

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date of Decision:	25 March 2013
Decision Title:	Children's Services Capital Programme 2013/14 to 2015/16
Decision Reference:	4608
Report From:	Director of Children's Services and Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1 This report sets out proposed changes to the 2013/14 to 2015/16 capital programme following the announcement of central government grant funding on 1 March 2013.
- 1.2 The Secretary of State has now announced details of individual local authority capital allocations for 2013/14 and 2014/15. This report provides an update following the report to the Executive Lead Member for Children's Services (ELMCS) on 23 January 2013 which made assumptions on future grant allocations and considers the schemes which it is proposed to include through to 2015/16.
- 1.3 The proposals contained in this report are derived from the departmental service plan(s) which have been developed to support the priorities of the Corporate Strategy.

2. Proposed capital programme 2013/14 to 2015/16

- 2.1 The Coalition Government has allocated all of its future support for the capital programme in the form of capital grants, and not as borrowing allocations. These are:
 - Devolved Formula Capital (DFC) for 2013/14
 - Capital Maintenance for 2013/14, and
 - Basic Need for 2013/14 and 2014/15.
- 2.2 Table 1 sets out the capital allocations for 2013/14 and 2014/15, together with the assumed level of funding for 2015/16. These are all made as capital grant. Allocations for 2012/13 and the planning assumptions for

2013/14 included in the January 2013 capital programme report are included for comparison.

Table 1 – Allocation of capital grant to the County Council (excluding schools’ devolved capital)

Year	Basic Need New pupil places	Capital Maintenance	Totals
	£m	£m	£m
2012/13 (see note)	24.661	19.762	44.423
2013/14 (assumed)	14.884	19.762	34.646
2013/14 (actual)	16.651	18.663	35.314
2014/15 (actual)	16.651	18.663	35.314
2015/16 (assumed)	16.651	18.663	35.314

Note: The basic need allocation in 2012/13 includes a one off additional allocation from DfE of £9.777m. A single pot allocation of £33.302m has been allocated for 2013-15 and this has been apportioned equally across the two years.

- 2.3 The overall allocation of Capital Maintenance funding is split between suitability (improvement) work and funding to address the backlog of building condition work, which is managed by Policy and Resources. On this basis a split of these resources in the ratio of 54% to condition, and 46% to suitability has been agreed by Executive Members. A significant proportion of the combined funding will need to be used to address strategic Children’s Services and Policy and Resources priorities
- 2.4 Table 2 shows the split of grant between Policy and Resources and Children’s Services for 2013/14, as well as the amounts assumed for 2014/15, and 2015/16.

Table 2 – Children’s Services share of capital grant

Year	Total Basic Need Grant	Total Capital Maintenance (CM) Grant	P&R share of CM Grant	Children’s Services share of CM Grant	Total Children’s Services share of grants
	£m	£m	£m	£m	£m
2013/14 (actual)	16.651	18.663	10.078	8.585	25.236
2014/15 (actual)	16.651	18.663	10.078	8.585	25.236
2015/16 (assumed)	16.651	18.663	10.078	8.585	25.236

- 2.5 On the basis of the anticipated position outlined in Table 2, resources available for each of the three forward years to 2015/16 are as set out in Table 3. To address the need to fund a number of major primary projects in 2013/14 and 2014/15, the funding available for starts in 2012/13 has been reduced, and resources carried forward, to fund these projects.

Table 3 – Three year capital resources summary

	2013/14	2014/15	2015/16 (assumed)	Total
	£m	£m		£m
Carry forward 2013/14 to 2014/15	-3.945	3.945	0	0.000
Carry forward resources to 2013/14 (agreed January 2013)	38.922	0	0	38.922
Basic Need - new pupil places	16.651	16.651	16.651	49.953
Capital Maintenance	8.585	8.585	8.585	25.755
Developers' contributions anticipated	19.035	25.113	39.270	83.418
Schools' Devolved Capital	3.408	3.408	3.408	10.224
Corporate capital resources	0.090	0.090	0.090	0.270
Capital investment priorities	20.314	7.807	11.085	39.206
Carry forward 2013/14 to 2014/15	-12.000	12.000	0	0
Bring forward 2015/16 to 2014/15	0	6.000	-6.000	0
Capital receipts anticipated	0	6.850	1.500	8.350
Totals	91.060	90.449	74.589	256.098

