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| <b>MEETING:</b>         | <b>CHILDREN'S SERVICES SCRUTINY COMMITTEE</b>         |
| <b>DATE:</b>            | <b>19 MARCH 2010</b>                                  |
| <b>TITLE OF REPORT:</b> | <b>CAPITAL BUDGET MONITORING REPORT<br/>2009/2010</b> |
| <b>PORTFOLIO AREA:</b>  | <b>CHILDREN &amp; YOUNG PEOPLE'S DIRECTORATE</b>      |

**CLASSIFICATION:** Open

### **Wards Affected**

County-wide

### **Purpose**

To report the capital budget position for 2009/10 for the Children & Young People's Directorate.

### **Recommendation**

**THAT Committee note and comment on the report as part of its scrutiny function.**

### **Key Points Summary**

- The report contains updates on all major funding streams and capital developments. All are broadly on budget and to timescales.
- Riverside Primary School is now open, and work is underway on phase 2 of the scheme to complete the external areas. In February 2007, Cabinet considered a funding shortfall on the schemes to replace Riverside Primary School and Sutton Primary School. Cabinet agreed that the funding shortfall on both schemes should be met from a combination of Government grant, available to the Local Authority for modernisation of school buildings; a reduction to the scope of both schemes; and the use of capital receipts. Officers are pursuing the disposal of part of the Riverside Primary School site to realise the required capital receipt. The school and community are aware of this planned disposal.

In addition, officers are negotiating with insurers over the release of funding from a Performance Bond which was put in place at the start of the scheme to mitigate against the potential costs of the developer being unable to deliver the scheme. Since the original contractor went into administration, officers are seeking to reclaim, from the Performance Bond insurers, the additional costs incurred by the Local Authority.

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Further information on the subject of this report is available from  
Rob Reid, Head of Access & Capital Commissioning on (01432) 260920

## Alternative Options

- 1 This report is a monitoring report. There are alternatives in terms of the format if Scrutiny Committee wishes to have information presented in a different way.

## Reasons for Recommendations

- 2 Monitoring report

## Introduction and Background

- 3 This report provides a summary of the planned capital expenditure for the Children & Young People's Directorate in 2009/2010.

Planned capital expenditure for 2009/10 is around £30 million.

## Key Considerations

4. **Update on capital schemes for 2009/10**

- 4.1 **The Minster College – Building Schools for the Future One School Pathfinder - £21,000,000 (£12,201,349 to be spent in 2009/10)**

This scheme continues to progress well and is on schedule to complete in the summer 2010. While the new school has been designed to accommodate the upper end of possible future student numbers within the catchment area and, in time, from new housing, the school will have significant spare capacity when it opens. The Local Authority continues to work with the headteacher and governors to mitigate this. An area of surplus capacity is being developed to accommodate a multi agency integrated children's services team within the new building and other accommodation is being adapted to provide a facility for alternative provision (see paragraph 4.7).

- 4.2 **The Hereford Academy - £23,923,712 (£5,090,000 to be spent in 2009/10)**

This scheme programme has experienced some slippage during the ground works stage due to snow and ice, but there has also been a 3 weeks delay as a result of the grounds work contractor, appointed by Willmott Dixon Construction, ceasing trading. A new grounds work contractor has been appointed and is now on site. Under the National Academies Framework, additional costs in respect of this are borne by the main contractor, Willmott Dixon Construction and not the Local Authority. Officers are working with The Academy Trustees and the contractor to mitigate the affect on the programme.

- 4.3 **Primary Capital Programme - £3,000,000 (2009/10) + £5,378,000 (2010/11)**

This is the national Government fourteen year funding programme for major investment in primary schools and primary age special schools. Herefordshire will receive its first year's allocation of £3,000,000 this financial year and £5,378,000 in

2010/11, giving a total of £8,378,000 over the two financial years. Funding amounts beyond this have not yet been announced by Government.

Cabinet has committed £7,378,000 of the first two year's funding to the building of a new all through primary school in Leominster, to replace the current Leominster Infant and Leominster Junior schools. A Project Team has been formed, comprising of the headteachers and governor representatives of the current schools and Local Authority Children's Services, Property Services and Human Resources officers, to deliver the new build school and to carry out the statutory school reorganisation process to establish the new school. Amey are providing the consultant architect and design service.

