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	<b>Schools – Non Devolved</b>																	
CSGR	Charters Expansion	3,420	(2,952)	468	203	(203)	0	3,623	(3,155)	468	0		0					
CSGT	Windsor Boys Expansion	1,120	(1,120)	0	(108)	108	0	1,012	(1,012)	0	0		0					
CSGV	Cox Green School Expansion Year 1 of 3	3,780	(2,127)	1,653	133	(133)	0	3,913	(2,260)	1,653	0		0					
CSGW	Furze Platt Senior expansion Year 1 of 3	6,750	(2,212)	4,538	431	(431)	0	7,181	(2,643)	4,538	0		0					
CSGX	Dedworth Middle School Expansion Year 1 of 3	3,780	(2,081)	1,699	153	(153)	0	3,933	(2,234)	1,699	0		0					
CSHU	Windsor Girls Expansion	1,800	(1,800)	0	(64)	64	0	1,736	(1,736)	0	0		0					
CSHV	Lowbrook Expansion	0	0	0	1,543	0	1,543	1,543	0	1,543	0		0					



# Agenda Item 6

Report Title:	<b>Capital Programme Update – Schools</b>
Contains Confidential or Exempt Information?	No, except Appendix A - <b>Part II – Not for publication by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972.</b>
Member reporting:	Cllr Natasha Airey, Lead Member for Children’s Services.
Meeting and Date:	Cabinet - 27 July 2017
Responsible Officer(s):	Kevin McDaniel, Director of Children’s Services.
Wards affected:	All

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## REPORT SUMMARY

1. In July 2016, Cabinet approved a growth in the capital budget for secondary school places to £29,600,000 for expansions at six schools including programme design and risk contingency of £3,700,000. This programme was designed to meet the demand arising from the population growth currently passing through the primary school system.
2. This report sets out the detail of the tender returns for two of the schemes, at Charters academy and Cox Green academy and seeks Cabinet approval to accept the tenders.
3. Further, the report seeks approval to accept the tender for a section 106 funded scheme which will provide a total of 30 new places (6 per year) at Newlands Girls academy.
4. A report will come to September cabinet which outlines the planning approach for the next round of school expansions required to support the housing developments outlined in the Borough Local Plan.
5. Following full Council on 27 June, the decision to not provide additional funding for the expansion of Lowbrook Academy has resulted in a release of committed capital and the report seeks approval to redirect some of that funding to cover a shortfall in the budget for school maintenance schemes to be carried out this year following confirmation that the capital grant is circa £294,000 less than expected.

## 1. DETAILS OF RECOMMENDATIONS

**RECOMMENDATION:** That Cabinet notes the report and approves the recommendations:

i) To accept three tenders:

- a. From Dawnus Construction for Charters academy in the sum of £3,343,199.
- b. From Dawnus Construction for Cox Green academy in the sum of £3,681,388.

c. **From Contract Trading Services for Newlands Girls' academy in the sum of £769,890.**

ii) **To confirm the reassignment of £290,000 allocated to the Lowbrook expansion to maintain the maintenance programme for schools, as set out in Table 7.**

## 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

2.1 The Borough has previously committed to invest £29.6m to provide 1,380<sup>1</sup> more secondary school places across the borough through the expansion of six academy schools: Windsor Girls, The Windsor Boys School, Dedworth Middle, Charters, Furze Platt Senior and Cox Green. Section 4 sets out the details of that expansion and the current costs relating to each scheme.

### Charters Academy

2.2 The scheme at Charters is part of the secondary expansion programme to provide 30 more places each year, 210 in total. The scheme comprises a new block of 11 general classrooms and two science labs, and a dining room extension.

2.3 Tenders have been analysed by the technical team, and errors and omissions corrected. Revised tender sums have been agreed with contractors and the lowest figure is recommended.

**Table 1: Tender recommendation for Charters**

Company	Tenders received	Final agreed tender figure
Dawnus Construction	£3,161,642	£3,343,199

2.4 The total project cost, including fees, surveys and a contingency, totals £4,510,000 which represents £21,476 per place. The budget approved for Charters School in July 2016 was £4,300,000 plus a portion of the Risk and Contingency budget for developing all the schemes in the programme. This scheme is therefore within budget.

