

Executive

Wednesday July 29 2009

1.30 pm

Alfred Salter Primary School, Quebec Way, SE16

Supplemental Agenda No. 3

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Date: July 28 2009

Item No.	Classification: Open	Date: July 29 2009	Meeting Name: Executive
Report title:		Disposal of four sites to Native Land: Off-site Affordable Housing for Bankside Section 106 Agreement	
Ward(s) or groups affected:		Chaucer, Grange, Newington, Cathedral	
From:		Strategic Director of Regeneration and Neighbourhoods	

RECOMMENDATION(S)

1. That the following properties, as shown edged red on the attached plans, be sold on terms reported on the closed agenda.
 - i. Alice Street Former Car Park Alice Street London SE1, as shown edged red on Plan 1 attached;
 - ii. Abbey Street (Former Children's Home) London SE1, as shown edged red on Plan 2 attached;
 - iii. Whitstable Road (Tower Bridge Road) London SE1, as shown edged red on Plan 3 attached;
 - iv. 113 Lorrimore Road London SE17, as shown edged red on Plan 4 attached.
2. That arrangements be made to put in place a licence of part of Abbey Street former children's home for community use on terms to be approved by the Head of Property such that this can be transferred to Native Land on completion.

BACKGROUND INFORMATION

3. Executive on May 2 2007 authorised the acquisition of 160 Tooley Street London SE1 as part of the Modernisation programme. This was supported by a business case envisaging the sale of surplus office premises vacated following relocation to Tooley Street. These offices include 113 Lorrimore Road SE17.
4. The office disposal programme also includes Cator Street Resource Centre. Proposals are now being considered to retain Cator Street for use by children's services and instead put forward the capital receipts from several other sites including Abbey Street and Whitstable Day Centres towards the Modernisation programme. This is subject to separate authorities. Depending on the outcome of this review the capital receipts attributable to Abbey Street and Whitstable may also support the Modernisation programme.
5. Alice Street former car park was declared surplus in 1998. It consists of 1020 sq.m. open area, mostly tarmacaded and laid out for vehicle parking. A lengthy relationship with a development company in respect of this site has existed since 2001. The latest position is that the company has failed to fulfil its obligations and following legal advice on the council's position, the contract is to be rescinded. Further information on this matter is reported on the closed

agenda. The site is shown edged red on Plan 1 attached to this report and is considered suitable for residential development, subject to planning permission.

6. Abbey Street former children's home has ceased operational use and has now been vacated except for a small area used by a community group. The deputy director of children's services has confirmed that it is otherwise no longer required and is available for disposal and that the community group is likely to vacate the property in Autumn 2009. The property consists of a 2-storey purpose-built former children's home constructed around 1990 totalling 650 sq.m. GIA. The overall site area is 1170 sq.m. shown edged red on plan 2 attached to this report. It is considered suitable for residential development subject to planning permission.
7. Whitstable former children's nursery has ceased operational use and has now been vacated. The deputy director of children's services has confirmed that it is no longer required and is available for disposal. The property consists of a single-storey purpose-built former children's nursery constructed around 1980 totalling 466 sq.m. GIA. The overall site area is 1320 sq.m. shown edged red on Plan 3 attached to this report. It is considered suitable for residential development subject to planning permission.
8. 113 Lorrimore Road is a two-storey office built in the 1960s and recently vacated by Housing Management. Its internal area is 373 sq.m. GIA and the overall site area is 933 sq.m. shown edged red on Plan 4 attached to this report. It is considered suitable for residential redevelopment subject to planning permission.
9. The proposed buyers have secured planning consent to develop a major residential scheme at Bankside, adjacent to Tate Modern. Their planning consent requires the provision of affordable housing at alternative sites in the vicinity. The proposed buyers were offered the four sites dealt with in this report on the understanding that market value must be achieved, in other words no discount would be allowed for the fact that the sites would be developed entirely with affordable housing.
10. Officers have negotiated a total payment reported on the closed agenda. This is consistent with external valuations carried out for the sites.
11. In the unlikely event that the transaction does not complete, the properties can be marketed for sale. 113 Lorrimore Road has been marketed as part of the office disposals programme and could be re-offered to those who have already expressed interest.
12. Disposing of all four sites to one purchaser carries various benefits. The risk should be low as the purchaser has to deliver affordable housing in order not to be in breach of the conditions attaching to the consent for their nearby scheme, which is much more valuable to them than the cost of buying and developing these four sites. Disposal to one purchaser brings economies of officer time and legal costs
13. The proposed buyers are a development company active in the London area since 2003. They specialise in residential and mixed-use schemes and have completed a variety of projects including mixed-tenure sustainable housing. This has included many affordable homes. As well as the off-site provision, the purchasers will provide shared ownership apartments in the principal

development itself.

14. Part of Abbey Street centre is currently occupied by a community group on a casual basis. It is proposed to formalise this occupation by way of a licence agreement which can be taken over by the buyers upon completion. This group is understood to be vacating the property in Autumn 2009.
15. The head of property advises that this recommended disposal meets the council's duties under the Local Government Act 1972, Section 123, in that it represents the best consideration reasonably obtainable for these properties.

KEY ISSUES FOR CONSIDERATION

Policy implications

16. The proposal supports the agreed strategy of modernising council working practices by removing staff from buildings spread across the borough into one administrative office. It will thereby assist with the attainment of corporate priorities around performance management and customer focus.
17. The proposal will generate a capital receipt in support of the Modernisation agenda and the fit-out of 160 Tooley Street. It will also mitigate against future revenue expenditure on the buildings.
18. The buyers' proposals will make a substantial contribution to the Council's ambitious Affordable Housing Targets set by the GLA and will meet identified Housing needs particularly for larger family units.
19. The buyers are proposing to provide up to 87 units over these four sites, subject to Planning Consent, of which 75 % will be 2 bed or more units. The developments will be funded direct from Section 106 planning obligation in respect to their nearby development, to provide off-site affordable housing and consequently the Borough will be gaining a substantial number of affordable units without cost to the Council. This represents approximately two thirds of the affordable housing requirements attaching to the principal scheme and officers are in discussion regarding provision of the remainder.

Community Impact Statement

20. Relocation of council services to 160 Tooley Street will mean a more efficient, accessible and environmentally friendly working environment. The equality implications of this move have already been reported. The impact of closure of facilities at Abbey Street and Whitstable has already been considered and reported appropriately.

Resource implications

21. The proposal will generate a substantial capital receipt in support of the modernisation agenda, including the fit-out of 160 Tooley Street. This will be augmented by the receipts for Abbey Street and Whitstable if proposals to retain Cator Street are approved. The remainder of the capital receipt will support the capital programme.
22. Disposal of these properties will reduce the burden on outgoings, repairs,

maintenance, services etc.