Herefordshire's Primary Strategy for Change identifies the balance of the funding from the Year 1 and Year 2 allocations, £500,000, as being available as a 'match funding pot'. Consultation with schools will take place this school term on a mechanism for primary schools to bid for funding for capital schemes from the 'match funding pot' and the criteria to be used to determine priorities for receiving funding.

#### 4.4 **Locally Coordinated Voluntary Aided Programme (LCVAP) - £1,600,000**

Capital funds for Voluntary Aided schools are allocated to local authorities from the Department for Children Schools and Families. In conjunction with the Roman Catholic Diocese, the Anglican Diocesan and Staunton-on-Wye School, which is Herefordshire's only non-denominational voluntary aided school, the Local Authority coordinates the programme of investment. The works identified are either large maintenance schemes or improvement schemes, although certain ICT installations are also permitted. The figures quoted are always in 100% but 10% has to be found locally using School's revenue budget or the Trustees' own account. Bids are invited from aided Schools around June/July each year with submissions having to be made by the end of September. The Department for Children Schools and Families are advised of the programme by the end of November of each year. Any scheme approved requires competitive tenders to be obtained and submitted to the Department for Children Schools and Families for approval. Grants are paid on receipt of invoices and the final account requires receipted invoices and certificates of completion from the professional advisors.

The programme for 2009/10 is:

|   |          |
|---|----------|
| St Joseph's RC Primary – completion of new school hall -      | £300,000 |
| Pembridge C of E Primary – Remodelling of accommodation -     | £300,000 |
| Bishop of Hereford's Bluecoat School – Boiler replacement -   | £100,000 |
| - Re-roofing -  | £30,000  |
| Staunton on Wye Primary School – contribution to school build | £300,000 |
| St Paul's C of E Primary – Replacement roof                   | £55,000  |
| St Michael's C of E Primary – kitchen conversion -            | £17,000  |
| Leintwardine C of E Primary – Admin/staff area remodelling -  | £150,000 |
| St Mary's C of E, Fownhope – replace rooflights -             | £30,000  |
| St Mary's RC High – Re-roofing                                | £40,000  |
| - upgrade lighting to classrooms                              | £40,000  |
| Whitchurch C of E Primary – Re-roofing                        | £60,000  |
| Brampton Abbots Primary – remodelling                         | £128,000 |
| Access contingency -  |          |
| (to meet Disability Discrimination Act requirements)          | £50,000  |

All of the above schemes have either been completed or are on schedule to complete successfully before the end of this financial year.

#### **4.5 Capital Maintenance Programme - £1,767,780**

This allocation is managed by the Council's Asset Management and Property Services Team to address the highest condition issues. The allocation includes £250,000 specifically for work to prevent legionella and £100,000 to refurbish and re-site mobile classrooms where appropriate.

Members of the Committee have received a briefing note on the management of the Capital Maintenance Programme and school schemes being funded this financial year.

#### **4.6 14 to 19 and Special Education Needs Grant - £2,000,000 (2009/10) + £6,000,000 (2010/11)**

Priorities for spend are being determined through two avenues - the review of Special Educational Needs, where options drawn up by consultants are being developed by the new Head of Service for Inclusion, and through the 14-19 Consortium and other relevant providers to agree the highest priorities for the delivery of the Diploma streams and the wider 14-19 agenda. Overall options for this funding will be presented to Cabinet.

#### **4.7 Alternative Provision Capital Grant - £490,000 (2009/10) + £1,669,000 (2010/11)**

The Local Authority was successful in its bid to the Department for Children Schools and Families to acquire funding for a pilot project to establish alternative provision for children who would otherwise be excluded from school. The bid has attracted a capital grant totalling £2,159,000 and also some revenue funding.

The first school to benefit from this funding is John Masefield High School which opened its new provision at the beginning of the autumn term 2009. Provision at John Kyrle High School opened after half term last autumn. Work is progressing to provide dedicated facilities at all other high schools by 31<sup>st</sup> March 2011.

