

<b>MEETING:</b>	<b>CHILDREN'S SERVICES SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>14 JUNE 2010</b>
<b>TITLE OF REPORT:</b>	<b>CAPITAL BUDGET REPORT 2010/2011</b>
<b>PORTFOLIO AREA:</b>	<b>CHILDREN &amp; YOUNG PEOPLE'S DIRECTORATE</b>

**CLASSIFICATION:** Open

## **Wards Affected**

County-wide

## **Purpose**

To scrutinise the capital budget position for 2010/11 for the Children & Young People's Directorate.

## **Key Decision**

This is not a Key Decision.

## **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.
- Following the original contractor going into administration, officers negotiations 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 is now going to adjudication. This may take up to 12 months to resolve, but officers believe the Local Authority has a strong case to claim the full value of the Bond, which is £674,000.
- The budgets for planned capital maintenance and the Locally Co-ordinated Voluntary Aided Programme, which funds schemes for Voluntary Aided schools are much reduced this year. This is because the Local Authority drew down some 2010/11 funding to spend in 2009/10 on its highest Asset Management Plan priorities in response to the previous Government's fiscal stimulus initiative. This enabled the Local Authority to deliver planned schemes earlier than would otherwise have been the case.
- Future years' capital funding is not known at this time. In 2007, the Government launched a fourteen year funding programme for major investment in primary schools and primary age special schools. Although Herefordshire's allocation of funding for the first two years (2009/10

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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

and 2010/11) is confirmed, we do not know whether there is a commitment from the new coalition Government to continue with the investment programme or, if there is, the level of funding that might be expected.

## Alternative Options

- 1 This 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 2010/2011.

Planned capital expenditure for 2010/11 is around £30 million.

## Key Considerations

### 4. Update on capital schemes for 2010/11

#### 4.1 **The Minster College – Building Schools for the Future One School Pathfinder - £21,000,000 (£4,312,000 to be spent in 2010/11)**

This completion of the new building is now in its final stages and will be ready to open its doors to staff and pupils at the beginning of the new school year. The governing body of the school want to match the superb 21<sup>st</sup> Century facilities of this new building with a new vision, new standards and new reputation. To this end, the governors have agreed to launch the new facilities with a new name – Earl Mortimer College - from 1<sup>st</sup> September 2010. In the autumn and spring, work will continue to demolish the old school buildings and to develop the remaining external areas and landscaping.

#### 4.2 **The Hereford Academy - £23,923,712 (£13,291,000 to be spent in 2010/11)**

The contractor has worked hard to make up time which was lost at the beginning of the programme when the ground works sub-contractor ceased trading and the severe weather conditions hampered progress. The scheme is on schedule to complete the building next summer, ready to welcome staff and pupils in September 2011. The old school building will then be demolished to enable the remaining external areas to be completed over the following autumn and spring.

#### 4.3 **Primary Capital Programme - £8,378,000 (£1,500,000 to be spent in 2010/11)**

In 2007, the Government launched a fourteen year funding programme for major investment in primary schools and primary age special schools. Although Herefordshire's allocation of funding for the first two years (2009/10 and 2010/11) is confirmed, we do not know whether there is a commitment from the new coalition

Government to continue with the investment programme or, if there is, the level of funding that might be expected. Herefordshire's funding for the first two years 2009/10 and 2010/11 is confirmed at £8,378,000.

Cabinet has committed £7,378,000 of this confirmed 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. The design team will be holding a public consultation later this month, before a final design is submitted for planning approval later this summer.

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'. Following consultation with schools on a mechanism for primary age schools to bid for funding from this 'match funding pot' bids for funding are invited from primary schools by the end of the summer term, with funding allocations to be determined and confirmed to schools in early October.

#### 4.4 **Locally Coordinated Voluntary Aided Programme (LCVAP) - £90,000**

In response to the previous Government's fiscal stimulus initiative, Herefordshire Council brought forward its 2010/11 LCVAP funding to spend in 2009/10 on the schemes identified in previous reports to the Children's Services Scrutiny Committee. However, there remains a sum of £90,000 which will be spent on the final phase of the development programme which has taken place at Pembridge C of E Primary School over the last two years.

