

HAMPSHIRE COUNTY COUNCIL

Decision Report

| | |
|----------------------------|--|
| Decision Maker: | Executive Lead Member for Children's Services and Deputy Leader |
| Date of Decision: | 22 January 2014 |
| Decision Title: | Children's Services Capital Programme 2014/15 to 2016/17 |
| Decision Reference: | 5444 |
| Report From: | Director of Children's Services and Director of Corporate Resources – Corporate Services |

Contact name: Peter Colenutt

Tel: 01962 846157 **Email:** peter.colenutt@hants.gov.uk

1. Executive Summary

- 1.1 This report seeks approval for submission to the Leader and Cabinet of the proposed Children's Services capital programme for 2014/15 to 2016/17 and the revised capital programme for 2013/14. The proposals contained within this report represent a significant and exciting investment for Hampshire children that will not only help raise standards but also create many additional employment opportunities in delivering the programme.
- 1.2 The report has been prepared in consultation with the Executive Lead Member for Children's Services (ELMCS) and will be reviewed by the Children and Young People Select Committee on 22 January 2014. It will be reported to the Leader and Cabinet on 7 February 2014 to make final recommendations to County Council on 20 February 2014.
- 1.3 The Secretary of State announced details of individual local authority basic need capital allocations for 2013/14 and 2014/15, and Capital Maintenance Grant for 2013/14 on 1 March 2013. A further announcement on funding was made on 18 December 2013 providing basic need allocations for 2015/16 and 2016/17 and a one off capital grant to deliver universal free school meals for infant aged pupils. The report makes assumptions on other future grant allocations in respect of Capital Maintenance and Devolved Formula Capital (DFC) for the three years.
- 1.4 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. Background

- 2.1 Executive members have been asked to prepare proposals for:

a locally-resourced capital programme for the three-year period from 2014/15 to 2016/17 within the guidelines used for the current capital programme including the third year, 2016/17, at a similar level to 2014/15

a programme of capital schemes in 2014/15 to 2016/17 supported by Government grants as announced by the Government, subject to limits restricting the take up of Government supported borrowing approvals.

- 2.2 The medium term financial and efficiency strategy is closely linked to the Corporate Strategy and the Corporate Business Plan to ensure that priorities are affordable and provide value for money and that resources follow priorities.
- 2.3 The County Council’s capital programme has been maintained and expanded over recent years, continuing the trend of ensuring that the Council invests wisely in maintaining its existing assets and delivers a programme of new ones.

Locally resourced capital programme

- 2.4 The cash limit guidelines for the locally resourced capital programme for Children’s Services as set by Cabinet are shown in Table 1.
- 2.5 In addition the cash limit guidelines for the locally resourced capital programme for Children’s Services as part of the corporate capital investment priorities strategy approved by County Council on 23 February 2012 are also included in Table 1.

Table 1 - Locally resourced capital programme

| | Annual allocation | Capital Investment Priorities |
|-------------|--------------------------|--------------------------------------|
| Year | £m | £m |
| 2014/15 | 0.190 | 7.807 |
| 2015/16 | 0.190 | 11.085 |
| 2016/17 | 0.190 | - |

- 3. Finance – Capital programme supported by Government allocations**
- 3.1 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.
- 3.2 The Secretary of State has announced details of individual local authority capital allocations for 2015/16 and 2016/17 for basic need, but has yet to announce the capital allocations for Capital Maintenance and Devolved Formula Capital.
- 3.3 The focus of the current spending round continues along the lines of last years allocation by reducing the number of hypothecated grants, thus

allowing local authorities to determine their own local priorities, with a focus on basic need, capital maintenance and a reduced allocation for schools' devolved formula capital. The exception this year is the specific allocation in 2014/15 to deliver the free schools meals offer for all infant aged pupils.

3.4 The Children's Services capital programme is based on government capital grants, capital receipts, developers' contributions and local resources. The expected availability of government grants, together with capital receipts and developers' contributions, is set out in Table 4.

4. Proposed capital programme 2014/15 to 2016/17 – schemes supported by Government allocations

4.1 Table 2 sets out the capital allocations for basic need, together with the assumed level of funding for capital maintenance for the three years. These are all made as capital grant. Allocations for 2013/14 and the planning assumptions for 2014/15 included in the March 2013 capital programme report are included for comparison.

Table 2 – Allocation of capital grant to the County Council (excluding schools' devolved capital)

| Year | Basic Need New pupil places | Capital Maintenance | Totals |
|------------------------------|-----------------------------|---------------------|--------|
| | £m | £m | £m |
| 2013/14 (actual - see note) | 20.670 | 18.663 | 39.333 |
| 2014/15 (planned) | 16.651 | 18.663 | 35.314 |
| 2014/15 (CM assumed) | 24.084 | 18.663 | 42.747 |
| 2015/16 (CM assumed) | 31.566 | 18.663 | 50.229 |
| 2016/17 (CM assumed) | 33.145 | 18.663 | 51.808 |

Note: The basic need allocations in 2013/14 and 2014/15 include a two year allocation of £33.302m plus a one off additional allocation from DfE (Targeted Basic Need Grant) of £11.452m.

4.2 In line with the 2013/14 programme it is proposed that this funding continues to cover County Council capital investment priorities, such as Access Improvements in Schools (AIS) and Health and Safety. The overall allocation of Capital Maintenance funding is split between suitability (improvement) works 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 sufficiency/suitability issues is recommended as agreed by the 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.

4.3 Table 3 shows the split of capital maintenance grant between Policy and Resources and Children's Services for 2014/15, as well as the amounts assumed for 2015/16, and 2016/17.

Table 3 – Children’s Services share of capital grant

| Year | Total Basic Need Grant | Total Capital Maintenance (CM) Grant (assumed) | 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 |
| 2014/15 (actual) | 24.084 | 18.663 | 10.078 | 8.585 | 32.669 |
| 2015/16 (assumed) | 31.566 | 18.663 | 10.078 | 8.585 | 40.151 |
| 2016/17 (assumed) | 33.145 | 18.663 | 10.078 | 8.585 | 41.730 |

4.4 On the basis of the anticipated position outlined in Table 3, resources available for each of the three forward years to 2016/17 are as set out in Table 4. To address the need to fund a number of major primary projects in 2014/15 and 2015/16, the funding available for starts in 2013/14 has been reduced, and resources carried forward, to fund these projects.

