

## Committee: Council

**Date: 13 September 2023**

Wards:

**Subject:** Approved Capital Programme Amendments Requiring Council Approval

**Lead Officer:** Asad Mushtaq, Executive Director Finance and Digital

**Lead Member:** Billy Christie, Cabinet Member for Finance and Corporate Services

**Contact Officer:** Zoe Church, Head of Financial Strategy and Capital  
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### Recommendations

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- A. That Council approve Ricards Lodge Sixth Form Expansion scheme of £3,600,000 as detailed in the table below:

Scheme	Budget 2023-24	Budget 2024-25	Narrative
Ricards Lodge - 6th Form Expansion	50,000	3,550,000	DfE Post 16 Capacity Funding £3,235,706 and School Contribution £364,294 match funding

- B. That the School Capital Maintenance Budget is treated as one budget for financial management, reducing substantially the level of formal approval required for budget virement sign off to provide valuable historic information whilst allowing for effective budget management.

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## 1. PURPOSE OF THE REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to approve the budget adjustments required to properly record the asset enhancement in Merton's accounts for the Ricards Lodge Sixth Form Expansion and facilitate the effective management of the schools capital maintenance programme whilst maintaining historical expenditure by treating the capital maintenance budget as one budget in the capital programme.
- 1.2 In accordance with the Authority's Financial Regulations, any addition of £500,000 or more to the Capital Programme for a new scheme must be authorised by decision of Council.

## 2. DETAILS

### 2.1 Ricards Lodge Sixth Form Expansion:

2.1.1 With assistance from the council, Ricards Lodge School was successful in a capital bid for DfE grant to expand their sixth form. Ricards Lodge operates a joint sixth form with Rutlish. Rutlish School also submitted the bid but was unfortunately unsuccessful. The grant has been awarded directly to the school by the DfE but will require cabinet approval as the asset being extended is owned by the Council and appears on our balance sheet. Technical requirements in the accounting for this scheme require it to be added to the Authority's capital programme. Council officers are supporting the school who are directly managing the building project.

### 2.2 School Capital maintenance schemes are treated as one budget

2.2.1 With the movement to quarterly monitoring it is necessary to adjust approval arrangements for the capital programme

2.2.2 Officers are requesting that School Capital maintenance schemes are treated as one budget for efficient financial management of this DofE grant that is supplemented by schools contributions. The budget is currently split over school cost centres to provide officers with a historical breakdown of spend. Access to schools to undertake work is limited requiring officers to manage the budget flexibly and this change in treatment will minimise the number of formal virement sign off each month. Changes between individual schemes are frequently required as tender figures come through and the time delay of Cabinet approval causes operational difficulties for timely contracting. This approval would allow officers to manage the budget within the overall approved level, any adjustments to the overall level would still be subject to formal approval.

## 4. FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

### 4.1 Revenue

4.1.1 It is envisaged that the additional funding generated by the schools funding formula will be sufficient to fund the expanded operation of the sixth form.

### 4.2 Capital

4.2.1 The approved capital programme will require the addition of the scheme in the table below – as this is a new scheme it will require Council approval to be formally added to the programme:

Scheme	Budget 2023-24	Budget 2024-25	Narrative
Ricards Lodge - 6th Form Expansion	50,000	3,550,000	DfE Post 16 Capacity Funding £3,235,706 and School Contribution £364,294 match funding

4.2.2 The adjustments required in respect of the schools capital maintenance budget are detailed in the report

## **5 LEGAL AND STATUTORY IMPLICATIONS**

5.1 There are no legal implications arising out of this report.

## **6 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

6.1 None for the purposes of this report

## **7 CRIME AND DISORDER IMPLICATIONS**

7.1 None for the purposes of this report

## **8 RISK MANAGEMENT AND SAFETY IMPLICATIONS**

8.1 None for the purposes of this report

## **9 APPENDICES**

None

## **10 BACKGROUND PAPERS**

10.1 Papers held by Resources.

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