23. Disposal of 113 Lorrimore Road will expedite the relocation of staff in line with the Modern Working Practices strategy and relinquish a building which is not ideal for office use and is also located remotely from most other council administrative offices.
24. The purchasers will contribute towards the council's administrative and legal costs in relation to this matter.

Consultation

25. No external or public consultation has been deemed necessary on these specific proposals. Separate arrangements have applied to the Modernisation programme and facilities formerly operated by children's services.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Strategic Director for Communities, Law and Governance

26. Section 123 of the Local Government Act 1972 states that except with the consent of the Secretary of State, a council shall not dispose of land under that section, otherwise done by way of a short tenancy, for a consideration less than the best that can reasonably be obtained.
27. The report indicates in paragraph 17 that recommended disposal to Native Land meets the Council's duties under the Local Government Act 1972, Section 123, in that it represents the best consideration reasonably obtainable for these properties.
28. As the Alice Street former car park is subject to an agreement for lease, completion of the lease can only take place following rescission of that agreement. The executive will note the contents of paragraphs 5 and 12 of this report and should be aware of the risks to the Council of the rescission notice yet to be served on Angel property being rejected by them and the risk that if this happens then the Council will have to instigate litigation proceedings to end the Agreement for Lease. In this event the disposal of the Alice Street will not proceed until such time as rescission has been obtained.
29. In relation to recommendation 2, this matter is reserved to the Head of Property under Part 3P of Southwark's Constitution.
30. If the Executive is satisfied that the transaction represents value for money, they may proceed with the approval of the recommendation.

Finance Director

31. The disposal of 113 Lorrimore Road was agreed as part of the business case for the acquisition of 160 Tooley Street. Capital receipts from disposals of properties within the Tooley St business case will be used to fund the fit out and to contribute to the council's capital programme 2008-16. Savings in annual running costs of the building have been taken into account in the revenue funding of the office accommodation programme. Disposal proceeds

from the other properties will support the capital programme and potentially also the fit-out of Tooley Street depending upon the review of the business case for the possible retention of Cator Street Resource Centre.

REASONS FOR LATENESS

32. It was unfortunately not possible to agree the terms for the disposal until after the pre-agenda deadlines for this meeting.

REASONS FOR URGENCY

33. The proposed purchasers have stated that they must withdraw from the transaction if approvals cannot be secured by the end of July because of their timetable in delivering the Section 106 obligations and the scheme to which these are related.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Executive report, 2 May 2007	Southwark Property, Regeneration and Neighbourhoods, 160 Tooley Street SE1 2TZ	Christopher Rhodes Principal Surveyor 020 7525 5480

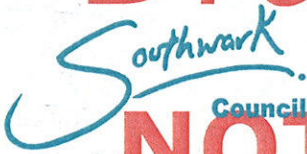
APPENDICES

No.	Title
Plan 1	Alice Street former car park
Plan 2	Abbey Street former children's home
Plan 3	Whitstable former children's nursery
Plan 4	113 Lorrimore Road former offices

AUDIT TRAIL

Lead Officer	Stephen Platts, Head of Property	
Report Author	Jeremy Pilgrim, Development Manager	
Version	Final	
Dated	July 23 2009	
Key Decision?	Yes	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director for Communities, Law and Governance	Yes	Yes
Finance Director	Yes	Yes
List other officers here		
Executive Member	Yes	Yes
Date final report sent to Constitutional/Community Council/Scrutiny Team		

Draft pdf source



TITLE. Alice Street Car Park, SE1.