Table 4 – Three year capital resources summary

| | 2014/15 (actual) | 2015/16 (assumed) | 2016/17 (assumed) | Total |
|---|------------------|-------------------|-------------------|----------------|
| | £m | £m | £m | £m |
| Basic Need - new pupil places | 24.084 | 31.566 | 33.145 | 88.795 |
| Universal Free School Meals Grant | 3.055 | 0 | 0 | 3.055 |
| Capital Maintenance | 8.585 | 8.585 | 8.585 | 25.755 |
| Schools’ Devolved Capital assumed | 3.411 | 3.411 | 3.411 | 10.233 |
| Developers’ contributions anticipated | 22.354 | 26.907 | 5.731 | 54.992 |
| Capital receipts anticipated | 1.785 | 2.500 | 3.600 | 7.885 |
| Corporate capital resources | 0.190 | 0.190 | 0.190 | 0.570 |
| Capital investment priorities | 7.807 | 11.085 | 0 | 18.892 |
| Carry forward 2013/14 to 2014/15 | 15.945 | 0 | 0 | 15.945 |
| Bring forward 2015/16 to 2014/15 | 6.000 | -6.000 | 0 | 0 |
| Carry forward resources to 2014/15 (table 12) | 11.515 | 0 | 0 | 11.515 |
| Carry forward resources to 2016/17 | -20.000 | 0 | 20.000 | 0 |
| Totals | 84.731 | 78.244 | 74.662 | 237.637 |

- 4.5 Resources totalling £11.515m are proposed to be carried forward to 2014/15, to help address the pressure on school places referred to in paragraph 5.3.
- 4.6 In addition, and in order to strategically manage the three year programme to deliver the planned new school places:
- £3.945m proposed to be carried forward from 2013/14 to 2014/15 as agreed in January 2011
- £12m proposed to be carried forward from 2013/14 to 2014/15; and
- £6m brought forward from 2015/16 to 2014/15, agreed in January 2013
- £20m proposed to be carried forward from 2014/15 to 2016/17

5. Three year capital allocations 2014/15 – 2016/17 – overview

- 5.1 The Secretary of State for Education has yet to announce details of individual local authority capital maintenance and Devolved Formula Capital allocations for 2014/15 and further years. There has been an announcement on basic need allocations for the three years from 2014/15 to 2016/17 as shown in Table 2.
- 5.2 The focus of capital investment continues as with the previous spending rounds to minimise the number of hypothecated grants, thus allowing local authorities to determine their own local priorities, with a focus on basic need and capital maintenance. The exception this year is capital funding for the initiative to provide free school meals for infant aged pupils from September 2014.

New pupil places

- 5.3 The School Places framework for 2012-16 was approved by ELMCS on 6 December 2012. The document refers to the fact that Hampshire, in keeping with the national picture, has experienced a significant rise in births over the past 10 years. This, together with housing development and in-migration in several parts of the county, has increased the pressure on primary school places, although this impact is not uniform across the county with its complex demography. A significant part of the current and planned future programme will need to provide for additional permanent and temporary modular accommodation.
- 5.4 In addition to allocations for new pupil places, significant developers' contributions will also be available in 2014/15 and 2015/16. However, the introduction of the Community Infrastructure Levy (CIL) makes this funding source even more uncertain than before as reported in section 7 of this report.
- 5.5 A key factor for schools when considering expansion are the infrastructure (ancillary spaces) requirements linked to the additional classrooms. Whilst the provision of new school places is a DfE capital issue, capital grants are likely to be limited. The County Council will therefore need to keep under review its plans and proposals to ensure a sufficiency of school places

within the combination of available Government Grants, Developers' Contributions and locally resourced capital funding.

- 5.6 Table 5 lists the potential school expansion projects through to 2016/17, these will not be exhaustive. A number of these projects are not fully funded through developer contributions and those that are will be subject to the potential changes through CIL. Developer contributions are dependant on housing completions which will continue to influence, the timing of the need for additional school places. Detailed discussions will continue to take place with district councils and developers to keep abreast of the situation.
- 5.7 Recognising the need to progress these schemes it is recommended that the Director of Culture, Communities and Business Services (CCBS) undertake costed feasibility studies for each of the projects. A more detailed cost appraisal will be brought to a future decision day once the financial position is known.
- 5.8 The Director of Children's Services and the Director of Culture, Communities and Business Services have been working closely together to ensure that good quality school buildings are still delivered but at a lower cost. Where possible, implementation costs will be reduced by focusing on efficiencies in design, procurement and delivery of new school buildings, extensions and refurbishment projects. Options are being considered for better design templates, more off-site and standardisation of building construction and aggregation savings through supply chain management and through continued development of our joint cluster working arrangements with neighbouring authorities. If resources are not sufficient, modular accommodation may need to be considered as an option.

Table 5 – Potential Basic Need projects 2014 – 2017

| Project | Extension/ new school | Expected start on site (subject to revision) |
|---|---|---|
| Aldershot Urban Extension | 3fe growth – new school | 2015/16 & 2016/17 |
| All Saints C of E Primary, Winchester | Permanent extension | 2014/15 |
| Barton Farm Primary, Winchester | 2fe growth – new school | 2015/16 |
| Boorley Green Primary | 2fe growth – new school | 2015/16 |
| Botley/Hedge End area primary places | 1fe primary provision | 2016/17 |
| Brookfield School, Sarisbury Green | 45 places | 2014/15 |
| Burnham Copse Primary, Tadley | 0.5fe extension | 2014/15 |
| Calthorpe Park Secondary, Fleet | Extension and modernisation project | 2014/15 |
| Castle Hill Junior – Rooksdown Primary | 2fe new school | 2014/15 |
| Church Crookham Junior, Fleet | adaptations to junior buildings | 2014/15 |
| Colden Common Primary | 2 class extension | 2014/15 |
| Fair Oak Area primary places | Additional places | 2015/16 |
| Four Marks Primary | 1 class extension | 2015/16 |
| Grange Junior, Gosport | 1 class extension | 2014/15 |
| Great Binfields Primary, Basingstoke | 1fe growth | 2015/16 |
| Herne Junior, Petersfield | 1 class extension | 2014/15 |
| Hook Infant & Junior | 1fe extension | 2015/16 |
| Liphook Primary places | 1fe primary provision | 2016/17 |
| Merton Infant & Junior, Basingstoke | 1fe extension | 2014/15 |
| Norwood Primary, Eastleigh | 1fe extension | 2014/15 |
| Nursling C of E Primary | 4 class extension | 2015/16 |
| Oakwood Infant & Greenfields Junior, Hartley Wintney | 1fe extension | 2015/16 |
| Pilgrim's Cross CE VA Primary, Andover, Phase II | 0.5fe extension | 2014/15 |
| Popley primary places, Basingstoke | 1fe extension | 2015/16 |
| Riders Infant & Junior, Havant | 1fe extension | 2014/15 |
| South Farnborough Junior | 1fe extension | 2014/15 |
| Sun Hill Infant, Alresford | 0.5fe extension | 2016/17 |
| Tower Hill Primary, Cove | 1fe growth | 2015/16 |
| Vigo Infant & Junior, Andover | 1fe extension | 2014/15 |
| Wellington Primary, Aldershot | Amalgamation of Infant and Junior schools | 2014/15 |
| Wellstead Primary, Hedge End | 1fe extension | 2014/15 |
| West of Waterlooville Primary - Southern | 2fe growth – new school | 2016/17 |
| Whitchurch Primary | 0.5fe extension | 2015/16 |
| Whiteley Primary – North phase 1 | 3fe growth – new school | 2016/17 |