**Table 2: Options for Charters Academy**

Option	Comments
Accept the tender from Dawnus Construction . <b>Recommended.</b>	This would enable the whole scheme to proceed.
Re-tender, hoping for even lower costs.	This would be a considerable risk, with little likelihood of success. It would put the programme back to an unacceptable timescale for admitting the additional pupils.

### Cox Green Academy

2.5 The scheme at Cox Green is part of the secondary expansion programme to provide 30 more places each year, 210 in total. The scheme comprises a new block of nine general classrooms and a re-provided kitchen/dining room, with a number of remodelled classrooms, two of which are science labs.

<sup>1</sup> For clarity, this calculation is based on any sixth form year groups counting as full year groups.

- 2.6 Tenders have been analysed by the technical team, and errors and omissions corrected and revised tender sums have been agreed with contractors. During this process however, one company have refused to agree to the terms and conditions of the contract, so it would be imprudent to proceed with them. The next lowest tenderer is Dawnus Construction, an increase in cost of £15,847. This is considered to be a small enough difference to outweigh the lack of contract acceptance by the other company.
- 2.7 Dawnus Construction have been asked to confirm that they could manage both Cox Green and Charters schemes, if awarded both. They have confirmed that they can as other large contracts they have been involved in are at an end, and they are ready to take on new ones.

**Table 3: Tender information for Cox Green**

Company	Tenders received	Final agreed tender figure
Dawnus Construction	£3,336,465	£3,681,388

- 2.8 The total project cost, including fees, surveys including contingencies, totals £5,800,000, which represents £27,619 per place.
- 2.9 The budget approved for Cox Green in July 2016 was £4,700,000, plus a portion of the Risk and Contingency budget for developing all the schemes in the programme. This scheme is therefore within budget and recommended for approval.

**Table 4: Options for Cox Green Academy**

Option	Comments
Accept the tender from Dawnus Construction. <b>Recommended.</b>	This would enable the whole scheme to proceed.
Re-tender, hoping for even lower costs.	This would be a considerable risk, with little likelihood of success. It would put the programme back to an unacceptable period.

### **Newlands Girls' Academy**

- 2.10 This scheme is in the capital programme, approved by Council on 21 February 2017, based on the access to £776,000 of S106 monies that have been collected (specifically for use at Newlands Girls' School) in recent years. This resource can only be spent on projects that increase the capacity of Newlands Girls' School to admit more pupils.
- 2.11 The school has many modular buildings on site and a very small playing field, so a scheme was developed that fills in two spaces within the existing main building. The scheme creates three extra teaching spaces – two in a double storey linking space, and one in a large courtyard. This is a good way of gaining extra space without demolishing and re-building other classrooms. The school will be able to add 30 pupils in total, six in each year group as a result of this project.
- 2.12 Tenders were received from six companies – all were above the estimated budget. Following scrutiny of the three lowest tenders all three submitted revised tenders. The feasibility estimate in January 2016 was £621,213, and the fully designed estimate in March 2017 was £800,000. As the tender prices are between these figures we consider them to be reasonable.

- 2.13 Contractors were all made aware that the scoring of tenders would be 60:40 for price and quality. On this basis, Contract Trading Services are the recommended supplier with a contract sum of £769,890

**Table 5: Tender information for Newlands**

Company	Tenders received	Corrected tender figure	Tender submission rating score
<b>Contract Trading Services (CTS)</b>	<b>£738,390.00</b>	<b>£769,890</b>	<b>76.01</b>

- 2.14 The total project scheme based on this contract figure, including fees and contingency is estimated at £906,000 which represents £30,200 per place. There is £776,000 S106 available, so the potential shortfall is £130,000. It is proposed to earmark this amount in the Secondary Expansion programme contingency if it is called upon, see Table 9, line 7.

**Table 6: Options for Newlands Girls Academy**

Option	Comments
Accept the tender from Contract Trading Services and note the allocation on contingency against the secondary expansion project. <b>Recommended.</b>	This would enable the scheme to proceed, giving the school accommodation to support their agreement to take in 6 extra pupils from 2017 onwards.
Reduce the scheme to within budget by removing the courtyard in-fill.	This would reduce the projected space by one classroom space. A future project to complete this space would incur further site and fee costs making the scheme more expensive.
Cancel the scheme.	The school would have no additional space for the places it has committed and offered from September 2017. This would leave £776,000 S106 monies unspent that cannot be used elsewhere.