DRAWING No. LBS_0275

DRAWN BY. MMANKTELOW
Property Division

DATE. 17/8/2007

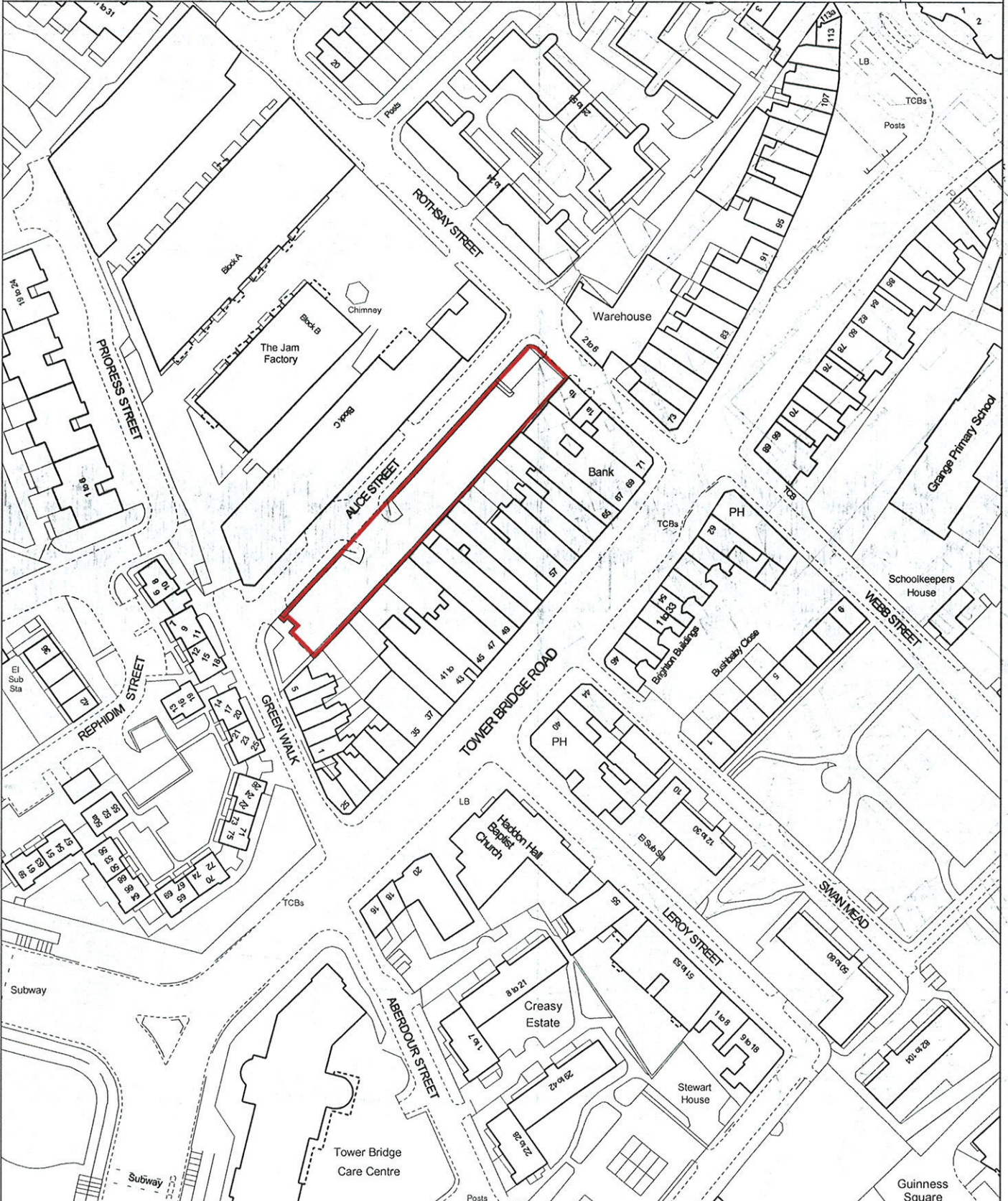
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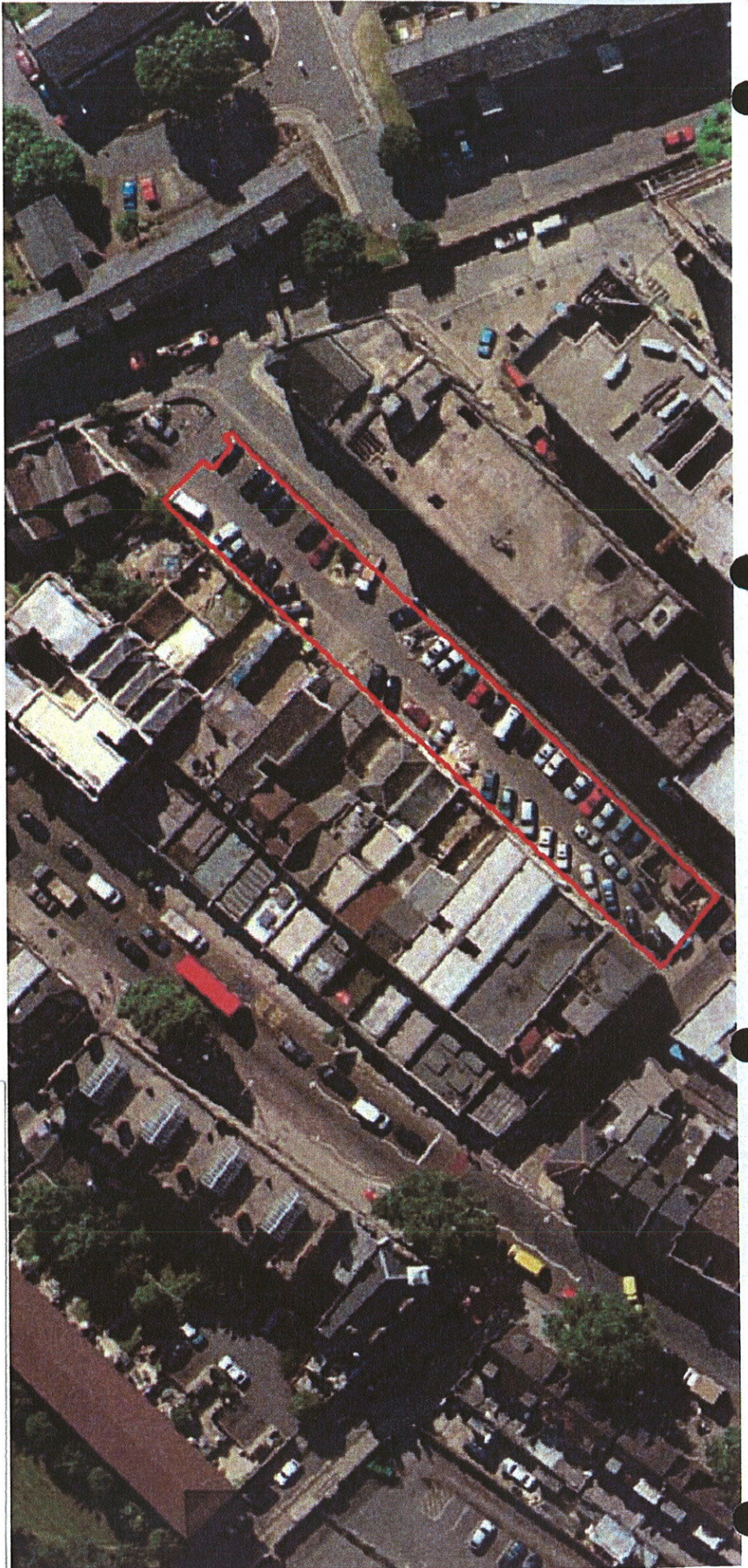