- 5.9 A large proportion of the new primary schools and extensions are planned to be funded with significant developers' contributions. Any shortfall in funding will need to be found from other capital programme resources or, if resources are not available through provision of modular accommodation.
- 5.10 The cost of this new school provision and associated school accommodation infrastructure, is high proportionate to that of other types of capital work and will place a significant strain on available funding.

6. Other formulaic allocations

- 6.1 In addition to the funding for new pupil places, formula allocations for capital maintenance and schools' devolved capital have yet to be confirmed by the DfE. However, working on the assumptions made in Table 3 it is proposed to allocate the capital maintenance grant to strategic priorities.
- 6.2 A joint approach to capital maintenance expenditure across the schools estate was approved by ELMCS on 28 September 2011 and Executive Member for Policy and Resources on 27 October 2011. The strategy has been based on the assumption that future grant allocation beyond 2014/15 will be at similar levels in future years. On this basis, and with the scale of funding potentially available, the opportunity exists to strategically plan major condition priorities through to 2016/17, recognising the need to adjust as necessary to any emerging pressures or changes in direction from central government. The strategic priorities are listed below:
- Major maintenance of Children's Services buildings (through Policy and Resources);
 - Improvements and modernisation of school facilities;
 - Improvements and modernisation of Special Education Needs (SEN) accommodation and other Children's Services establishments;

These proposed allocations are listed in Table 6, which also highlights major projects, which are set out in more detail in paragraphs 6.6 – 6.16.

Table 6 – Proposed allocations for three year programme

| | 2014/15 (Assumed) | 2015/16 (Assumed) | 2016/17 (Assumed) | Totals |
|--|------------------------------|------------------------------|------------------------------|----------------|
| | £m | £m | £m | £m |
| New schools and extensions | 48.547 | 44.862 | 49.100 | 142.509 |
| New Modular Classrooms | 2.000 | 2.000 | 2.000 | 6.000 |
| Other special school and SEN improvements | 1.000 | 1.000 | 1.000 | 3.000 |
| Secondary school improvements | 1.000 | 1.000 | 1.000 | 3.000 |
| Other improvement projects | 1.000 | 1.000 | 1.000 | 3.000 |
| 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 |
| Area inclusion projects | 4.578 | 4.000 | 0 | 8.578 |
| Children's Homes projects | 2.750 | 0 | 0 | 2.750 |
| Social care projects | 0.100 | 0.100 | 0.100 | 0.300 |
| Asset Upgrade and Replacement | 1.402 | 0 | 0 | 1.402 |
| Kitchen & Dining Facilities | 3.055 | 0 | 0 | 3.055 |
| Solar Panels in Schools | 0.300 | 0 | 0 | 0.300 |
| Health and Safety | 0.400 | 0.400 | 0.400 | 1.200 |
| Schools' devolved formula capital | 3.411 | 3.411 | 3.411 | 10.233 |
| Furniture and equipment and ICT | 0.750 | 0.750 | 0.750 | 2.250 |
| Development costs | 0.180 | 0.100 | 0.100 | 0.380 |
| Contingency | 5.173 | 10.536 | 6.716 | 22.425 |
| Totals | 84.731 | 78.244 | 74.662 | 237.637 |

Capital Maintenance

- 6.3 The total assumed allocation in 2014/15 for capital maintenance is £18.663m (£8.585m for Children's Services). Recognising that part of the 2014/15 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. As referred to in paragraph 6.2 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 projects will be reported at a future meeting.

Building condition capital maintenance

- 6.4 Building condition projects, e.g. recladding, roof replacements and mechanical and electrical services in schools are managed by Policy and Resources. As outlined in paragraph 4.2, it is recommended that 54% of the capital maintenance allocation is managed by Policy and Resources to fund major building condition work in schools. Projects will be prioritised jointly with officers from Children's Services, to ensure a strategic and cost effective approach to investment.

School improvements and modernisation

- 6.5 Three year funding allocations are proposed for school improvement and modernisation projects. Projects for consideration against this funding will be brought to a future Decision Day.

Energy Performance Project - Photovoltaic (PV) in Schools

- 6.6 Solar PV constitutes the largest proportion of the County Council's renewable energy technologies and the business case has been revisited and updated to reflect the reduction in installation cost, the new Feed in Tariffs (FiT) and cost of electricity. Initial results from the financial model have indicated an improved payback compared to the previous programme can be achieved with a return on investment varying from 3.5% to 7.8%.
- 6.7 To date 20 systems have been installed in schools through a number of vehicles, including direct grants from industry, the ECO schools network and school self funded schemes.
- 6.8 As part of the Capital Investment Programme, it is proposed to pilot a scheme to invest £0.300m over the next two financial years to install around a dozen solar PV arrays onto school extension projects and the new Children's Homes schemes. This pilot will seek to build on the existing schools programme. A financial model will be developed that will show how both schools and the County Council will benefit from this capital investment, with the revenue generated by the arrays used to continue the programme of investment. Individual schools will benefit from a reduction in their energy bills, lower carbon tax and the opportunity to demonstrate renewable technologies in their learning.
- 6.9 It is recommended that a one off provision of £0.300m (including fees) is made in the 2014/15 capital programme. Further investment will be subject

to a future report to the Elected Lead Member for Children's Services on outcomes from the pilot scheme.