3. Three year capital allocations 2013/14 – 2015/16

3.1 The changes proposed to the capital programme following the funding announcement are:

- To increase the basic need provision by £1.767m per year for 2013/14 and 2014/15 with an assumed figure for 2015/16
- To decrease the Children's Services share of capital maintenance grant by £0.506m in 2013/14 with an assumed figure for 2014/15 and 2015/16
- To increase the contingency provision in each of the three years by £1.261m.

3.2 The revised proposed programme is shown in Table 4.

Table 4 – Proposed allocations for three year programme

	2013/14	2014/15	2015/16 (assumed)	Totals
	£m	£m	£m	£m
New schools and extensions	52.791	65.719	48.200	166.710
New Temporary Classrooms	1.250	1.250	1.250	3.750
Other special school and SEN improvements	0.500	1.000	1.000	2.500
Other improvement projects	0.500	1.000	1.000	2.500
Joint Funded Capital Maintenance Programme	8.585	8.585	8.585	25.755
Access improvements in schools	0.500	0.500	0.500	1.500
Short Breaks for disabled children (DfE Grant for 2013/14 only)	0.825	0	0	0.825
Gosport Skills Centre	3.000	0	0	3.000
Stubbington Study Centre	0.825	0	0	0.825
Area inclusion projects	4.000	4.000	4.000	12.000
Social care projects	0.100	0.100	0.100	0.300
Asset Upgrade and Replacement	10.302	0	0	10.302
Health and Safety	0.400	0.400	0.400	1.200
Schools' devolved formula capital	3.408	3.408	3.408	10.224
Furniture and equipment and ICT	0.750	0.750	0.750	2.250
Development costs	0.100	0.100	0.100	0.300
Contingency	3.224	3.637	5.296	12.157
Totals	91.060	90.449	74.589	256.098

Capital Maintenance

3.3 The total allocation in 2013/14 for capital maintenance is £18.663m (£8.585m for Children's Services). Recognising that part of the 2013/14 capital allocation was likely to be targeted at major capital repairs, officers from Children's Services and Property Services have produced a detailed review of the Hampshire schools built estate. This review has sought to identify the highest priority strategic building condition issues along with the

need for modernisation improvements of schools' specialist facilities. Specific priority projects are listed for approval at Appendix 1.

Other improvement and modernisation projects

Access improvements in schools

- 3.4 In previous years, capital allocations were made available through the Schools Access Initiative to fund access improvements to mainstream schools, principally to meet individual disabled pupils' needs. This specific funding stream has now ceased, but the need for such adaptations will continue, both at a pupil-led and strategic level. It is recommended that the projects listed at Appendix 2 be approved and further projects will be reported to a future meeting.

Capital Funding for early years and childcare

- 3.5 The capital funding for early years and childcare was reported on 23 January 2013. Hampshire has received a capital allocation of £1.652m in 2012/13 to support early education places for two-year-olds from lower income households. This funding is intended to support capital investment necessary to deliver the entitlement for over 4,000 two year olds in Hampshire by September 2014.
- 3.6 It is proposed to split the capital grant equally (£800,000 each) for strategic priorities, for determination by Services for Young Children (SfYC), and for a grant scheme for providers to bid against. It is proposed that the grants will be managed through the County Council's online corporate grant system.
- 3.7 The remaining £51,964 has been assigned as £30,000 to Hampshire Property Services to advise and support planned capital developments and £21,964 to SfYC for project and grant management. This funding will also cover the cost of any additional legal services.
- 3.8 The grant awards will be subject to a capital grant agreement and grants in excess of £5,000 will be subject to clawback conditions and legal charges where appropriate. It is proposed to open the grant programme on 21 April 2013 for 12 weeks. Applications will then be assessed with a view to them being prioritised by the SfYC Grant Panel in early August.
- 3.9 It is recommended that the proposed strategy for the use of the capital funding is agreed with details of the specific grants to reported to a future Decision Day.