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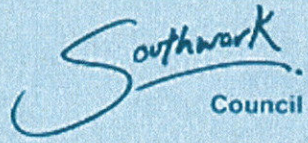
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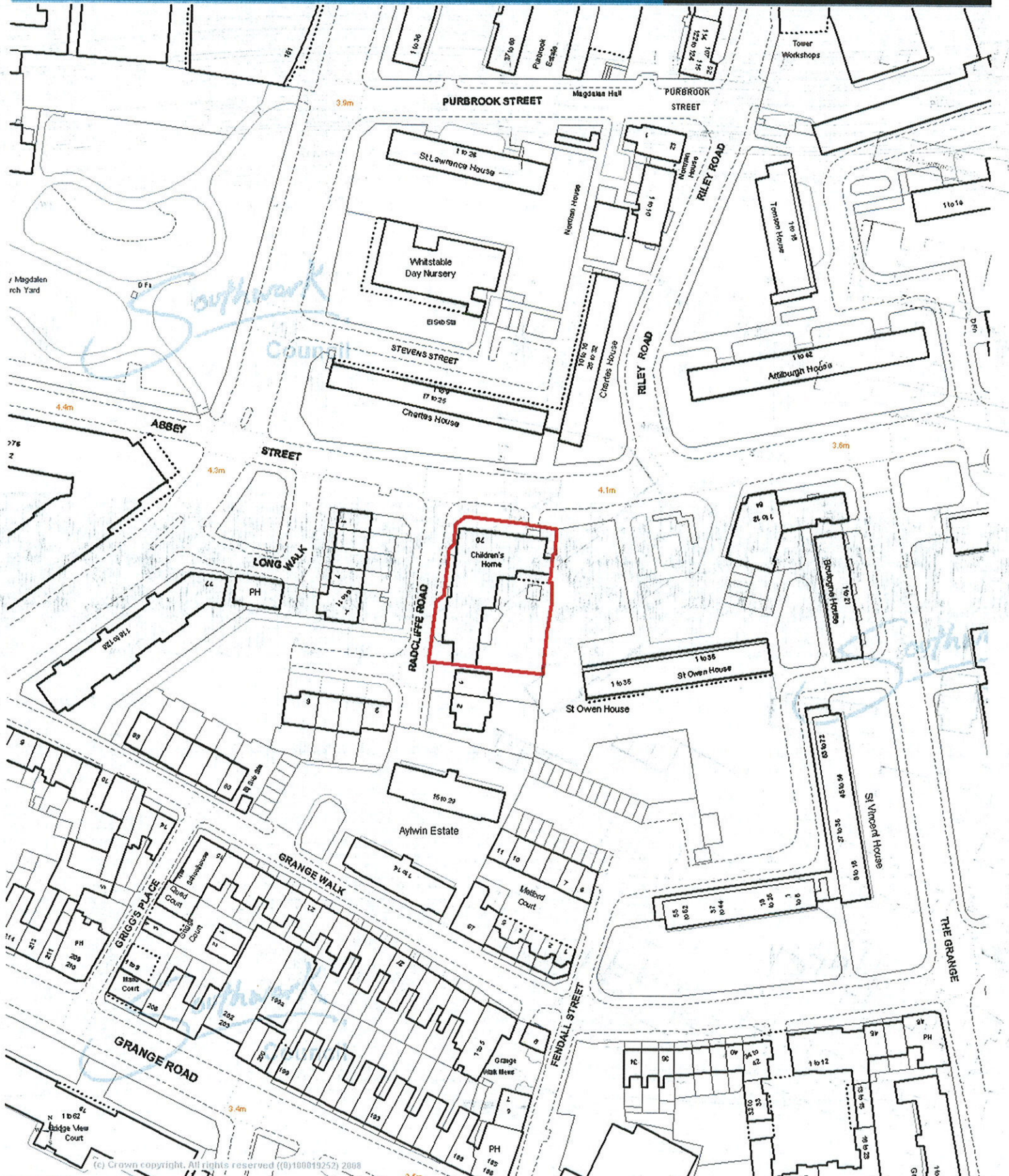
08050 - Alice Street, London SE1
sketch proposal