Universal Free School Meals for infant pupils

- 6.10 The Autumn Statement by the Chancellor confirmed £150 million of capital funding to increase the capacity of school kitchens and dining facilities in order to offer every infant pupil a free nutritious school meal at lunchtime. Funding of £3.055m has been announced for capital works to Hampshire schools in 2014/15 to support this initiative.
- 6.11 A list of priority projects for investment in equipment and minor works will be reported at a future Decision Day.

Other improvement and modernisation projects

Access improvements in schools

- 6.12 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 proposed, therefore, that £0.5m is included in each year's capital programme to finance access improvement projects in schools.

Improvements and modernisation of SEN accommodation

- 6.13 It is proposed that £1m is allocated in 2014/15, 2015/16 and 2016/17 capital programme for special school improvement projects recognising the rise in births and the likelihood of the need for increased provision. A strategy to determine the most appropriate location for this new provision is being developed.
- 6.14 As reported to ELMCS on 24 October 2013 two projects are being progressed at Lakeside Special School in Chandler's Ford and Wolverdene Special School in Andover funded from the 2014/15 programme.

Area inclusion projects

- 6.15 For several years provision has been made for a rolling programme of capital improvements to Hampshire's Education Centres. Projects have been completed in Andover, Eastleigh, Gosport and Havant and a scheme is due to start in the summer to replace the modular accommodation at the Forest Education Centre, New Forest.
- 6.16 The next highest priority for replacement is the Linden Education Centre in Farnborough. It is proposed to allocate an indicative sum of £4m in 2015/16 programme for this scheme. A detailed costed feasibility study will be undertaken by the Director of CCBS and be brought to a future Decision Day.

Strategic Review of Children's Homes

- 6.17 A strategy for the relocation and replacement of Hampshire's children's homes has been agreed. The aim of the strategy is to ensure that the homes offer a suitable location and home environment for the small group

of Children Looked After for who foster care or other provision is not suitable. The group is small in number but their needs are great and the unit cost of service is very high. The retention of a viable internal service is critical to avoid dependency on a much more expensive and volatile external market. Some of the homes are poorly located for the communities from which these children come.

- 6.18 It is planned that six new/replacement homes will be provided across the county for which a detailed design layout has been agreed with service managers and young people. Early cost information indicates that the cost of the six new homes will be in order of £5.5m with the potential of capital receipts totalling around £2.6m. Funding has been identified within the 2013/14 and 2014/15 programmes for this strategy for which detailed scheme designs will be brought to a future Decision Day.

Foster Care

- 6.19 Provision of £0.1m each year is proposed within the programme to fund adaptations to foster carers' properties.

Schools' devolved formula capital

- 6.20 Government grant allocations for schools' devolved formula allocations were substantially reduced in April 2011. The assumption is that the allocation for 2014/15 will remain at the 2013/14 level and exclude Academies. The allocation per school will be allocated according to the DfE formula set out in Table 7 and is intended to fund high priority projects identified through schools' Asset Management Plans.

Table 7 – Schools' Devolved Formula Capital allocation

| 2014/15 Formula (assumed) | 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 |

- 6.21 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.

7. Developers' contributions

- 7.1 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 2013. 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.

- 7.2 The introduction of the Community Infrastructure Levy (CIL) Regulations could have a major financial implication for the County Council. CIL will restrict the County Council's ability to directly secure infrastructure contributions from new developments. Only the district and unitary authorities are designated as 'charging authorities' and so will be permitted to implement a CIL and, as of April 2015, the regulations require that the use of agreements under section 106 of the Town and Country Planning Act be scaled back to prevent contributions being secured towards infrastructure in addition to CIL and to limit pooling of contributions. Although Section 106 agreements will continue alongside CIL they will be on a much stricter and limited basis and be directly related to the site specific and local infrastructure necessary to serve developments themselves. In many cases, therefore, the County Council will have to rely on the local planning authorities willingness to pass over CIL monies they have collected in order to deliver the wider infrastructure that is necessary to meet the needs of individual developments and wider planned growth.
- 7.3 There is a significant risk that the current levels of funding raised through Section 106 Agreements for the provision of additional school places will not be achieved through CIL. Where larger sites would usually be expected to provide land and funding for the construction of a new school, the land value would be included in the CIL calculation which means that the County Council may have a significant funding gap to bridge. The implications on education contributions from CIL are yet to be fully understood. The worst case scenario is that CIL will offer much more limited amounts of developer contributions for educational provision.
- 7.4 Officers from the County Council meet with the District Planning Officers on a regular and structured basis to ensure a collective understanding of the school places strategy for individual areas and need for developer contributions to meet the cost of the additional school provision.

8. Capital programme summary 2014/15 to 2016/17

- 8.1 The total amount available to fund starts in 2014/15 is £84.731m. Table 4 in paragraph 4.4 illustrates how this sum is arrived at.

- 8.2 On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2016/17 is shown in Table 8.

Table 8 – Capital programmes 2014/15 to 2016/17

| | 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 |
| 2014/15 | 0.190 | 24.139 | 60.402 | 84.731 |
| 2015/16 | 0.190 | 29.407 | 48.647 | 78.244 |
| 2016/17 | 0.190 | 9.331 | 65.141 | 74.662 |

- 8.3 The proposed three year capital programme is attached as Appendix 1. The total value of the capital programmes submitted for consideration for the three years to 2016/17 is shown in Table 9. It should be noted that there are a number of planned developer contributions due in 2016/17 that will increase the resources shown in table 8. However, such resources are not brought into the programme until the related project is due to start.

Table 9 – Summary three year programme to be updated

| | Children's Services £'m |
|--------------------------|------------------------------------|
| 2013/14 (current) | 106.132 |
| 2014/15 | 84.731 |
| 2015/16 | 78.244 |
| 2016/17 | 74.662 |
| Totals | 237.637 |

9. 2015/16 to 2016/17 programmes

- 9.1 As indicated above, it is possible to fund those schemes where starts need to be made in 2014/15. The indicative resources available in 2015/16 total £78.244m and are summarised in Table 10. This table assumes that the split between suitability and condition funding is the same in 2015/16 as in 2014/15.