#### **4.8 Playbuilder – £526,332 (2009/10) + £593,285 (2010/11)**

The Local Authority was successful in its bid to the Department for Children Schools and Families for capital grant funding totalling £1,119,617 from the Playbuilder scheme.

The Playbuilder scheme is about providing play sites for 8-13 year olds that are fully inclusive in terms of diversity and disability, have support from the local community, permission from the landowner, encourage risk and challenge and make the most of the natural environment.

This is a two year project to develop 22 play sites, 11 in each year. 11 sites have been identified for development this financial year and officers from the Children and Young People's Directorate have worked with colleagues from Parks, Countryside and Leisure and the third sector to consult communities, and in particular young people, on the facilities they would like to see developed in their area.

Play areas have already opened at Credenhill and at Peterchurch. Sites currently under constructions are Crooked Well, Kington, Sydonia and Baron's Cross, Leominster, King George V playing fields, Hereford, Prospect Walk, Hereford, Northolme, Hereford, Roman Way, Ross-on-Wye, Bye Street, Ledbury and Bromyard Recreation Ground.

Officers are working with communities in the following areas to benefit from the second year's funding: Llangrove, Sutton St Nicholas, Burghill, Bromyard Recreation Ground phase 2, Withington, Kingstone, Weobley, Kington Recreation Ground, Ross-on-Wye, Ledbury Deer Park, Grandstand Road, Hereford, Queenswood and Leintwardine.

The project is being externally audited on behalf of the Department for Children Schools and Families by Play England which provides a monthly 'Red/Amber/Green', or 'RAG' rating report to Ministers. Play England is very pleased with Herefordshire's progress to date and the project management arrangements. The latest 'RAG rating' is 'Green'.

#### **4.9 Riverside Primary School - £3,000,000 (2009/10)**

Phase 1 of this scheme was completed last autumn and pupils and staff moved into the new school building at the start of the spring term. Work is now underway on phase 2 of the scheme to establish the external areas. This scheme was delayed due to the original contractor going into administration. A contract has now been put in place with another contractor to complete the scheme.

Officers are currently negotiating with insurers over the release of funding from a Performance Bond which was put in place at the start of the scheme to mitigate against the potential costs of the developer being unable to deliver the scheme. As the original contractor went into administration, officers are seeking to reclaim, from the Performance Bond insurers, the additional costs incurred by the Local Authority.

In February 2007, Cabinet considered a funding shortfall on the schemes to replace Riverside Primary School and Sutton Primary School. Cabinet agreed that the funding shortfall on both schemes should be met from a combination of Government grant, available to the Local Authority for modernisation of school buildings; a reduction to the scope of both schemes; and the use of capital receipts. Officers are pursuing the disposal of part of the Riverside Primary School site to realise the required capital receipt. The school and community are aware of this planned disposal.

#### **4.10 Holmer Flood Alleviation - £179,419 (2009/10)**

Immediate preventative works have been carried out. The main work will be undertaken in the spring of 2010.

#### **4.11 Accessibility – Individual Pupil Needs - £389,560 (2009/10)**

This budget is used to address specific accessibility issues for pupils who would otherwise be disabled from accessing the curriculum. A number of schemes are in progress to provide for children starting primary school, or transferring to high school in September 2010.

#### 4.12 **Children's Centres - £1,440,353 (2009/10)**

South Meadow Children's Centre (formerly Hollybush Family Centre) and Peterchurch Children's Centre are now complete. Plans for the extension of Springfield Children's Centre are being prepared and options are being considered for the provision of children's centre services to the north of the County.

#### 4.13 **Quality & Access for early years provision - £1,324,268 (2009/10)**

This is grant funded by the DCSF and is aimed at improving the quality of, and/or access to quality early years provision, particularly in the private, voluntary and independent sectors. The Quality & Access Project Board has invited and evaluated bids from early years providers for grant funding aimed at schemes which will improve quality and/or access.

