

PROGRESS OF MAJOR CAPITAL SCHEMES (AND TARGETED CAPITAL FUND)**Report By: HEAD OF POLICY AND RESOURCES****Wards Affected**

Countywide

Purpose

1. To report on progress on the education capital programme in the current financial year and the implications for the service, and to consider the recently announced DfES allocations for future years.

Financial Implications

2. As set out within the report.

Report

3. As at 2.12.04, 48% of the capital resources allocated for education in building projects in 2004/2005 have been spent. Projected expenditure, on capital projects in Education by the end of the 2004/05 financial year, is summarised in Appendix 1. Projected spend on completed projects with final payment still to be made is shown in aggregate at the top of the table. Projects are shown individually where building contracts have been let and construction is underway, or where projects are still at the design stage. At present, the overall education capital budget is showing under expenditure of £725,256 for the financial year. This is mainly due to slippage on schemes at Kington Primary school and Fairfield High school. However, discussions are ongoing with the Treasurers Department about how this funding can be carried forward into 2005/6.
4. Since the last meeting, major building schemes have been completed at Cradley Primary school (replacement school) and for refurbished science laboratories and new administrative offices, car park and mobile classrooms at Weobley High school. Work has also commenced on site for the new nursery classroom at Ledbury Primary. Although later than intended, a tender has now been received for the DT block at Fairfield High school and it is anticipated that work will begin on site in January 2005. Construction will also begin on the new sports hall at Kingstone High school in January.
5. The Chairman has visited Lea Primary School, Cradley Primary School, Weobley High School and the Greencroft Children's Centre. Staff using the new buildings reported that they were very pleased with the quality of design and construction. Highway work remains to be done at Cradley and the playing field drainage is yet to be proven.
6. Negotiations on the PFI contract for the replacement Whitecross High School have been protracted but it is hoped to sign the PFI contract by the date of this meeting. It is now envisaged that the new school will open in June 2006, by which time there will be a need to undertake off-site highway works, which are to be funded from the Education Capital Programme.

7. Allowance has also been made in this year's programme for land acquisition at Staunton-on-Wye and Sutton St. Nicholas.

Future Allocations

8. The DfES have recently released details of Capital borrowing allocations for Herefordshire, as follows:

2005/2006 - £2,870,511

2006/2007 - £3,725,395

2007/2008 – £2,763,056

9. Levels of funding are significantly lower than in previous years (the comparative figure was £4,898,342 for 2004/2005). Given this, it is important to ensure that resources this year are not lost and expenditure does not slip into next year. Confirmation has also been received of the capital allocations that are to be devolved directly to schools which show an increase from £2,275,601 in 2005/2006 to £3,040,463 in 2007/2008. The fact that devolved sums to schools are higher in 2007/2008 than the allocation to the Council does cause some concern and the implications will need to be considered by the Schools Forum during the Spring Term.

Building Schools for the future

10. The DfES announced, on Tuesday 30th November the next two waves of Building Schools for the Future, Herefordshire is not included. Although further information is awaited, the DfES have stated that a start will be made on the Herefordshire Building Schools for the Future at some point between 2005/2006 and 2010/2011, with the 'ambition' that at least one secondary school will be rebuilt in the County by 2011 and two more by 2016.
11. A more detailed report on capital investment in schools will be prepared for a future meeting of the Committee.

Targeted Capital Bids

12. On the 29th November, the DfES announced that Targeted Capital Bids for the replacement school at Sutton and sports hall for Weobley High School have been successful, resulting in allocations of £1,623,200 and £967,200 respectively. The Council will have to find 20% of the scheme costs. This could be achieved by borrowing under the prudential code being funded by the Education Revenue Budget, and this is part of the plans submitted to the budget panel.

RECOMMENDATION

That the Committee comment on any issues of concern arising from the capital programme progress report.

Background Papers

- None identified.