Table 10 – Resources for 2015/16

| | 2015/16 £m |
|---------------------------|-----------------------|
| Basic Need | 31.566 |
| Capital Maintenance | 8.585 |
| Developers' contributions | 26.907 |

| | |
|---|---------------|
| Schools' Devolved Capital grant | 3.411 |
| Capital Receipt anticipated | 2.500 |
| Corporate Resources | 0.190 |
| Corporate Resources – Capital Investment Priorities | 11.085 |
| Resources carried forward to 2014/15 | -6.000 |
| Totals | 78.244 |

10. Pressures on the capital programme

- 10.1 There are sufficient resources available to fund all the schemes which need to be started in 2014/15. It is proposed that the position for 2016/17 is managed by moving resources from 2014/15 to 2016/17. The position for the following years will be dependent on future resources.
- 10.2 As indicated in paragraphs 5.3 to 5.8, there will be a significant on-going expenditure on projects to provide new pupil places in 2014/15 and 2015/16 and this is likely to continue in the primary sector until at least 2017/18. Whilst the funding position for 2016/17 indicates a surplus of resources, this funding will only meet part of the future basic need requirement, due to the challenges surrounding CIL and the need to expand secondary schools as the growth in pupil numbers moves into the secondary sector.
- 10.3 The estimated cost of the new primary and secondary school places where starts are likely to be required in 2014/15, 2015/16 and 2016/17 is £149m. Due to the insufficiency of government grant and developer contributions there has been a need to support the programme with local resources.
- 10.4 The national economy is now beginning to emerge from recession. The construction industry's limited capacity to meet increases in demand for new work will lead to inflationary pressure as national infrastructure and building projects increase in volume. This is covered in more detail in Section 12 and will add a further strain to the programme.

11. Good quality school buildings at a lower cost

- 11.1 This report has set out the continuing major investment planned in school buildings across Hampshire with a particular emphasis on the need to provide additional places. It is essential that the County Council recognises the context for the public sector and the need to maximise value for the resources available. The Director of Children's Services and the Director of Culture, Communities and Business Services have been working closely together to ensure that good quality school buildings are still delivered but at a lower cost.
- 11.2 There are a number of key contextual issues to respond to:

- Central Government expectations and targets are seeking reduced costs – a 30% reduction has been set as part of the Government Construction Strategy.
 - Grant funding from the DfE to the County Council is based on these targets – officers have concerns that reductions of this magnitude could have a negative affect on the space and quality of buildings.
 - Future Developers' contributions to infrastructure will be lower as a result of the introduction of CIL.
- 11.3 The County Council has a local and national reputation for the quality of its school buildings and our aim must be to maintain high standards but recognise the need to work within the current financial climate ensuring that:
- There is appropriate and sufficient space to accommodate learning and provide flexibility.
 - Robust and good quality materials are used to ensure low maintenance and longevity.
 - There is a focus on value for money and that early judgements on projects are the right ones.
- 11.4 Lower cost schools are now being delivered and further work is on-going to maximise value. The County Council needs to be mindful of:
- All new schools will be Academies – the County Council will not be responsible for maintenance unless they buy into the Property Services Service Level Agreement arrangements.
 - All children in Hampshire schools will be provided with an inspiring and good quality environment.
 - Consultation with existing schools will be to a high standard and expectations will be managed carefully.
- 11.5 In response to the current challenge, the Directors of Children's Services and Culture, Communities and Business Services have developed the following strategy:
- Build on the years of design experience to reduce floor area without a significant impact on space and flexibility – around 5% - 10% is deliverable.
 - Economic and simple school plans (including some two storey options where appropriate) to maximise efficiency.
 - Common design and specification across the programme of work.
 - Economies of scale through contracting projects across a number of authorities – working with Surrey County Council, Reading Borough Council and West Sussex County Council.
 - Supply chain management through involvement of contractors and sub-contractors during the detailed design stage.

- Designing a ‘core’ landscape and external works element which can be developed over time by the school as further funding becomes available (this is not possible with the building as it cannot be added to over time).
 - Robust negotiations with developers to continue to maximise funding contributions.
 - Regional and national benchmarking with other local authorities to compare building costs, ensure we are getting best value and share expertise and learning.
- 11.6 Good quality new buildings and extensions will have a number of long term benefits. The emphasis will continue to be on robust, low maintenance solutions which will last (even though the overall cost will be lower than previous school buildings). Compared to much of the historic estate, the new buildings will be more energy efficient and will cost less to run than previous generations. This will all add to improved efficiency as the schools’ estate is regenerated over time.
- 11.7 As this strategy further develops, good evidence is being gathered of the progress being made to achieve our aims and this can be demonstrated by:
- Sensible reductions in floor area of up to 9% by efficient design.
 - Building net cost reductions of up to 17% while still maintaining appropriate quality.
 - Cost per pupil place reductions of up to 30% using the strategic strategies set out in paragraph 11.5 above.
- 11.8 Officers will continue to develop and refine this approach in order to assess the point at which no further economies can be gained without having an unsatisfactory impact on space and quality. It should be noted that the recent Targeted Basic Need Programme (TBNP) from the DfE allocated grant on, arguably, an unsustainably low basis and County Council officers and Members are lobbying the Education Funding Agency (EFA) and Ministers directly on this. It is important to ensure that we have strong evidence and benchmark information to argue our case for a sensible minimum level of funding.
- 11.9 The majority of projects in the current programme relate to primary schools. However, as this demand progresses to secondary schools there is a need to prepare a similar strategic approach. The secondary sector, by its nature, will be more complex in terms of planning, infrastructure and specialist accommodation. A future report will be brought to Members explaining our intended approach.

12. Emerging construction inflation and resource capacity issues

- 12.1 The national economy is now beginning to emerge from recession. The construction industry’s limited capacity to meet increases in demand for

new work will lead to inflationary pressure as national infrastructure and building projects increase in volume. The start of the recovery in the housing market across the country and, in particular in the South East, will add to these pressures.