Schools' devolved formula capital

- 3.10 Government grant allocations for schools' devolved formula allocations were substantially reduced from April 2011. The allocation for 2013/14 is at the 2012/13 level and excludes Academies. The allocation per school will be determined according to the Department for Education (DfE) formula set out in Table 5 and is intended to fund high priority projects identified through schools' Asset Management Plans.

Table 5 – Schools’ Devolved Formula Capital allocation

	Allocation per school £ p.a.
Per nursery/primary pupil	11.25
Per secondary pupil	16.88
Per special school or education centre pupil	33.75
Lump sum (all schools)	4,000.00

- 3.11 Officers continue to work closely with schools to ensure that devolved formula capital allocations are spent appropriately on Asset Management Plan priorities. There is particular emphasis on ensuring that they are used in conjunction with County Council and other capital resources so that the maximum number of schools benefit and that resulting projects make optimum use of available resources. However, the reduced allocations continue to limit individual schools’ opportunities to fund capital projects.

Health & Safety - Fire Precautions 2013/14

- 3.12 It is recommended that £150,000 of the Children’s Services Health and Safety budget is used to continue the support to the Director of Culture, Communities and Business Services for the strategic investment on structural fire precaution work in schools. The proposed schools are listed at Appendix 3.
- 3.13 Approval is sought to make a contributions of £150,000 towards the projects listed in Appendix 3.

Short Breaks for Disabled Children

- 3.14 An allocation of £825,000 to support short breaks for disabled children was agreed by ELMCS on 23 January 2013 to be carried forward to 2013/14.
- 3.15 A number of locally based projects have been identified via a Parent/ Carers' Survey and will support greater participation by disabled children in a variety of leisure activities/facilities in their local communities. The projects include leisure centres, swimming pools and parks.
- 3.16 The balance of the funding (£500,000) will be used to enable the County Council to meet its statutory duty in delivering aids and equipment to individual children and young people with disabilities.

4 Developers’ contributions

- 4.1 Developers’ contributions are a vital source of resources for the Children’s Services capital programme, albeit they only cover costs incurred and their availability depends on the rate of house building. The current policy for contributions was approved by the Executive Member for Children’s Services on 24 July 2008 and updated in December 2011. Contributions fall into three categories:

- where funding for a project has been allocated from the capital programme in advance of the contribution being received. The receipt is therefore repaying past expenditure and is available to add to the current year's cash limit;
 - where funding has been borrowed through the School Balances Loan Scheme or the Prudential Code to enable a project to begin in advance of the contribution being received. The receipt is used to repay borrowing;
 - where funding is available for a specific project, to be identified, within the area of the housing development to which the contribution relates.
- 4.2 The developer contributions received in the 2012/13 financial year are listed at Appendix 4 for information.

5 Capital programme summary 2013/14 to 2015/16

- 5.1 The total amount available to fund starts in 2013/14 is £91.060m. Table 3 in paragraph 2.5 illustrates how this sum is arrived at.
- 5.2 On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2015/16 is shown in Table 6.

Table 6 – Capital programmes 2013/14 to 2015/16

	Schemes within locally resourced guidelines	Schemes funded with developers contributions and capital receipts	Schemes supported by Government grants and borrowing	Total
	£m	£m	£m	£m
2013/14	0.090	19.035	71.935	91.060
2014/15	0.090	31.963	58.396	90.449
2015/16	0.090	40.770	33.729	74.589

- 5.3 The total value of the capital programmes submitted for consideration for the three years to 2015/16 is shown in Table 7. It should be noted that there are a number of planned developer contributions due in 2015/16 that will increase the resources shown in table 6. However, such resources are not brought into the programme until the related project is due to start.

Table 7 – Summary three year programme

	Children's Services £'m
2012/13 (current)	100.820
2013/14	91.060
2014/15	90.449
2015/16	74.589
Totals	256.098

6. 2014/15 to 2015/16 guidelines

- 6.1 As indicated above, it is possible to fund those schemes where starts need to be made in 2013/14. The indicative resources available in 2014/15 total £90.449m and are summarised in Table 8.