#### 4.5 **Capital Maintenance Programme - £600,000**

Again, in response to the previous Government's fiscal stimulus initiative, Herefordshire Council brought forward £500,000 of its 2010/11 capital funding to spend on its highest asset management plan condition items in 2009/10, allowing us to carry out works earlier. Earlier this year, Members of the Committee received a briefing note on the management of the Capital Maintenance Programme and school schemes being funded during 2009/10. We therefore have £600,000 to spend on capital maintenance items in 2010/11 and this has been allocated as follows:

<b>School</b>	<b>Scheme</b>	<b>£</b>
Broadlands Primary	Curtain walling, doors, windows	30,000
Garway Primary	Replacement fire alarm	1,500
Brockhampton Primary	Rewiring/roof repair	30,000
Burley Gate Primary	Rewiring/distribution board	15,000
Cleghonger Primary	Roof repair	12,000
Clifford Primary	Electrical work	5,000
Colwall Primary	Boiler replacement/rewire/distribution board	27,000
Eardisley Primary	Rewire	25,000
Ewyas Harold Primary	Electrical energy light	4,500
John Kyrle High	Electrical services	11,000
John Masefield High	Roof repairs/electrical services	34,000
Queen Elizabeth High	Lighting/electrical	20,000
Weobley High	Electrical services	30,000

Wigmore High	Electrical services	30,000
Springfield Nursery	Asbestos	30,000
Shobden Primary	Ceilings	4,000
Luston Primary School	Roofing	10,000
Asbestos contingency		100,000
Legionella works	To be confirmed	50,000
Health & Safety (fire)	To be confirmed	40,000
Fees		52,500
General contingency		33,500
		<b>£600,000</b>

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

Feasibility studies are being undertaken on the following schemes – additional accommodation for Blackmarston and Barrs Court Special Schools to meet pressure on demand for places, including post-16 places and the viability of a residential special needs facility. These are all in the early of stage of feasibility and regular updates will be reported to Scrutiny as each of the feasibilities progress.

**4.7 Alternative Provision Capital Grant - £2,153,000 (£1,623,000 to be spent in 2010/11)**

The Local Authority was successful in its bid to the Department for Children Schools and Families (now the Department for Education) 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 £2,153,000 and also some revenue funding.

The capital funding is being used to create alternative provision in each of the 14 high schools to support students who are, for whatever reason, struggling to cope with school. This new provision is already open and benefiting students at John Kyrle High School, John Masefield High School and Aylestone High School. The remaining schools will have their facilities completed and opening during the remainder of this financial year.

**4.8 Playbuilder – £1,119,617 (£596,000 to be spent in 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 play sites. Eleven sites were developed last financial year as previously reported to this Committee.

Officers from the Children and Young People’s Directorate are working with colleagues from Parks, Countryside and Leisure and the third sector to consult communities in the following locations about developing further play sites in their localities, 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 Education 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 - £10,104,639 (£352,000 to be spent in 2010/11)**

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.

Following the original contractor going into administration, officers negotiations 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 is now going to adjudication. This may take up to 12 months to resolve, but officers believe the Local Authority has a strong case to claim the full value of the Bond, which is £674,000.

As requested at the last Scrutiny meeting, Members will have received a briefing note from the Director of Resources clarifying the Riverside Primary School financing position.

#### **4.10 Accessibility – Individual Pupil Needs - £285,904 (2010/11)**

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.

#### **4.11 Children's Centres - £706,000 (2010/11)**

Work to extend and improve accommodation at Springfield Children's Centre is continuing. Children's Centre services to the north of the County will be delivered through outreach from the Conningsby Children's Centre, Leominster, which will be extended to provide the necessary base for this work.

#### **4.12 Quality & Access for early years provision - £1,038,000 (2010/11)**

This is grant funded by the Department for Children, Schools and Families (now Department for Education) 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.

**4.13 Section 106 - £501,000 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 £282,443 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 in July.

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 £63,918 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 former police station site, Leominster - £25,957. This will contribute to the Leominster Infant and Junior Schools' amalgamation scheme.

Old Eardisley Road, Kington -£92,000 - will be spent upon agreement with Kington Primary School and Lady Hawkins High School on the highest asset management plan priority(ies) to be addressed.

**4.14 Extended Schools Grants - £249,000 (2010/11)**

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.

**4.15 Schools' Devolved Formula Capital - £3,589,028**

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.

#### 4.16 **Co-location of services – £2,396,050 (£2,236,050 in 2010/11)**

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 Earl Mortimer (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 and Blackfriars.

### **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.