- 12.2 There is already evidence that, following the worst recession in a generation for the construction industry, skills and capacity are stretched. The Chartered Institute of Purchasing and Supply (CIPS) monthly survey registered an index of 62.6 in November, up sharply from 59.4 in October (above the 50.0 no change mark). The industry hit a low of below 30 in January 2009 and is currently experiencing the fastest growth rate for more than six years. In addition, the Construction Industry Training Board recently published data that 42% of contractors (from a sample of 300) were having difficulty in recruiting. Anecdotal evidence is also emerging of longer delivery times for basic materials like bricks and blocks. The County Council, therefore, needs to ensure it is securing sufficient capacity with contractors and suppliers and work is currently on-going to address this.
- 12.3 With specific reference to building cost inflation, the Department for Business Innovation and Skills (BIS) has published information to indicate that during 2012 there was some recovery in tender prices with increases varying between 0% and 2% above 2011. This data also shows that the recovery has continued into 2013 with a predicted rise of around 2%. Looking forward, BIS is forecasting that tender prices will rise strongly in 2014 by around 3.5%. These figures are currently provisional and firm outcomes will not be known until later this year.
- 12.4 As referred to above, the Director of CCBS will continue to develop innovative procurement strategies that reduce risk and uncertainties for the contractors. Through a continuing use of local and regional framework arrangements, the County Council will be able to secure resources through our engagement with major and medium sized construction companies.
- 12.5 In response to the above, the Director of CCBS is currently developing the following:
- Increase the number of contractors on our framework arrangements by procuring an additional mid-range framework for projects between £1 million and £3 million. This approach will be recommended for approval to the Executive Member Policy and Resources in January 2014.
 - On-going dialogue with contractors at Director level to indicate the future volume of work and develop a local and regional pipeline to encourage contractors to invest in management resources before delivery is required.
 - Manage the supply chain and secure future production slots for materials using the two-stage tender process.
 - Regularly update building cost data to ensure we are on top of local and national trends.

- 12.6 The County Council's leadership and involvement in the Property Services Cluster (with Authorities referred to earlier), the sharing of data and the development of a suite of framework arrangements with South East 7 Partners and the knowledge and skills of the County Council's in-house team stands us in good stead to respond to the current market challenges.

13. Revenue Implications

- 13.1 The revenue implications of the proposed capital programme are shown in Table 11.

Table 11 – Revenue implications of capital programme

| Schemes within the guidelines | Full Year Cost | |
|-------------------------------|---------------------------|-----------------------|
| | Current expenditure £m | Capital Charges £m |
| 2014/15 | 0.110 | 1.511 |
| 2015/16 | 0.330 | 1.405 |
| 2016/17 | 0.110 | 1.343 |
| Totals | 0.550 | 4.259 |

- 13.2 The total revenue implications for the three years of the starts programme, including capital charges, represent a real term increase of 0.5% over the 2013/14 original budget of this service.

14. Amendments to the 2013/14 capital programme

Early Education Funding for Two Year Olds from Lower Income Households

- 14.1 The Department for Education announced capital funding in 2012/13 of £100 million to support the implementation of early education for two year olds from lower income households.

- 14.2 Hampshire's share of this grant is £1.652m (plus £600k revenue to capital transfer) and most projects that were approved in October are being progressed. A further report identifying any proposed changes to the agreed strategy will be brought to the March 2014 Decision Day.

Westgate School, Winchester

- 14.3 The scheme to provide new primary and nursery provision at The Westgate School is progressing well although there have been a number of factors that have increased the planned out-turn cost of the project.

- 14.4 The programme for the relocation of the existing nursery was compressed and completed in October 2013 to avoid the revenue cost of providing a modular nursery. This along with refinements to the brief has resulted in additional capital costs to the project. Further, following changes to the County Council's parking guidance in 2013 and changes by the DfE to Section 77 requirements, an additional 40 staff car parking places and a

synthetic turf pitch (STP) will be added to the project. The local area highways requirements have also been refined in conjunction with local residents which will require the construction of a new layby on Chilbolton Avenue plus pathway adjustments on Cheriton Road.

- 14.5 These factors, together with inflationary pressures in the construction market have increased the planned out-turn cost of the project by £1.2m. However, the new build costs still represent good value with the net cost of approximately £1,780/m².
- 14.6 Therefore, it is recommended that additional resources of £1.2m (including fees) are identified from the 2013/14 programme to meet the additional cost of these works.

Stubbington Study Centre

- 14.7 A funding contribution from the Study Centre's own resources of £0.475m was agreed and these resources are now being collected and added into the programme.
- 14.8 It is recommended that the additional resources of £0.475m are added to the 2013/14 programme.

Children's Services & Schools IT Programme

- 14.9 The Children's Services IT programme now known as TITCH (Transformation IT for Children in Hampshire) is now being partly funded from the capital programme in 2013/14.
- 14.10 The proposed outcome of the remodelling of the CS IT programme is for the project to be added to the 2013/14 capital programme with a starts value of £1.07m. The funding sources are £0.5m capital programme and £0.57m revenue cost of change reserve.
- 14.11 It is recommended that the TITCH project is added to the 2013/14 capital programme.

Resources for the 2013/14 programme

- 14.12 The revised capital programme for 2013/14 reflecting the adjustments made in the year is shown at Appendix 2. This lists all the schemes in the current programme together with a reconciliation of resources.

Resources and projects proposed to be carried forward to 2014/15

- 14.13 It will not be possible to start the schemes listed in Table 12 during 2013/14. In many cases this is due to the need to obtain the necessary statutory approvals and sometimes as a result of changes in the scope, brief or programming of projects. Therefore, it is proposed to defer these projects, with their resources, to 2014/15.

Table 12 – Resources and projects to be carried forward from 2013/14 to 2014/15

| Project | Cost of Projects & Resources carried forward |
|---------------------------------------|--|
| Named projects | £m |
| All Saints C of E Primary, Winchester | 1.500 |
| Asset Upgrade & Replacement | 1.402 |
| Church Crookham Junior, Fleet | 0.835 |
| Forest Education Centre | 4.578 |
| Locks Heath Infant & Junior | 3.200 |
| Total carry forward | 11.515 |

- 14.14 It is proposed to carry forward resources of £11.515m as shown in Table 4 and Table 12.
- 14.15 Updates relating to individual projects proposed to be carried forward are set out in the following paragraphs.

2013/14 Carry Forward Schemes - Basic Need Projects

All Saints C of E Primary, Winchester

- 14.16 As part of the Winchester primary places strategy, funding of £1.5m (including fees) has been identified within the programme to improve the accommodation at this school and allow for the removal of the modular classroom. This project is due to start in August 2014 and complete for September 2015. A public notice was published and approved on 3 January 2014 to expand this school by 1fe (form of entry).
- 14.17 A detailed costed project appraisal for this scheme will be brought to a future Decision Day.

Church Crookham Junior School, Fleet.