Abbey Street Childrens Home, SE1



Ordnance Survey

Date 9/10/2008

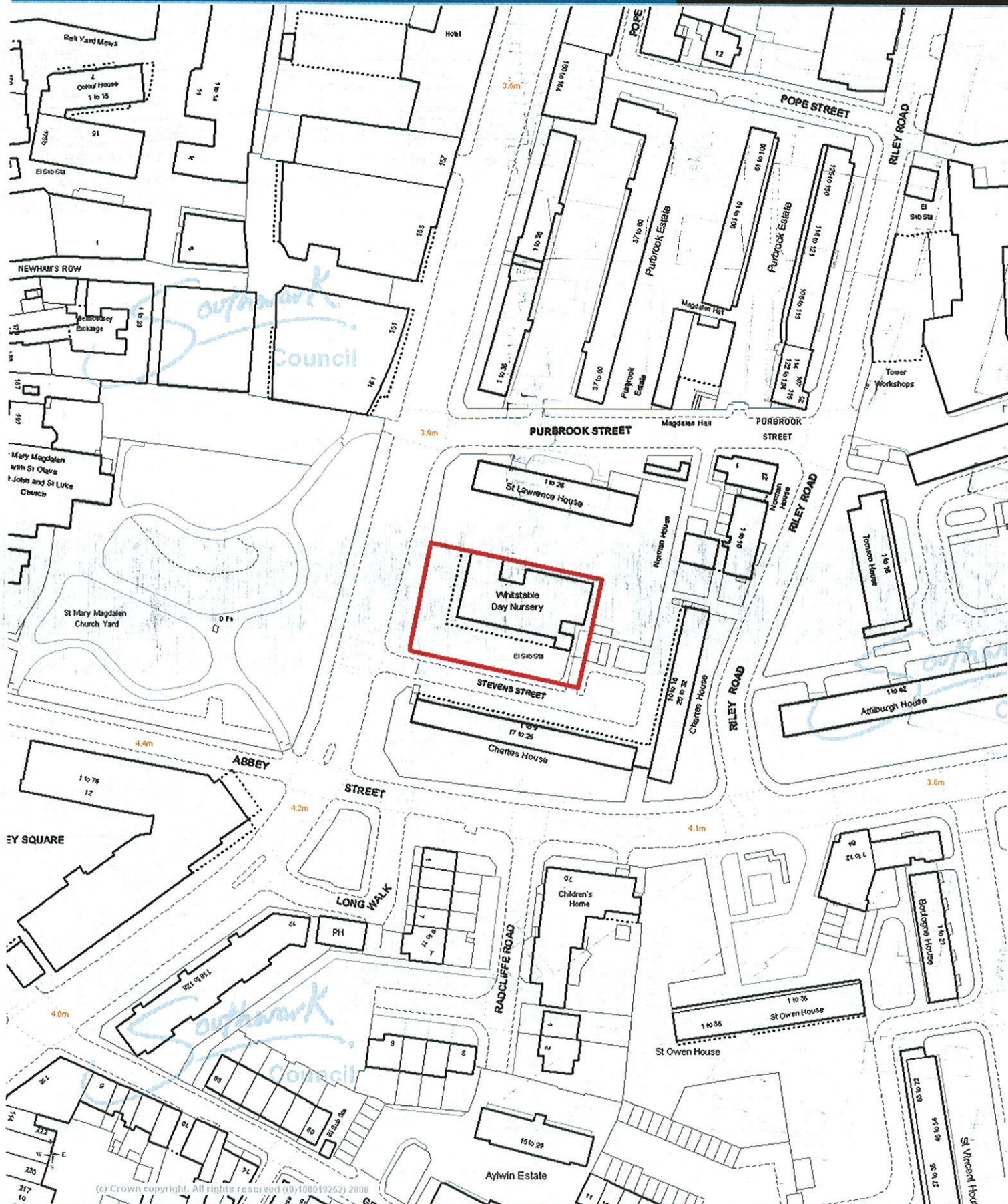


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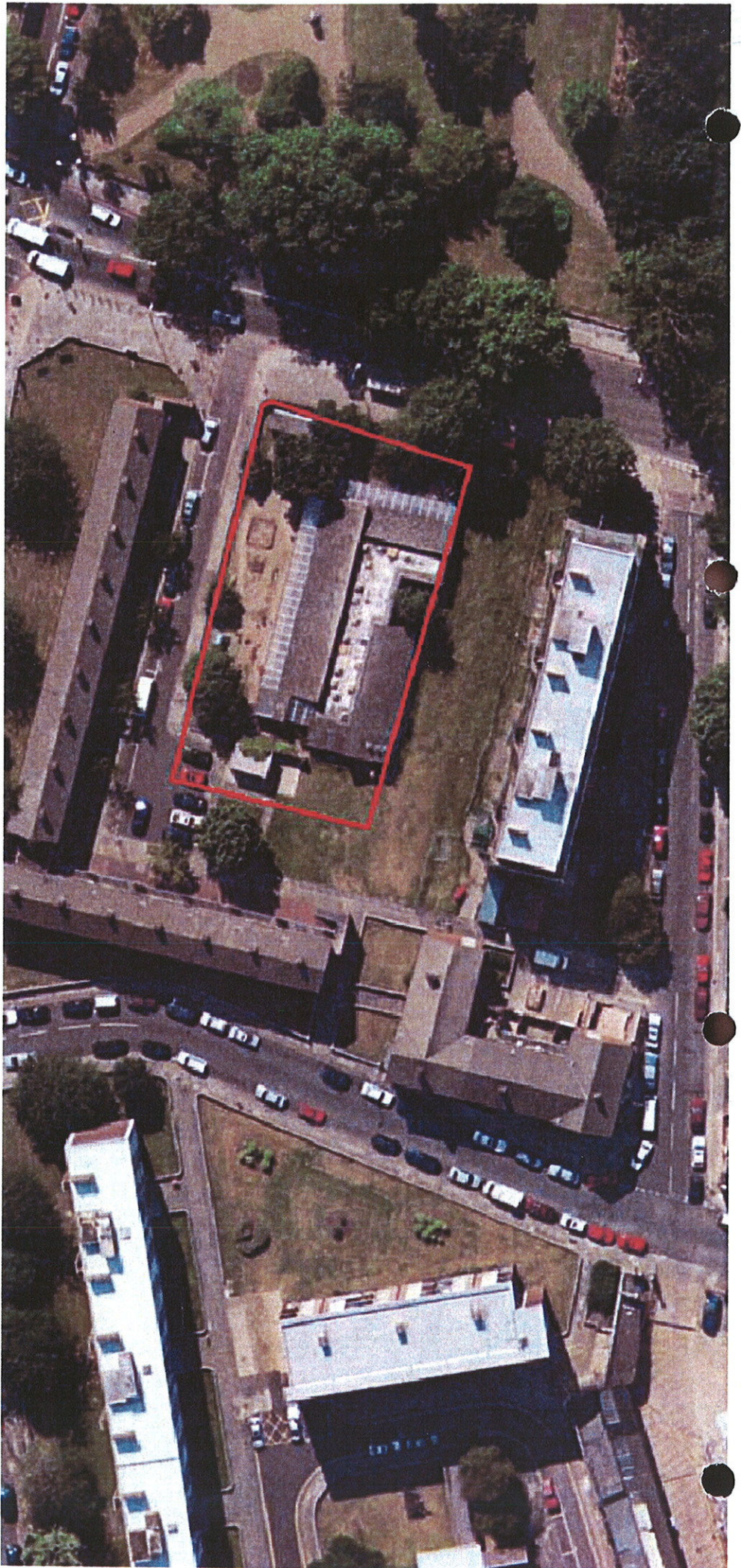