### **Maintenance grant schemes**

- 2.15 The schools capital programme was approved by Cabinet in November 2016 and by Council in February 2017, but was subject to the announcement of capital grant from government.
- 2.16 The capital grant for condition/maintenance schemes was lower than expected, at £778,251. The condition schemes identified in the Children's Services capital programme totalled £1,338,775, and with the balance of £316,993 from previous grants, this leaves a shortfall of £293,531.
- 2.17 With a number of final bills to come from the phase 1 work at Lowbrook Academy, including the completion of the land transfer and associated fencing, it is estimated that circa £1,100,000 will be unspent. It is proposed therefore to reassign £290,000 from the allocation earmarked for Lowbrook Academy to fund the maintenance requirements, releasing £820,000 from the capital programme at the current time as specified in the Council report of 27 June 2017. We hope to be able to support the expansion of the school in partnership with a sponsor or the Department for Education, approving the necessary budget at the appropriate time.

2.18 Table 7 lists the approved maintenance programme, adjusted to balance the budget to the funding available.

**Table 7: Proposed maintenance programme**

	<b>Scheme</b>	<b>Ward</b>	<b>Approved</b>	<b>Proposed</b>	<b>Comment</b>
1.	Furze Platt Infant school boiler replacement	Furze Platt	£85,000	£107,000	Approved and underway.
2.	Wessex Primary gutters and soffits	Cox Green	£35,000	£39,000	Approved and underway.
3.	Maidenhead Nursery School structural improvements	Furze Platt	£40,000	£27,000	Approved and underway.
4.	Wessex Primary School heating	Cox Green	£68,000	£239,000	Investigations have shown that this is urgent & more extensive than expected.
5.	Waltham St Lawrence window replacement	Hurley & Walthams	£50,000	£55,000	Approved and underway.
6.	Roofing replacement at various schools	All Wards	£300,000	£110,000	Slower start to rolling programme with no school projects impacted by reduction.
7.	All Saints Junior school boiler replacement	Boyn Hill	£85,000	£85,000	To be planned.
8.	Eton Wick School boiler and heating replacement	Eton Wick	£97,000	£97,000	To be planned.
9.	Feasibility and scheme preparation	All Wards	£180,000	£180,000	In progress
10.	School kitchen refurbishments	Old Windsor	£25,000	£25,000	In progress
11.	Urgent safety works	All Wards	£60,000	£60,000	In progress
12.	Furze Platt Junior School Hall extension	Furze Platt	£150,000	£150,000	In progress
13.	Bisham House refurbishment	Bisham & Cookham	£75,000	£75,000	Under discussion with Trust
14.	Larchfield Nursery refurbishment	Oldfield	£35,000	£35,000	In progress
15.	Education Capital Emergency Fund	All Wards	£50,000	£50,000	Contingency
16.	King's Court School heating system	Old Windsor	£35,000	£35,000	In progress
	<b>Total</b>	-	<b>£1,370,000</b>	<b>£1,369,000</b>	

### 3. KEY IMPLICATIONS

**Table 8: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Three schemes will be built on time.		Schemes are built by Sept 2018.			Autumn 2018
School maintenance programme delivers warm, safe and dry facilities.		Projects are achieved by March 2018.			March 2018

### 4. FINANCIAL DETAILS / VALUE FOR MONEY

- 4.1 The overall secondary expansion programme will not be fully known until January 2018, with two schemes still under development. The scheme at Dedworth Middle school is now out to tender, but Furze Platt Senior school will not be tendered before Autumn 2017 after the redesign work to increase the growth from 30 to 60 extra places per year group.
- 4.2 Table 9 sets out the current position of the secondary expansion programme with four schemes at tender or tender approval stage. To date those four schemes have been tendered (excluding contingency) at £14,000,000 versus budget of £13,100,000 (excluding contingency). With an allocation of £900,000 from contingency to cover the tender difference and the £130,000 earmark for Newlands Girls' School, the contingency balance is circa £2,670,000 with the largest scheme, at Furze Platt Senior, still to reach pre-tender estimate.