- 14.18 This project was reported to the ELMCS on 24 October 2013 at a cost of £0.835m (including fees). The scheme is due to start in July 2014 and complete for December 2014.
- 14.19 A detailed costed project appraisal for this scheme will be brought to a future Decision Day.

2013/14 carry forward schemes – Other Projects

Locks Heath Infant School and Locks Heath Junior School

- 14.20 This project was reported to the ELMCS on 24 October 2013 at a value of £3.2m (including fees). The scheme is due to start in the summer term 2014.
- 14.21 A detailed costed project appraisal for this scheme will be brought to a future Decision Day.

Forest Education Centre, Dibden Purlieu

14.22 Additional resources were approved for this scheme by ELMCS on 24 October 2013 to a total of £4.578m (including fees). The scheme is due to start in the August 2014 and complete for July 2015.

14.23 A detailed costed project appraisal for this scheme will be brought to a future Decision Day.

Asset Upgrade and replacement

14.24 A priority project for consideration against this funding will be brought to a future decision day.

15. 2014/15 capital programme – Basic Need Projects

Burnham Copse Primary School, Tadley – Significant Enlargement

15.1 This project was reported to the ELMCS on 24 October 2013 as part of the TBNP funding secured for Hampshire to provide additional places at this school. A public notice was published on 3 January 2014 to expand this school by 0.5fe.

15.2 The project is due to start on site in November 2014 and complete for August 2015. A detailed costed project appraisal for the scheme will be brought to a future Decision Day.

Colden Common Primary School

15.3 Funding of £0.829m (including fees) is contained within the 2014/15 programme for a two class extension. The project is due to start on site in January 2015 and complete for July 2015.

15.4 A detailed costed project appraisal for the scheme will be brought to a future Decision Day.

Merton Infant School and Merton Junior School, Basingstoke

15.5 As part of the growth in pupil numbers in Basingstoke it is planned to increase the size of Merton Infant School and Merton Junior School by 1fe (210 places). This expansion is linked to the additional housing where construction is shortly to commence at the Merton Rise development. The initial feasibility study indicates that £4.1m (including fees) will be required to provide both schools with the additional teaching space and associated resource areas. Developer's contributions of £3.95m are anticipated to be achieved over the lifetime of the development.

15.6 A detailed costed feasibility study outlining the scheme will be brought to a future Decision Day.

Norwood Primary School, Eastleigh

15.7 As a result of the pressure on school places in the Eastleigh Town area negotiations are currently underway with a view to increasing the size of Norwood Primary School by 1fe. It is proposed to bring back into school use the space currently used by the Chamberlayne Children's Centre.

- 15.8 Detailed negotiations are currently taking place with the Children's Centre and Chamberlayne Pre-School to find other appropriate accommodation. At this early stage, it is estimated that budget provision of £0.35m (including fees) be made available from the 2014/15 programme to support this project. Once detailed costings are known, a further report will be brought to a future Decision Day.

Pilgrims Cross CE (VA) Primary School, Andover

- 15.9 The original strategy to provide additional school places for the Picket Twenty development identified the future need to expand this school by 0.5fe. The scheme was reported to the ELMCS on 24 October 2013 as part of the TBNP funding secured for Hampshire at a cost of £1.25m (including fees). A public notice was published on 3 January 2014 proposing to expand this school by 0.5fe.
- 15.10 The project is due to start on site in October 2014 and complete for July 2015. A detailed costed project appraisal for this scheme will be brought to a future Decision Day.

Riders Infant School and Riders Junior School, Havant

- 15.11 As a result of an increase in pupil number in the Leigh Park area, public notices were published on 3 January 2014 to expand these schools by 1fe. The project is due to start in October 2014 and complete for September 2015.
- 15.12 Funding of £2m (including fees) has been identified within the 2014/15 programme and a detailed costed project appraisal will be brought to a future Decision Day.

Rooksdown Primary (Castle Hill Junior), Basingstoke

- 15.13 The public notice to expand the lower age range of Castle Hill Junior was approved on 23 December 2013 to provide additional school places to serve the Park Prewett development. This followed a consultation on the creation of new primary provision at Rooksdown and who should run the new school.
- 15.14 Funding of £6.9m (including fees) is contained within the 2014/15 programme for a new 1fe expandable to 2fe primary building to be managed by Castle Hill Junior. The scheme is due to start in July 2014 and completed in July 2015.
- 15.15 A detailed project appraisal for the scheme will be brought to a future Decision Day.

South Farnborough Junior School, Farnborough

- 15.16 Public Notices were approved on 13 December 2012 for the expansion of this school by 1fe. Funding of £1.6m (including fees) is contained within the 2014/15 programme with the scheme due to start on site in October 2014 and complete in September 2015.
- 15.17 A detailed costed project appraisal for the scheme will be brought to a future Decision Day.

Vigo Infant School and Vigo Junior School, Andover

- 15.18 As a result of the increase in pupil numbers from the catchment area and planned Picket Piece Development, it is planned that Vigo Infant School and Vigo Junior School be expanded by 1fe (210 places). The project for a 1fe extension is estimated to cost £2.5m (including fees).
- 15.19 A detailed costed project appraisal outlining the scheme will be brought to a future Decision Day.
- 15.20 It is anticipated that the project will start on site in September 2014 and complete in July 2015.

Wellington Primary School, Aldershot

- 15.21 As a result of the amalgamation of West End Infant School and Beaumont Junior School, the decision was taken to establish the new primary school on the Beaumont Junior School site.
- 15.22 Funding of £2.5m (including fees) is contained within the 2014 /15 programme. The scheme is due to start in November 2014 and complete for September 2015. A detailed project appraisal for the scheme will be brought to a future Decision Day.

Wellstead Primary School

- 15.23 This project was reported to the ELMCS on 24 October 2013 as part of the TBNP funding secured for Hampshire. The project for a 1fe extension is estimated to cost £4.1m (including fees).
- 15.24 The project is due to start on site in October 2014 and complete for July 2015. A detailed costed project appraisal for this scheme will be brought to a future Decision Day.

Other Basic Need Projects

- 15.25 There are a number of schools where there is an opportunity to make internal adaptations to achieve the provision of extra places as a result of pupil growth. In these cases the works are on a smaller scale and can be approved under delegated powers.