08046 - Abbey Street, London SE1
sketch proposal



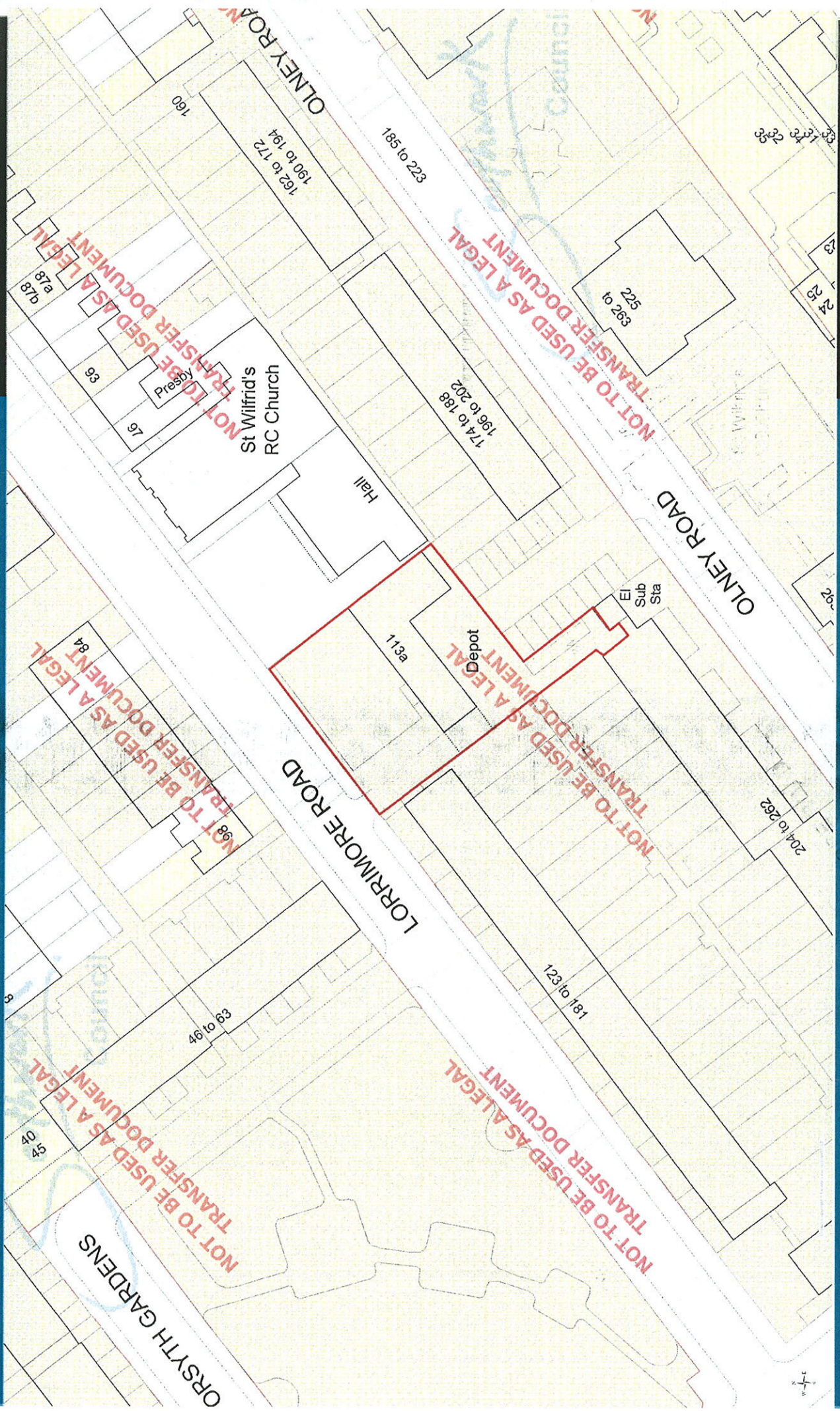


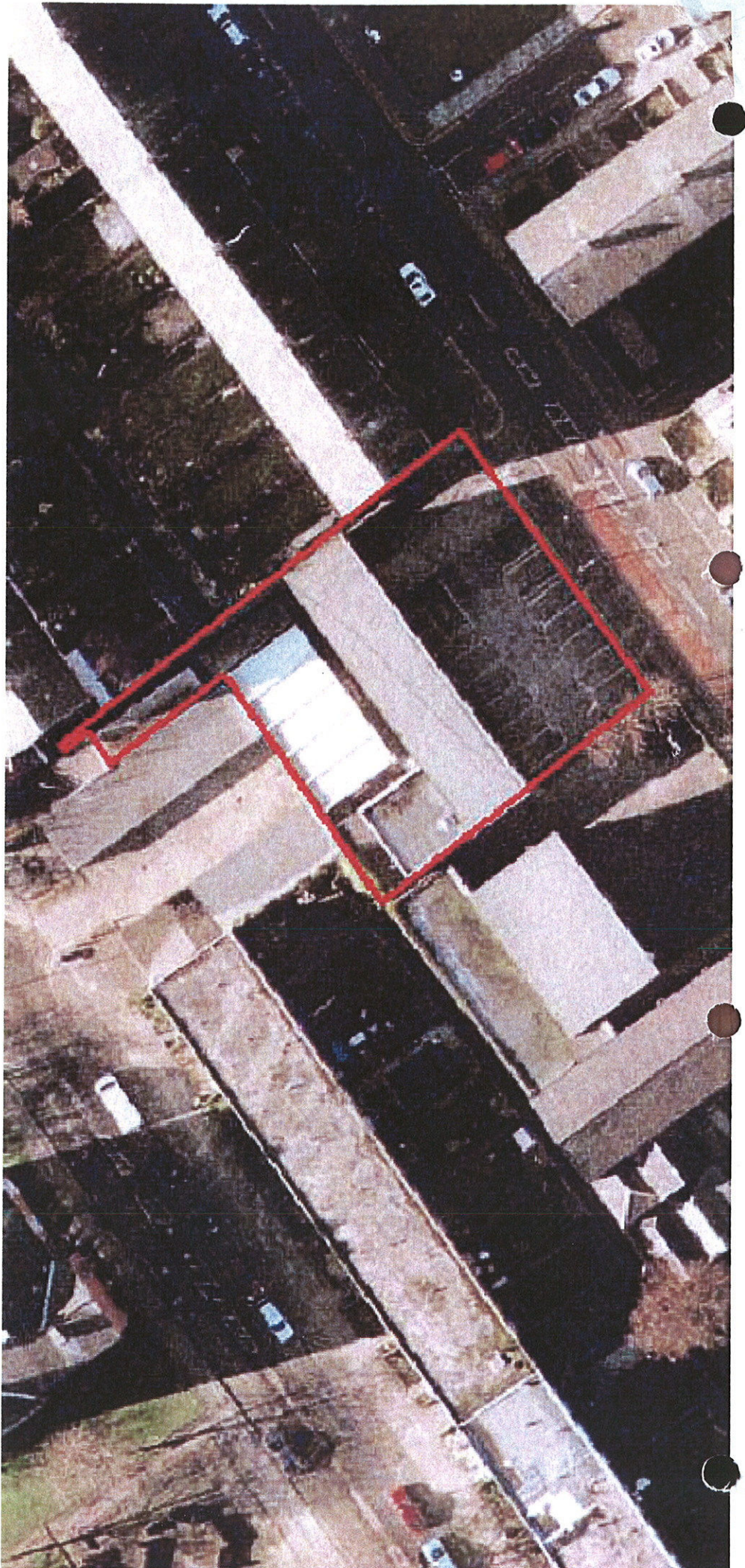
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08045 - Whitstable Day Nursery. London SE1
sketch proposal

113 Lorrimore Road - Site Extent





08048 - 133 Lorrimore Road. London SE17
sketch proposal

Item No.	Classification: Open	Date: July 29 2009	Meeting Name: Executive
Report title:		Authorisation of Debt Write-offs over £50,000 for National Non Domestic Rates – Customer & Corporate Services	
Ward(s) or groups affected:			
From:		Deputy Chief Executive	

RECOMMENDATION (S)

1. That approval is given for write off of the debts set out in Appendix 1 of the closed report (total amount £264,760.18).
2. That Members advise any further action they require on any write-offs not agreed within this report.

BACKGROUND INFORMATION

3. Under the Councils Constitution write-off of debts above £5,000 but below £50,000 has been delegated to individual Members within their own service area. Debt write-off under £5,000 can be authorised by Chief Officers. Write off of any debt over £50,000 must be referred to Executive for authorisation.
4. There are a number of key reasons why the Council may wish to write-off a debt. These are:
 - i. The debt cannot be substantiated i.e. there is no documentary evidence that the debtor accepted the goods or services with the knowledge that a charge would be made.
 - ii. The debt is uneconomic to collect i.e. the cost of collection, including substantiation, is greater than the value of the debt.
 - iii. The debt is time barred, where the statute of limitation applies. Generally this means that if a period of six years has elapsed since the debt was last demanded, the debt cannot be enforced by legal action.
 - iv. The debtor cannot be found or communicated with despite all reasonable attempts to trace the debtor.
 - v. The debtor is deceased and there is no likely settlement from the estate or next of kin.
 - vi. Hardship, where permitted, (not hardship relief) on the grounds that recovery of the debt is likely to cause the debtor serious financial difficulty.
 - vii. Insolvency where the organisation or person has gone into bankruptcy and there are no assets to claim against.

KEY ISSUES FOR CONSIDERATION

Policy implications

5. The proposed write offs set out in this report are recommended in accordance with the Councils agreed write off policies and procedures. The reasons for each recommended write off are stated in the appendices attached.
6. Appendix 1 on the closed report includes write-offs for National Non-Domestic Rates (NNDR). The NNDR write-offs have been recommended by the Council's Revenue and Benefits Client Unit based on information supplied by the Council's Revenues & Benefits service provider, Liberata. In each case Liberata has attempted to trace account holders via a standard procedure as follows: -
 - Interrogation of the NNDR database.
 - Interrogation of the Document Imaging System
 - Tracing letters issued to other local authorities & solicitors.
 - Inspection of the domestic or business premises.
 - Land Registry searches.
 - Companies House searches
 - Tracing letter to landlords or letting/managing agents & directors
 - Letter sent to the Official Receiver for confirmation of any dividends to be paid
 - Checks made with other Council Departments
7. The Revenues Contractor must use a minimum of three tracing methods. The Client Unit conducts a 10% audit review of cases under £5,000 and a 50% audit review of cases £5,000 to £50,000 and 100% on cases over £50,000 to ensure that the correct procedures have been adhered to.

Resource implications

8. The total Non Domestic Rates debt recommended for write off is £264,760.18 relating to absconded accounts and one company in liquidation.
9. The above debts will be contained within the NNDR bad debt provisions.
10. As per paragraph 5 the schedule of write-offs has been compiled in accordance with the Council's agreed policy and procedures.
11. The debts are recommended for write-off, as they are considered irrecoverable or uneconomic to collect.
12. The recommended write-off of £264,760.18 for National Non Domestic Rates will be contained within the Councils relevant bad debt provisions.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**Legal Comments**

13. The report recommends that the debt as set out in Appendix 1 to this report is written off in accordance with the council's procedures on debt write-off.
14. The approval of debt write-offs for sums over £50,000 is reserved to the executive for collective decision making. This particular debt has arisen as a result of non payment of non domestic rates.
15. The report sets out the circumstances whereby debts can lawfully be written off by the council and these include cases where a company has been dissolved. In such circumstances to pursue the debt would be a difficult and costly exercise with very little or no chances of success. The Strategic Director of Communities, Law and

Governance agrees with the recommendation that this debt should be written off in accordance with procedure and is lawful.