#### 4.14 **Section 106 - £320,661 of developer contributions to spend within time-scales which are specific to individual contributions.**

The Town & Country Planning Act 1990 allows a Local Authority to negotiate financial contributions from developers in respect of infrastructure and services. The Council's Planning Obligation Supplementary Planning Guidance document provides a framework for negotiating contributions for Children & Young People's Services, including schools.

Contributions are used to meet the highest asset management plan priorities of the individual school, or groups of schools/establishments in an area, if specific schools are not named.

The following Section 106 developer contributions are currently held by the Children & Young People's Directorate:

The Bradbury Lines, Hereford, developer contribution of £182,443 is provided for education facilities in the area. Possible beneficiaries are: St. Martin's Primary, Our Lady's RC Primary, Marlbrook Primary and Blackmarston Special School. While there is potential to spend this money at any one, or all of these schools, the highest asset management plan priorities are currently being assessed by officers in order to provide an objective analysis of the priorities for capital investment. Options will be reported to the Cabinet Member for consideration. The deadline for spend is 25th January 2011.

The Pentland Gardens, Hereford, developer contribution of £46,878 for Trinity Primary School has been spent on toilet refurbishments in 2009/10. This scheme was undertaken during the school summer holiday.

The Bullingham Lane developer contribution of £34,090 for St. Martin's Primary School will be spent on providing outdoor shade/weather shelter facilities and an extension to accommodate reprographics facilities, which currently occupy a corridor space.

The Withies Road (2) developer contribution of £39,407 will be spent upon agreement with Withington Primary School and Aylestone High School on the highest asset management plan priority(ies) to be addressed.

The Coughton, Ross-on-Wye, developer contribution of £9,000 has been spent in 2009/10 to help provide sufficient Year 7 places at John Kyrle High School for September 2009.

The balance of £8,842 from the Old Road, Bromyard development will be spent by St Peter's Primary School in 2009/10.

#### **4.15 Extended Schools Grants - £462,392 (2009/10)**

Extended schools providers are invited to bid for capital grants through a 2 stage process. The first stage is for the bidder to seek agreement in principle to grant funding towards their particular project. If bids are approved in principle, then the applicant is invited to submit a full business case. Upon approval of the business case, a grant is then made.

#### **4.16 Schools' Devolved Formula Capital - £3,663,535**

Devolved directly to schools to spend on their highest asset management plan priorities. The Directorate's Planning, Performance & Development Team restructured last year with part of the restructure aimed at providing schools with more support in making best use of, and developing, their school buildings and sites. Officers have been working with schools to help them identify their spending priorities and to develop and deliver capital projects that will improve outcomes for children. Feedback from schools has been very positive in terms of ensuring best value from schemes and support for Headteachers in managing projects.

#### **4.17 Co-location of services – £2,396,050 in total. £157,700 (2009/10)**

The Local Authority has, on behalf of Herefordshire's Children's Trust, been successful in its bid to the Department for Children Schools and Families for capital funding to provide co-located services. The full funding, over two years, is £2.4m. This will support the move towards the provision of integrated services through locality based teams. Sites for co-located services have been identified at The new build Minster College, Kington Youth/Children's Centre, Ledbury Primary School, Ryefield Children's Centre, Ross-on-Wye, Greencroft Children's Centre, and the Hope Centre Bromyard. Negotiations on a second Hereford City site, north of the River Wye, are at a delicate and commercially sensitive stage. For that reason, it has been agreed with the Chair of the Children's Scrutiny Committee that the detail on this will not form part of this report. If negotiations are no longer commercially sensitive when the Committee meets, the Head of Access & Capital Commissioning will provide Members with a verbal update.

## **Community Impact**

- 5 The capital investment programme of the Children and Young People's Directorate, including schools and early years settings, has wide ranging community impacts, benefiting children and young people and their families across Herefordshire

## **Financial Implications**

6 These are contained in the body of the report.

## **Legal Implications**

7 The use of capital funding including grants must comply with the legal requirements associated with each funding stream and the conditions of specific grants

## **Risk Management**

8 The risks are set out in the body of the report, in terms of project delays and the actions planned to mitigate the impact of these.

## **Consultees**

9 Not applicable.

## **Appendices**

10 None.

## **Background Papers**

- None identified.