

URGENT ITEM

- Legal David Carter – no comments
Richard Freeth – *“fine”*
- Finance Charles Holden, County Treasurer’s – comments
incorporated in the report
- Other Chief Officers
- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION **YES**

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by
this Committee
- To Council
- To Cabinet
- To an O & S Committee
- To an Area Committee
- Further Consultation

The Cabinet – 20th October 2005

Children's Centres Development – Increase in capital costs

Report of the County Education Officer

Recommendations:

- (1) That Cabinet notes that capital costs for Phase 1 of the Children's Centre development have increased as outlined in the County Education Officer's report and agrees to allow officers from Property Services Department to proceed with placing orders for work to be undertaken.
- (2) That the cost of the Children's Centre development projects included in the capital programme 2005/06 be increased as outlined at paragraph 2.2.

1. Introduction

Members are aware of the Children's Centre development programme which was presented to Cabinet in January of this year. This outlined the proposal to develop Children's Centres, using funding directly allocated by the Sure Start Unit of the DfES. Information has also been presented by the County Treasurer's Department on the status of this development within the capital programme, most recently on 8th September. Since this time estimated costs have risen significantly. This is due to increased specification for some projects, e.g. the inclusion of a crèche area to complement the parents' learning and support facilities on one site; and to more accurate estimates being obtained for all projects which now include mechanical and electrical works and professional fees.

2. The current situation

- 2.1 Property Services Department is now at a stage where it needs to place orders for work as soon as the tendering process is complete (in some cases within the next two weeks) in order to complete the building work by 31st March 2006. If work is not complete by that date, the programme will incur penalty charges of £350 per childcare place, a total of £18,200, which will be deducted from our original allocation from Sure Start.

URGENT ITEM

- 2.2 However, before orders can be placed, the increases in estimated costs must be approved by Cabinet as they have increased by more than 10% since Cabinet was last updated on 8th September:

Project site	Estimated costs at 8.9.05	Estimated costs 17.10.05
Newdigate Primary School	£79,800	£91,900
Bedworth Heath Nursery School	£99,400	£127,200
Hatters Space Community Centre	£128,600	£163,500
Newbold Riverside Primary School	£208,600	£298,900

A further project which would have been based at Goodyers End Primary School has been withdrawn because it did not represent best value.

3. Funding sources to meet the estimated overspend

Although the shortfall in funding is significant, funds have been found by using the Children's Centre contingency budget, the £50,000 originally allocated for Goodyers End Primary School and by using some additional Sure Start funding for which we have received approval from the Sure Start Unit. No funding is requested from Warwickshire County Council, only the approval to proceed, given that the costs have increased substantially.

4. Summary

Cabinet is asked to give approval to proceed immediately with work on Phase I of Children's Centres at the increased estimated costs above. Further delay would incur severe penalties and may result in further increases in costs, thus jeopardising the whole development programme. However, at the current position, the costs can be met through Early Years contingency funds, therefore no additional funding is requested from Cabinet.

ERIC WOOD
County Education Officer

22 Northgate Street
Warwick

19th October 2005