16. The executive is reminded of the provisions of the code of conduct requiring members to declare any personal and prejudicial interests before making a decision.

Finance Comments (FIN0347)

17. As per paragraph 5 to 11, the schedule of write-offs has been compiled in accordance with the Council's agreed policy and procedures.
18. The debts are recommended for write-off, as they are considered either irrecoverable or uneconomic to collect.
19. The recommended write-off of £264,760.18 will be contained within the Council's relevant bad debt provisions.

Community Impact Statement

20. This decision has been judged to have no or very small impact on local people and communities.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
National Non Domestic Rates Customer Accounts	Revenues & Benefits Client Unit and Liberata, 4th Floor Cottons Centre West	Patrick Hall ext 53343

Audit Trail

Lead Officer	Eleanor Kelly Deputy Chief Executive	
Report Author	Patrick Hall Revenues Manager	
Version	Final	
Dated	July 2009	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Strategic Director of Communities, Law and Governance	Yes	Yes
Chief Finance Officer	Yes	Yes
Executive Member		
Date final report sent to Constitutional Support Services	July 29 2009	

Item Number	Classification: Open	29 July 2009
To	Executive	
Report title	Primary Capital Programme 2009/11: Dining Pavilion at Surrey Square Infant and Junior Schools Revision to project profile under Financial Standing Orders	
Ward(s) or groups affected	East Walworth	
From	Strategic Director of Children's Services	

INTRODUCTION

1. The Governors of Surrey Square Infants School and Surrey Square Junior School, two foundation primary schools sharing a site in Surrey Square, have negotiated in June 2009, a grant of £0.94m from the Aylesbury NDC, also known as The Creation Trust, as a contribution towards a new dining pavilion and community facility to be built on their site. For this to be confirmed, the NDC has asked that the Council confirms its matched contribution at the earliest opportunity to ensure the grant is spent in this year, 2009-10.
2. The Council has been asked to contribute £50,000 which is the allocation available from the primary capital programme following our recent successful bid to the DCSF for additional funds under its programme of kitchen renewal. This will be matched by the same sum from the capital available to the two schools. This confirmation requires two variations to the primary capital programme and therefore Executive agreement must be sought as required by the revised Standing Orders.
3. The proposal is that the Council allocates £50,000 from the primary capital programme to this project. This in turn levers in a matching sum from the schools and will be approved by the governors and £0.94m from the NDC. Whilst this is below the threshold required by Standing Orders, it does require that we change the profile of expenditure relating to the £505,000 grant received by the Council for spending on dining facilities in our maintained schools.
4. We seek the agreement of Executive to add the £0.94m to the primary capital programme. Both these changes are detailed below.

RECOMMENDATION

5. The Executive agrees that a project for a new dining pavilion at the Surrey Square Infant and Juniors Schools be included in the plant, fabric and modernisation element of the Primary Capital Programme (PCP) 2009/11.
6. The Executive agrees a change in the profile of that element of the PCP to take account of an offer of grant aid of £0.94m from the Aylesbury NDC to secure this project and ring-fenced by the NDC to these schools.

BACKGROUND INFORMATION

7. Surrey Square Infants and Junior Schools are both 2FE Foundation schools co-located in Walworth. The schools share a main building, site and other facilities but are independent entities with separate staffing and access arrangements.
8. The governors of the two schools appointed Earle Architects directly to carryout a feasibility study and submit a planning application to construct a new shared dining facility and community space along with other entrance and internal remodelling works. Planning permission was granted in December 2007 but the scheme did not progress as funding could not be identified.
9. The proposed scheme incorporates dining and kitchen facilities in a building that is separate from the main school and can be managed independently. The structure is to be greened and form a grassy hill within the landscape upon which the pupils will be able to play. This will minimise the impact of the new building on the site. The new building will free up space in the main building that will be converted, in a future project to be managed by the school, into additional teaching and community spaces.
10. In the PCP report approved by the Executive in March 2009 it was noted that a bid had been made to the DCSF for additional funding to improve school dining and kitchen areas in order to support healthy eating. Some £505,000 was subsequently secured to supplement the PCP, and has allowed a number of projects to go forward. The DSCF funding is conditional on at least 50% match funding from the schools concerned.
11. In May 2009 the Aylesbury NDC reviewed the proposals and offered a grant of £940,000, which taken with funding from within the PCP enables the scheme to progress. The NDC grant was confirmed in June 2009, but the funding is time limited and can only be claimed up to March 31st 2010 with evidence of actual expenditure required. This time constraint is due to the NDC programme ceasing in March 2010. It has been confirmed by the NDC that any unspent resource at that time will be returned to central government.
12. It is proposed to allocate £50,000 from the Primary Capital Programme and the schools together have committed a further £50,000 of Devolved Formula Capital. This total budget of £1.094m would enable the scheme to be completed, including provision for known costs and risks. It has been agreed with the parties that a 10% contingency will be built-in to the financial planning.
13. The scheme in its present form would not be possible without the funding agreed by the Aylesbury NDC. A procurement approach has been developed to enable the scheme to progress to completion in March 2010 in order to expend the grant aid within the deadline.
14. This scheme will be of great benefit to the schools, resolving the significant access and management difficulties that the existing dining arrangements represent as well as enabling space freed up by the development to expand the offer to pupils and the community. The new pavilion will also provide a new facility available for community use outside of school hours. Without the time limited funding made available by the NDC this scheme would not be viable.

Consideration of Risk

15. The contractor appointed for the enabling works and the finalisation of the main works may either perform unsatisfactorily or demand an unreasonable and inconsistent price for Stage 2. Precise initial tender documentation should mitigate this risk as should the current construction market incentivising contractors to price appropriately.
16. Should this risk materialise, a full contractor tested design will have been developed that would allow for a traditional direct tender process. This would cause the project to be delayed until sufficient resources can be identified in 2010/11 and beyond to meet the costs incurred after the demise of the NDC.