Table 8 – Resources for 2014/15

	2014/15
	£m
Basic Need	16.651
Capital Maintenance	8.585
Developers' contributions	25.113
Schools' Devolved Capital grant	3.408
Capital Receipt anticipated	6.850
Corporate Resources	0.090
Corporate Resources – Capital Investment Priorities	7.807
Resources carried forward from 2013/14	3.945
Resources carried forward from 2013/14	12.000
Resources brought forward from 2015/16	6.000
Totals	90.449

7 Amendments to the 2012/13 capital programme

Swanmore College of Technology

- 7.1 £4.3m has been added to Children's Services cash limit and capital programme for an all weather pitch with floodlighting and a grass rugby pitch at Swanmore College, funded in full from a capital receipt from the disposal of land at Swanmore.

Asset Management Plans

- 7.2 As part of the joint funded initiative between Children's Services and Property Services a second contribution of £0.100m has been agreed and resources transferred to Policy and Resources budget.

Talavera Junior, Aldershot

- 7.3 Talavera Junior have secured a grant of £0.100m towards a modular building project at the school. It is recommended that the project be added to the current capital programme and the grant be added to the cash limit.

Revised Capital Programme 2012/13

- 7.4 The revised capital programme 2012/13 resources position is shown for information at Appendix 5.

8 Action taken by the Director of Children's Services

8.1 Under delegated powers, and following consultation with the Executive Member for Children's Services, the action set out in Appendix 6 has been taken and it is recommended that these approvals are noted.

9 Recommendations

9.1 That the revised capital programme for 2013/14 to 2015/16 as set out in Table 4 be approved.

9.2 That the following variations to the 2012/13 capital programme be approved:

- £4.3m has been added to Children's Services for an all weather pitch with floodlighting and a grass rugby pitch at Swanmore College, funded in full from a capital receipt from the disposal of land at Swanmore.
- A second contribution of £0.100m has been agreed and resources transferred to Policy and Resources budget for the AMP jointly funded project
- It is recommended that the project at Talavera Junior, Aldershot be added to the current capital programme and the MOD grant of £0.100m be added to the cash limit.

9.3 That the projects proposed for the Joint Capital Maintenance Programme 2013/14 as listed in Appendix 1 be approved

9.4 That the Access Improvements in Schools (AIS) projects for 2013/14 as listed in Appendix 2 be approved.

9.5 That the Fire Precautions projects for 2013/14 as listed in Appendix 3 be approved.

9.6 The projects approved under delegated powers by the Director of Children's Services in Appendix 6 are noted.

9.7 That the strategy proposed for the use of the £1.652m early years grant for two years olds be agreed.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	Yes
Corporate Business plan link number (if appropriate):	
Maximising well-being:	Yes
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	Yes
Corporate Business plan link number (if appropriate):	

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Children's Services Capital Programme 2012/13 to 2014/15	3458	18 January 2012
Children's Services Capital Programme 2012/13 to 2014/15	3653	23 March 2012
Children's Services capital programme issues	3931	17 July 2012
Children's Services capital programme update	4332	6 December 2012
Children's Services Capital Programme 2013/14 to 2015/16	4367	23 January 2013
Direct links to specific legislation or Government Directives		
<u>Title</u>		<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

Equality and diversity objectives are not considered to be adversely affected by the proposals of this report.

2. Impact on Crime and Disorder:

Crime and disorder objectives are not considered to be adversely affected by the proposals of this report.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

When the Children's Services Capital Programme invests in new build, replacement or refurbishment works, Property Services colleagues include an assessment of reductions in energy consumption (carbon use) in the design. In all new buildings and in the majority of refurbishment type investments, the latest technologies and materials are specified in order to maximise the impact on reducing carbon consumption. Many projects are also able to employ passive design approaches including natural ventilation and improved insulation to actively reduce consumption in summer and winter conditions.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The proposals seek to provide compact and energy-efficient building envelopes. Any new build or extensions will meet current building regulations standards for thermal performance. Where possible, appropriate sustainable materials will be employed to reduce the environmental impact of the proposals.