

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	14 December 2020
Executive Member / Reporting Officer:	Councillor Bill Fairfoull – Deputy Executive Leader (Children and Families) Tracy Morris – Assistant Director Children’s Social Care
Subject:	CHILDREN’S SOCIAL CARE - PROPERTY CAPITAL SCHEMES UPDATE REPORT
Report Summary:	This report provides an update on the Children’s Social Care Property Capital Scheme and sets out details of the major approved property capital schemes in this Directorate.
Recommendations:	That the Strategic Planning and Capital Monitoring Panel be recommended to agree: <ul style="list-style-type: none"> i. To note the delays in relation to the purchase of the new residential property for the assessment unit as set out in section 2.1 of the report; ii. To approve the drawdown of a further £48,000 from the Children’s Earmarked Reserve to fund the additional works, outlined at 2.2, to make St Lawrence Road safe and bring it into use; iii. To approve the drawdown of £13,541 from the Children’s Earmarked Reserve to fund the additional works and refurbishment of the Fairfield Unit as outlined in 2.3.
Corporate Plan:	The schemes set out in this report supports the objectives of the Corporate Plan and enable the delivery of the Children’s 7 point plan.
Policy Implications:	In line with Policy and Financial Framework
Financial Implications: (Authorised by the statutory Section 151 Officer & Chief Finance Officer)	<p>This report is seeking approval to draw down £61,541 from the remaining Children’s Earmarked Reserve. The Respite Unit requires an additional £48,000 as set out in section 2.2 and the Edge of Care Service requires an additional £13,541 as set out in section 2.3. If approved the balance of the Children’s Earmarked Reserve would be £386,775.</p> <p>There is £7,333 of preliminary costs, as detailed in section 2.1, which cannot be capitalised and will become a pressure on revenue budgets.</p> <p>It is prudent to slip forward the £370,000 as this will not be needed in this financial year. Without the approval of the £48,000 and the £13,541 the schemes will overspend, and the assets will not be brought into use to support the children’s services improvement plan.</p> <p>More detailed costings and plans will be requested going forward at the planning stage to mitigate as far as possible overspending. Due to the council’s financial position continued use of reserves is not sustainable in long term.</p> <p>The Council’s existing approved capital programme as at September 2020 was £82.2m, with a further £2.985m of earmarked schemes expected to be approved. These schemes will require capital receipts of £8m from a forecast total of £15.3m based on the</p>

disposals approved in September 2020. Earmarked schemes currently not reflected in the figures above total £44.9m, with a forecast £33.2m of corporate funding from capital receipts needed to finance these schemes. Assuming that the planned disposals proceed there is a forecast balance of £7.343m of capital receipts to fund future earmarked capital schemes, meaning the broader capital ambition of the Council is currently unaffordable until such time as additional capital receipts are generated. The PowerPoint appendix attached to the report shows the list of approved capital schemes within the Children's directorate capital programme along with budget monitoring completed as at period 7.

Legal Implications:
(Authorised by the Borough
Solicitor)

Each project detailed in this report is subject to its own governance and decision making as appropriate to ensure that all decisions especially in relation to spend are made in accordance with the constitution and relevant standing orders.

Members will note that this report contains details in relation to both abortive costs and costs over and above initial spend estimates for the projects. Members need to be content that these additional costs are necessary and represent good value for money.

Given the current financial climate and the strategic asset review it would be prudent to give consideration to how the purchase of an appropriate residential property may be expedited given the current relief on stamp duty.

Risk Management:

This is covered in the content of the report

Access to Information:

By contacting the report author.

Background Information:

The background papers relating to this report can be inspected by contacting Lorraine Hopkins



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1. INTRODUCTION

- 1.1 This report provides an update on the Children's Social Care property capital projects, within the Capital Programme managed by the Directorate.
- 1.2 The current capital programme as recommended by SPCMP on 9 October 2017 and subsequently approved by Executive Cabinet on 18 October 2017, included funding support Capital Investment in Children's Social Care. The total Capital funding earmarked is £950,000.
- 1.3 The following projects already approved from this Capital allocation are as follows
- Assessment Centre - £400,000
 - Respite Unit - £45,250
 - Edge of Care Service Base - £56,434

This leaves a remainder of £448,316 in the earmarked reserves

2. PROGRESS UPDATE

Assessment Centre £400,000

- 2.1 There have been two potential properties identified and initial works were undertaken as to the feasibility of purchasing these properties, however, after further exploration these properties have been deemed as unsuitable. As a result of the preliminary work we have incurred abortive costs of £7,333, which cannot be capitalised, as a result this is going to become a revenue pressure.
- 2.2 Work now continues to find a suitable property. A new property search is underway as a matter of urgency to identify a suitable property to fulfil this requirement. A review of use of existing properties and other alternatives will also be explored. It suggested that £370,000 be slipped into 2021/22 as it is unlikely that any suitable property will be fully completed in 2020/21.

Respite Unit £42,250

- 2.3 Approval was granted via an Executive Decision on the 29th April 2020 to support the modification of an existing building, St. Lawrence Road Denton, to provide a residential respite. As sum of £45,250 allocated to facilitate this refurbishment. Building work was completed June 2020.
- 2.4 Additional costs have been identified during this project, for ensuring Fire Safety compliance and electrical work is estimated at £25,000, we are awaiting a firm quote from LEP. Further costs relating to the refurbishment of offices estimated at £13,000 and furnishing of the unit £10,000. A total of £48,000 is estimated that will be needed to complete the project, which is requested to be drawn down from the ear marked reserves.

Edge of Care Service (Fairfield Road) £56,434

- 2.5 Approval was granted July 2020 to support the refurbishment of an existing site Fairfield Childrens Centre to enable the Edge of Care service offer to be delivered. A budget of £56,434 was approved. The budget was not sufficient to cover all building and refurbishment costs aligned to the project, the total cost of the work has come to £69,975. The additional costs is due to cabling, installation of fibre to ensure services can be effectively delivered and additional fees. We are requesting an additional £13,541 to be drawn down from the ear marked reserves.

3. RECOMMENDATIONS

- 3.1 As set out at the front of the report.