17. There would be other implications of this hiatus after the completion of the enabling works. The site itself would be cordoned off, extending the period over which the schools' available play space would be reduced. There may be security issues as it would also need to be protected. A decision could be taken to terminate the scheme at this stage, however there would be costs associated with returning the school playground to a usable condition.
18. Many of the risks associated with new build construction become apparent through the initial below ground phase of the construction. The recommended approach will enable these to be identified prior to the letting of the main works contract enabling necessary value engineering of the main works to take place prior to contract award.
19. The key risk to this project is the constrained funding and associated programming challenges. It is considered that the recommended procurement approach best mitigates this risk.
20. As with any capital project there is some potential for delay on site which may extend significant contractual payments into 2010/11. Whilst there would be liquidated damages in the contract, these are very limited and may not apply in the circumstances. These payments therefore could fall to the Council in default.
21. There would be some mitigation by deferment of the DCSF kitchen grant and the schools' devolved capital, but that would only allow £100,000 to be carried forward. There is a possibility that small retention payments could be covered by the NDC. The school governing bodies have been advised of this risk and would be prepared to increase their contribution if necessary. It has been made clear at all stages that the Council contribution will be limited to the £50,000 and that any overrun will be at the governors' risk.

KEY ISSUES FOR CONSIDERATION

Policy implications

22. The project that this procurement supports, promotes and complements Southwark's Children and Young People's plan and the 10 year Community Strategy Southwark 2016 Plan, as well as the Every Child Matters – Change for Children Agenda.
23. Southwark policy is to provide high quality education places for all pupils. This procurement will facilitate education improvement through the design and provision of a high quality sustainable facility, and will secure provision of healthy eating which is a key government priority.
24. This project would provide a new dining and community facility at Surrey Square Primary Schools. The building will:

- Improve the educational environment
- Support the delivery of extended schools
- Improve access and opportunity for disabled users
- Enable and encourage community use of facilities
- Provide the best possible energy efficiency and sustainability

Sustainability Considerations

25. The construction team's approach to sustainability and their record of delivering sustainable solutions will be key selection criteria. Tender documentation will be prepared with consideration given to sustainability in relation to materials and methods of construction.

Consultation

26. This procurement strategy has been developed in consultation with school and community stakeholders and these stakeholders will be consulted throughout the tender development and selection process.

Financial implications

27. The anticipated cost of the proposed scheme at Surrey Square schools is to be funded from Aylesbury NDC grant, Southwark's Primary Capital Programme and the Schools' Devolved Formula Capital.

28. The revisions to the Council's Financial Standing Orders for 2009/10 require that changes to the profile of expenditure and resources must be notified to the strategic director by the finance director and cannot be actioned until they have been approved as follows:

Up to £250,000 by the strategic director
Over £250,000 by the relevant executive member and executive member for resources

29. There is provision in the confirmed part of the primary capital programme for some £5.1m for plant, fabric and modernisation to all schools, which includes expenditure to voluntary schools. Provision was also made for additional projects to be funded from anticipated incoming resources, amongst which was a grant from the DCSF for the improvement of kitchens. This has now been confirmed in the sum of £505,000. Given that the amount of funding was not known at the time, projects were not named at that stage.

30. This project would be carried out under the modernisation category. There was a requirement by the DCSF that schemes funded from the kitchen programme would be matched at least by the same amount from the school's own resources, confirmed in this case. However, the opportunity for the additional grant from the NDC means that the project value can be supplemented by some £0.94m. This had not been anticipated in the original report but can now be confirmed as additional incoming resources for the PCP.

31. Approval is now sought from the Executive for the change in the profile of expenditure of the plant, fabric and modernisation element of the 2009/11 primary capital programme as follows;

Confirmed resources as at 17 March 2009	£5,100,000
Plus:	
DCSF grant for kitchens and dining	£505,000
Devolved capital from Surrey Square schools	£50,000
Grant aid from NDC for Surrey Square project	£940,000
Revised total, plant fabric and modernisation	£6,595,000

32. The profile of expenditure for kitchen projects of this kind would have seen expenditure on the Surrey Square project committed from the programme in 2009/10 onwards. With the additional but time limited grant from NDC of £940,000 in 2009/10 the revised profile of expenditure in this case becomes:

2009/10	£994,000
2010/11	£100,000
Total	£1,094,000

33. The PCP report provided for the prioritisation of projects to be agreed between the Strategic Director and the Executive Member, with advice from Schools Forum, on the basis of initial proposals as set out in the report. This scheme has been agreed in principle by Schools

Forum and it is now proposed for inclusion in the PCP subject to the agreement of the additional resources secured from the NDC.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

Finance Director

34. This report recommends reprofiling the Primary Capital Programme in order to take advantage of funding available from the NDC. At the time the original PCP for 2009/10 was agreed it was not possible to identify individual projects. The Finance Director notes that this proposal will use £50,000 of the Primary Capital Programme to match the schools' contribution of £50,000.
35. As set out above, by far the greater proportion of the resources relating to this scheme are to be provided by the Aylesbury NDC being £940,000. The grant from the NDC is specific to this project and time limited. It would be lost were it not applied by 31st March 2010.
36. There is, however, a possibility that additional costs will be incurred by the scheme if there is slippage on the proposed programme. Paragraph 21 explains that the school governing bodies have been advised of this risk and would be prepared to increase their contribution if necessary. The Finance Director notes the comments that it has been made clear at all stages that the Council contribution will be limited to £50,000 and that any overrun will be at the governors' risk.

Strategic Director of Communities, Law & Governance

37. The Strategic Director of Communities, Law & Governance ("DCLG", acting through the Contracts Section) notes the recommendations contained within paragraphs 1 to 4 of this report and confirms that they concern matters relating to the monitoring and control of the capital programme which are required to be reported to the Executive under the Financial Standing Orders contained within Part 4 of the Council Constitution. The DCLG also notes the information contained within paragraphs 15 to 20 regarding the proposed procurement of the construction works for the new building and will provide advice and assistance to officers as required during the procurement process in connection with the contractual issues described.

REASON FOR URGENCY

38. The work with the Aylesbury NDC to secure this grant has helpfully brought together a number of programmes of activity around the Surrey Square schools. So that the NDC can meet its internal reporting requirements it has asked if this addition to our capital programme could be agreed at the earliest opportunity so that it can commit funds to the required development work at the school. It has also confirmed that should these funds not be spent in this financial year, they will be reclaimed by central government.

REASON FOR LATENESS

39. It was originally intended to request this decision as an IDM. However, because it requires an amendment to the Children's Services primary capital programme, and therefore is of interest to the lead member for Resources, it was felt appropriate to bring a paper urgently to Executive.

BACKGROUND PAPERS

Background Papers	Held At	Contact
Aylesbury NDC Funding Approval Confirmation	Tooley Street	Cliff Robinson

AUDIT TRAIL

Lead Officer	Iain Johncock, Children's Services Strategy Manager – Property Infrastructure		
Report Author	Iain Johncock		
Version	Final		
Dated	24/7/09		
Key Decision?	no	If yes, date appeared on forward plan	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER			
Officer Title	Comments Sought	Comments included	
Strategic Director of Communities, Law & Governance	yes	yes	
Finance Director	yes	yes	
Head of Procurement	no	no	
Executive Member	yes	no	
Date final report sent to Constitutional Support Services	July 29 2009		