**Table 9: Entire Expansion Programme**

	School	Growth pupil places (per year and total)		Original Budget £m	Likely project cost. £m	Est. cost per place £	Act. Cost per place £	Based on
1	Windsor Girls (Outstanding)	30	150	2.3	2.0		13,333	Let Contract figure
2	Windsor Boys (Requires Improvement)	30	150	1.8	1.7		11,333	Let Contract figure
3	Charters (Outstanding)	30	210	4.3	4.51		21,476	Contract figure to be approved
4	Cox Green (Good)	30	210	4.7	5.8		27,619	Contract figure to be approved
5	Dedworth Middle (Good)	60	240	4.7	5.6	23,333		Pre-tender estimate for future decision
6	Furze Platt Senior (Good)	60	420	8	11.3	29,904		Stage 3 estimate for future decision
7	Risk & Contingency	-	-	3.7	-	-		-
	<b>Total</b>	<b>240</b>	<b>1,380</b>	<b>29.5</b>	<b>30.91</b>	<b>22,398</b>		<b>-</b>

4.3 All of the schemes with an estimated cost in excess of £20,000 per place include significant infrastructure work such as dining and sports facilities which benefit the entire school population. This is particularly true for Cox Green and Furze Platt schemes where existing facilities are being replaced and re-provided at a larger scale. When the individual schemes are complete all schools will have facilities that are within the guidance for school buildings as set out in Building Bulletin 103.

4.4 The overall secondary expansion programme will not be fully known until January 2018, with two schemes still under development. The scheme at Dedworth Middle school is now out to tender, but Furze Platt Senior school will not be tendered before Autumn 2017 after the redesign work to increase the growth from 30 to 60 extra places per year group. Table 10 sets out the confirmed basic need grant for the next three financial years.

**Table 10: Confirmed Basic Need Capital Grants**

Basic Need Capital Allocations (£)	
<b>2017-18</b>	2,348,302
<b>2018-19</b>	1,500,874
<b>2019-20</b>	1,572,213

## 5. LEGAL IMPLICATIONS

- 5.1 Planning permission has been granted for the Newlands and Charters scheme. The Cox Green scheme was deferred by panel in July.

## 6. RISK MANAGEMENT

**Table 11: Risk Management**

<b>Risks</b>	<b>Uncontrolled Risk</b>	<b>Controls</b>	<b>Controlled Risk</b>
Planning conditions increase the costs, particularly Highways.	Medium	Continued liaison over school travel plans and planning requirements,	Medium
Unforeseen costs arise during the projects.	Medium	All relevant surveys have been undertaken during the design stages.	Low

## 7. POTENTIAL IMPACTS

- 7.1 There are no staffing nor sustainability impacts for the Royal Borough arising from this proposal. An Equality Impact Assessment is not required.

## 8. CONSULTATION

- 8.1 The borough consulted local residents on the future of secondary school provision in the borough, in autumn 2014. The outcome of this consultation was reported to Cabinet in December 2014. Schools involved in the expansions programme have been consulted in depth regarding the amount of accommodation required at their school, and on the design for the expansion at their school.

## 9. TIMETABLE FOR IMPLEMENTATION

**Table 11: Timetable for implementation for expansion schemes.**

<b>Date</b>	<b>Details</b>
Approval of tenders.	July 2017
Start on site	September 2017
Completion	Autumn 2018

- 9.1 Implementation date if not called in: immediate.

## 10. APPENDICES

- 10.1 Appendix A – Part II



## 11. BACKGROUND DOCUMENTS

11.1 Tender reports for Charters, Cox Green and Newlands' schemes.

## 12. CONSULTATION (MANDATORY)

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Comment ed &amp; returned</b>
Cllr Airey	Lead Member/ Principal Member/Deputy Lead Member	30/6/17	30/6/17
Alison Alexander	Managing Director	5/7/2017	6/7/17
Russell O'Keefe	Strategic Director		
Andy Jeffs	Strategic Director		
Rob Stubbs	Section 151 Officer	28/6/17	
Richard Bunn	Finance	28/6/17	29/6/17
Terry Baldwin	Head of HR		
	Other e.g. external		

## REPORT HISTORY

<b>Decision type:</b> Key decision	<b>Urgency item?</b>
Report Author: Kevin McDaniel, Director of Children's Services, 01628 683592	

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