

WRITTEN STATEMENT OF A KEY DECISION CABINET

ITEM:	CAPITAL SUPPORT FOR AYLESTONE AND BROADLANDS
Members Present:	Councillors: AW Johnson (Leader), H Bramer, J Lester, PM Morgan (Deputy Leader), GJ Powell, PD Price, P Rone.
Date of Decision:	11 September 2015
Exempt:	No
Confidential	No
<p>This is a key decision because</p> <p>It is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.</p>	
<p>A notice was served in accordance with Part 3, Section 9 (Publicity in connection with key decisions) of The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.</p>	
Urgency/Special Urgency: (As defined in Constitution)	No
Purpose:	For Cabinet to recommend to Council that provision be made in the capital programme for additional capital funding to support the relocation of Broadlands primary school and children's centre onto the Aylestone Business and Enterprise College (ABEC) site and to provide Cabinet with an update on the business case approved by Cabinet in November 2014.
Decision:	<p>THAT:</p> <p>(a) the impact of the reduced estimated value of the land which will reduce the anticipated contribution to corporate resources, as set out at paragraph 9 of the report be noted; and</p> <p>(b) it be recommended to Council that an additional £250k of funding be approved to relocate Broadlands primary school onto the Aylestone Business and Enterprise College (ABEC) site.</p>
Reasons for the Decision:	The council is developing a school capital investment strategy. One aspect of the strategy is to develop schemes which are substantially more costs effective in addressing failing school buildings as opposed to a traditional total new build. As an early project, Cabinet agreed to the scheme to relocate Broadlands Primary School onto the Aylestone School site. The scheme enables new high quality school facilities to be built at a fraction of the cost of a completely new build. It also means that

maintenance costs, which would be extensive if the present school sites were continued, will be significantly reduced in the future.

The scheme has had to be adapted due to, for example, site conditions. A projected spending profile for the scheme was set out in appendix 1 of the report to cabinet on 13th November 2014. This totalled £1m. Following consultation and detailed design work the scheme has changed and different costs have emerged. Some of these projections were in excess of £1,500k. Redesign and further consideration have led to a revised estimate based on firm tenders of £1,258k. The key reasons for the additional costs are summarised below.

The creation of additional classrooms to comply with the size and numbers of spaces for a one form entry school has cost considerably more than estimated. The original costing was based on using some temporary classrooms and a two story extension. The revised design, which has now received planning approval, is for a larger single story extension that does not involve the use of temporary classrooms. The classes are to be of a modular construction, which provides a more sustainable and comfortable environment. The subcontractor work associated with the building works has increased since the original forecast. The additional cost is nearly £400k.

The extent of the hard play area needed to comply with building bulletin 103 was underestimated and more area is needed. The projected additional cost is £30k.

The relocation of the early years and children's centre provision is projected to cost £13k more than originally thought, due to a revised specification linked to suitable toilet provision and covered areas.

The extent of the fencing needed to protect the site is more than originally thought. Aylestone School was considered to be falling below the current safeguarding standards and additional fencing and security measures have had to be factored in. This additional work is considered essential and was raised by parents as being a key issue during consultation about the design. This additional fencing work has a projected cost of £12k.

Capital receipts are a corporate resource that can be used to reduce debt levels or fund priority capital schemes. The original report to Cabinet in November 2014 approving the scheme used an element of the receipts on the basis that the merger both fitted corporate priorities and enabled the receipt to happen. It was assumed that the net receipt, based on an external valuation would be £1.8m. A more detailed assessment of the resulting surplus land has now been undertaken and in order to develop the land a developer would be required to build an access road for the site. This reduces the estimated net value of the land to £1m.

The original contribution to the building works £647k reduced the

	<p>estimated balance of the receipt to £1.2m.</p> <p>The increased contribution to the works and the reduced estimated value of the land means that the net balance to corporate resources will potentially be reduced to £200k.</p> <p>Approval of the capital budget is reserved to Council; the council's financial procedure rules require Council approval of the capital programme.</p>
Options Considered:	<p>To not approve the additional finance. The scheme would not be completed.</p> <p>To seek further revisions to the costs in an attempt to bring them in line with the original budget. The uncertainty about future building costs and the current inflationary trend may mean the costs increase further with delay.</p>
Conflict of Interest ■ (See below):	
Date the key decision is due to take effect:	<p>11 September 2015</p> <p>Under Part 4 Section 3 of the Constitution, this Decision is not subject to the usual call-in procedure as it is a Budget and Policy Framework item and therefore must be decided at a meeting of the full Council.</p>

<p>COUNCILLOR AW JOHNSON.....</p> <p>LEADER OF THE COUNCIL</p>	<p>Date: 11 September 2015</p>
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- a record of any conflict of interest declared by any executive member who is consulted by the member which relates to the decision;

And

- in respect of any declared conflict of interest, a note of dispensation granted by the relevant local authority's head of paid service.