16. 2015/16 Capital Projects

Aldershot Urban Extension (AUE)

- 16.1 The planned AUE development is for up to 3,850 dwellings and is likely to require an additional 5fe of primary provision, to be built in two phases. The first phase is required for September 2016 and will be designed initially as 2fe school with the infrastructure for 3fe, the second school being 2fe. The current feasibility study also includes for Social and Communication Difficulty resourced provision to meet an identified need in the local area. A detailed project appraisal will be brought to a future Decision Day. Developer's contributions have been secured to fund the cost of this provision.

- 16.2 A detailed costed project appraisal for this scheme will be brought to a future Decision Day. The project is planned to start in the 2015/16 financial year.

Barton Farm Primary School, Winchester

- 16.3 A new 2fe primary school is proposed to serve the development at Barton Farm, Winchester.
- 16.4 It is recommended that the above scheme be incorporated into the 2015/16 capital programme at an estimated cost of £6.9m (including fees) with a detailed report brought to a future Decision Day.

Boorley Green, near Hedge End

- 16.5 A scheme is being developed for a new 2fe primary school to serve the Boorley Green area.
- 16.6 It is recommended that the above scheme be incorporated into the 2015/16 capital programme at estimated cost of £6.9m (including fees) with a detailed report brought to a future Decision Day.

Great Binfields Primary School, Basingstoke

- 16.7 As a result of the planned pressure on school places, a 1fe expansion is planned at this school to accommodate the forecast rise in pupil numbers from the local area.
- 16.8 It is recommended that the above scheme be incorporated into the 2015/16 capital programme at an estimated cost of £3.6m (including fees) with a detailed report brought to a future Decision Day.

Hook Infant School and Hook Junior School

- 16.9 As a result of the planned pressure on school places, a 1fe expansion is planned at these schools to accommodate the forecast rise in pupil numbers from the local area.
- 16.10 It is recommended that the above scheme be incorporated into the 2015/16 capital programme at an estimated cost of £3.6m (including fees) with a detailed report brought to a future Decision Day.

Oakwood Infant School and Greenfields Junior School, Hartley Wintney

- 16.11 As a result of the planned pressure on school places, a 1fe expansion is planned at these schools to accommodate the forecast rise in pupil numbers from the local area.
- 16.12 It is recommended that the above scheme be incorporated into the 2015/16 capital programme at an estimated cost of £4.3m (including fees) with a detailed report brought to a future Decision Day.

Tower Hill Primary School, Cove

- 16.13 As a result of the planned pressure on school places, a 1fe expansion is planned at this school to accommodate the forecast rise in pupil numbers from the local area.

- 16.14 It is recommended that the above scheme be incorporated into the 2015/16 capital programme at an estimated cost of £3.6m (including fees) with a detailed report brought to a future Decision Day.

Whitchurch Primary School, Basingstoke

- 16.15 A scheme is being developed for a 0.5 form entry expansion as a result of pupil growth in the area.
- 16.16 It is recommended that the above scheme be incorporated into the 2015/16 capital programme at an estimated cost of £1.6m (including fees) with a detailed report brought to a future Decision Day.

17. Modular Classrooms

- 17.1 Longer term funding uncertainties and the wider economic climate create the need for a strategy to be devised to include the consideration of the use of modular classrooms. For some schools, modular classrooms may be the only expansion solution, whilst for those experiencing a more significant growth in pupil numbers may find a mixture of both permanent and modular accommodation will have to be considered. A key issue for head teachers and governors alike is the infrastructure requirements of expanding a school, i.e. not just the extra classroom provision. There will be cases where some schools will grow significantly, placing a real pressure on the existing school infrastructure, such areas as the school hall, staffroom, circulation space and external areas. The amount of available capital will determine the amount of infrastructure work that can be undertaken but it needs to be recognised that such works are often regarded as critical to the head teacher and governing body when discussing increasing the size of schools.
- 17.2 The current modular classroom is a much higher quality building than those of the past, meeting the most recent building regulations. The strategy proposes using such buildings for the short term (less than 8 years) and where modular classrooms can supplement a new or large school capital project such as a one form entry school that requires a 0.5 form entry extension. In such a case the school infrastructure will be in permanent build, with the modular accommodation having a relatively small impact on the learning experience.
- 17.3 Details of the location of modular buildings required for September 2014 are listed in Appendix 3. In some cases the units will be rented due to the shorter term requirement, whilst others will be purchased recognising a longer term pressure in those locations. It is recommended that approval be given for the application of planning for modular buildings to be located on the sites listed at Appendix 3.
- 17.4 It is recommended that authority be delegated to the Director of Children's Services to revise and if necessary add to sites for the modular buildings listed in Appendix 3 following receipt of updated information on pupil numbers early in the spring term.

18. Action taken by the Director of Children's Services

- 18.1 Under delegated powers, and following consultation with the Executive Member for Children's Services, the action set out in Appendix 4 has been taken and it is recommended that these approvals are noted.

19. Recommendations

- 19.1 To approve submission to the Leader and Cabinet the capital programme for 2014/15 to 2016/17 as set out in Appendix 1 and the revised capital programme for 2013/14 as set out in Appendix 2.
- 19.2 That the deferral of resources of £11.515m, relating to schemes of £11.515m be approved for submission to Cabinet as shown in Table 12 of this report.
- 19.3 That the following variations to the 2013/14 capital programme be approved:
- Westgate School, Winchester – additional contribution to major project of £1.2m
 - Stubbington Study Centre – additional resources of £0.475m be added to the programme.
 - Children's Services IT Programme – additional resources of £0.570m be added to the programme.
- 19.4 It is recommended that approval be given for the application of planning permission for modular buildings to be located on the sites listed at Appendix 3.
- 19.5 It is recommended that authority be delegated to the Director of Children's Services to revise and if necessary add to sites for the modular buildings listed in Appendix 3 following receipt of updated information on pupil numbers early in the spring term.
- 19.6 The projects approved under delegated powers by the Director of Children's Services in Appendix 4 are noted.

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): | |
| OR | |
| This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because: | |

Other Significant Links

| | | |
|--|------------------|-----------------|
| Links to previous Member decisions: | | |
| <u>Title</u> | <u>Reference</u> | <u>Date</u> |
| Children's Services Capital Programme 2013/14 to 2015/16 | 4367 | 23 January 2013 |
| Children's Services Capital Programme 2013/14 to 2015/16 | 4608 | 25 March 2013 |
| Children's Services capital programme update | 4865 | 12 June 2013 |
| Children's Services capital programme update | 4954 | 24 October 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:

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.

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.