

MEETING:	CHILDREN'S SERVICES SCRUTINY COMMITTEE
DATE:	11 MARCH 2011
TITLE OF REPORT:	CAPITAL BUDGET REPORT UPDATE ON 2010/2011 & FUNDING FOR 2011/12
REPORT BY:	HEAD OF ACCESS AND CAPITAL COMMISSIONING

CLASSIFICATION: Open

Wards Affected

County-wide

Purpose

To scrutinise the capital budget position for 2010/11 for the Children & Young People's Directorate and to receive information on indicative capital funding for 2011/12.

Recommendation(s)

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

Key Points Summary

- The 2010/11 capital programme is on schedule, both in terms of time and budget.
- The Indicative 2011/12 capital allocations for Herefordshire show an 80% decrease in schools' devolved formula capital allocations. Although, in part, this is due to the Government allocating the bulk of capital maintenance grant to the Local Authority, rather than to schools, the overall capital allocation for 2011/12 is about £1.4 million below the 2010/11 allocation.

Alternative Options

- 1 This is a monitoring report and therefore alternatives are not provided.

Reasons for Recommendations

- 2 To provide sufficient information and opportunity for scrutiny committee to scrutinise the capital programme for children and young people's directorate.

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

Introduction and Background

- 3 This is an exception report on the key areas of progress, achievement and challenge within the capital programme for 2010/11. The planned capital expenditure for 2010/11 is £31,459,000. Indicative capital funding for 2011/12 is detailed in paragraph 4.2.

Key Considerations

4.1 Schemes with an expected outturn exceeding £500k in 2010/11

Scheme	2010/11 Forecast £'000	Spend to end Quarter 3 (December) £'000	Comments
Hereford Academy	13,256	8,684	Work in progress scheme on schedule, both time and budget
Earl Mortimer Replacement School	4,171	3,624	Work in progress scheme on schedule, both time and budget
Co-location	3,328	1,152	Seven schemes are progressing at various locations on schedule, both time and budget.
Devolved Capital Programme	1,900	1,369	Devolved allocation of capital funding to schools
Intervention Centres	1,823	1,005	14 schemes at high schools are progressing on schedule, both time and budget
Primary Grant	1,500	358	This grant is funding the amalgamation of Leominster's junior and infant school and the following schemes: Credenhill St Mary's CE - £50,000 - Classroom extension Walford - £69,700 - secure entrance/relocate reception and head's office Almeley - £130,000 - replace temporary classroom with permanent build/secure entrance/relocate head's office Ashperton - £100,000 - replace temporary classroom/secure entrance Clifford - £20,000 - sheltered outdoor learning space Bodenham St Michaels CE - £11,000 - access ramps Lugwardine - £31,000 - extension to classroom Goodrich - £35,000 - teaching space for small group work/music to release space in school hall for PE etc.
TCF Standards and Diversity	675	76	Rural funding towards plant and equipment costs
Early Years Childcare / Quality & Access	508	512	Various schemes to complete in 2010/11

Condition property works	600	571	Annual programme of works at various sites committed on a highest need first basis, budget under pressure due to decreased funding allocation this year
Children's Centres	717	255	Springfield children's centre completes soon, Coningsby (Leominster) and Broadlands (Hereford) are scheduled to complete this year
Total	28,478	17,606	

4.2 Indicative capital funding grants 2011/12

4.2.1 The national context

4.2.1.1 On 13 December 2010, the Secretary of State announced details of allocation of over £2 billion of capital funding for 2011-12 to schools and local authorities.

4.2.1.2 The announcement included details of allocation of:

- £800 million of basic need funding to local authorities to provide school places where needed in their area, in all categories of taxpayer-funded schools i.e. Local Authority maintained schools, academies and free schools.
- £858 million of maintenance capital to local authorities to support the needs of the schools that they maintain and for the Sure Start children's centres in their area
- £196 million of locally-coordinated Voluntary Aided schools programme capital to support the maintenance capital needs of voluntary-aided schools
- £185 million of devolved formula capital for schools.

4.2.1.3 £800 million basic need funding has been allocated according to relative need for new places, based on forecast data provided by all authorities. All taxpayer-funded schools within each local authority will be eligible for this funding, including voluntary-aided schools, open academies, and new Free Schools where they address basic need pressures.

4.2.1.4 The proportion of the funding available for capital maintenance which has been allocated to each authority has been determined by school and weighted pupil numbers from the most recent data available. The voluntary-aided sector has been allocated a fair share based on pupil numbers, and reflecting the governors' 10 per cent contribution and eligibility for VAT. Allocations have been abated where schools have been or are about to be modernized through Building Schools for the Future or PFI projects.

4.2.1.5 £185 million devolved formula capital funding has been allocated direct to all taxpayer-funded schools based on a national formula of £4,000 per school and a per pupil sum which is weighted for the type of pupil: £11.25 (primary), £16.875 (secondary), £33.75 (SEN). This is a much lower rate than previously. For most schools, devolved formula capital has reduced by 80% on previous years' funding levels. The Audit Commission

criticised the allocation of large amounts of funding to schools that was not targeted to building need. Therefore, in view of the need to prioritise, the Government has balanced the bulk of maintenance funding to local authorities, to support local priorities and larger projects, with coordinated and efficient procurement.

4.2.1.6 Allocations at local authority level are indicative and will be adjusted in line with end-of-year pupil figures in maintained schools.

4.2.1.7 All these programmes will be delivered as capital grant.

4.2.1.8 Allocations for 2012/13 until 2014/15 will be informed by the outcome of the Government's capital review, which the Department for Education has said will be published in early 2011. While the allocation and management for these programmes may change to reflect the recommendations of the review, it is expected that the funding available for basic need and capital maintenance of schools will be roughly in line with the funding for 2011/12.

4.2.2 Herefordshire Local Authority indicative allocations – 2011/12

Grant	Indicative allocation 2011/12 (£000)	2010/11 allocation for comparison (£000)	Difference (£000)
Basic Need	2,154	458	1,696
Capital Maintenance – Local Authority Maintained Schools	2,696	1,949	747
Capital Maintenance – Locally Co- ordinated Voluntary Aided Schools Programme	907	1,032	(125)
Schools Access Initiative	0	286	(286)
Devolved Formula Capital	679	3,589	(2,910)
Harnessing Technology (Devolved to schools)	0	545	(545)
Total	6,436	7,859	(1,423)

4.2.3 The Local Authority will work with schools, through the CYPD Capital Strategy Consultative Group, to allocate Basic Need and Capital Maintenance funding, using the CYPD Capital Strategy format and assessment tool. This approach was used successfully to allocate the first tranche of primary strategy capital money, detailed above and involves school,

Archdiocese and Diocesan representatives.

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.