

HAMPSHIRE COUNTY COUNCIL**Decision Report**

Decision Maker:	Executive Lead Member for Children's Services and Deputy Leader
Date of Decision:	26 March 2014
Decision Title:	Children's Services Capital Programme 2014/15 to 2016/17
Decision Reference:	5583
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 seeks approval for the updated Children's Services Capital Programme for 2014/15 to 2016/17.
- 1.2 The report has been prepared in consultation with the Executive Lead Member for Children's Services (ELMCS).
- 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. A third announcement on 24 January 2014 notified local authorities of grant allocations in respect of Capital Maintenance and Devolved Formula Capital (DFC) for 2014/15.
- 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 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.
- 2.2 The Secretary of State has now announced details of individual local authority capital allocations for basic need for the three years 2014/15 to 2016/17 and one year (2014/15) allocations for Capital Maintenance and Devolved Formula Capital.

- 2.3 The Children's Services capital programme is based on government capital grants, capital receipts, developers' contributions and local resources.

3. Capital Programme 2014/15 to 2016/17

- 3.1 Table 1 sets out the capital maintenance allocations to 2016/17. The current assumption is that the grant in the following two years will be equal to the 2014/15 allocation.

Table 1 – Capital maintenance grant (excluding schools' devolved capital)

Year	Capital Maintenance
	£m
2013/14 (actual)	18.663
2014/15 (actual)	18.473
2015/16 (assumed)	18.473
2016/17 (assumed)	18.473

- 3.2 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 was 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.
- 3.3 Table 2 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 2 – Children's Services share of capital maintenance grant

Year	Total Capital Maintenance (CM) Grant	P&R share	Children's Services share
	£m	£m	£m
2014/15 (actual)	18.473	9.975	8.498
2015/16 (assumed)	18.473	9.975	8.498
2016/17 (assumed)	18.473	9.975	8.498

- 3.4 On the basis of the anticipated position outlined in Table 2, resources available for each of the three forward years to 2016/17 are as set out in Table 3.

Table 3 – 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	8.498	8.498	8.498	25.494
Schools' Devolved Capital	3.372	3.372	3.372	10.116
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	84.605	78.118	74.536	237.259

Table 3 sets out the updated resources following the announcement of the capital maintenance and schools' devolved capital allocations on 24 January 2014.

Capital Maintenance

- 3.5 The total allocation in 2014/15 for capital maintenance is £18.473m (£8.498m for Children's Services). Specific projects for approval will be reported to a future Decision Day.
- 3.6 Building condition projects, e.g. re-cladding, roof replacements and mechanical and electrical services in schools are managed by Policy and Resources. Projects have been prioritised jointly with officers from Children's Services, to ensure a strategic and cost effective approach to investment.

Universal Free School Meals for infant pupils

- 3.7 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. In addition voluntary aided schools in Hampshire have been allocated £0.389m.

- 3.8 The initial high level feasibility work suggests that the total cost of implementing this strategy could be up to £6.2m (including fees). Further work is being undertaken to refine the costings along with a potential technical solution that could reduce the cost of the associated building works linked to the installation of the new equipment.
- 3.9 However, to ensure the delivery of this tight programme by September 2014, it is recommended that resources of up to £6.2m are identified from the capital programme. A detailed list of the costed schemes will be reported to the July Decision Day.

Schools' devolved formula capital

- 3.10 Government grant allocations for schools' devolved formula allocations were substantially reduced in April 2011. The allocation for 2014/15 for maintained schools (excluding Academies) is £3.372m. The allocation per school will be allocated according to the DfE formula set out in Table 4 and is intended to fund high priority projects identified through schools' Asset Management Plans.

Table 4 – Schools' Devolved Formula Capital allocation

2014/15 Formula	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 large capital projects.

Access Improvements in Schools

- 3.12 Further projects have been identified to meet needs of individual pupils. Approval is recommended for the projects listed in Appendix 4.

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.

4.2 The details of developer contributions received in 2013/14 are recorded in Appendix 2.

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

5.1 The total amount available to fund starts in 2014/15 is £84.605m.

5.2 Table 5 shows the updated three year programme following the announcement of further capital grant allocations.

Table 5 – Summary three year programme

	Children's Services £'m
2014/15	84.605
2015/16	78.118
2016/17	74.536
Totals	237.259

6. Amendments to the 2014/15 capital programme

Horndean Technology College, Waterloo

6.1 In line with the strategy to provide countywide provision for Autistic Spectrum Disorder (ASD) a new facility is to be provided on the college site. The cost is estimated to be £0.4m (including fees) and will be funded from the Other Improvement Projects allocation in the 2014/15 programme.

6.2 When a school changes its character as a result of such new provision, statutory proposals are required. It is proposed that statutory consultations take place with stakeholders on the intention to establish ASD provision at Horndean Technology College.

6.3 It is recommended that subject to the approval of Public Notices, approval is given to adding the ASD project at Horndean College at a cost of £0.400m to the 2014/15 programme.

Merton Infant and Merton Junior, Basingstoke.

6.4 Funding of £4.1m was approved by the Executive Lead Member for Children's Services on 22 January 2014 for a one form entry extension to Merton Infant School and Merton Junior School.

6.5 The design proposals for the proposed project are progressing well. Following the consultation process additional works were identified to the access and car parking. These works along with need to make an allowance for inflationary pressures have increased the planned outturn cost of the scheme.

6.6 Therefore it is recommended that additional resources of £296,000 (including fees) are identified from the 2014/15 programme to meet the anticipated additional costs of these works.

Swanmore College

- 6.7 Following the exchange of conditional contracts with a housing developer in 2012 as part of a land swap arrangement, unfortunately the developer's first planning application for a housing scheme was refused in June 2013. The developer has worked hard to refine their scheme and also continued to get support of local stakeholders. They have recently re-submitted a revised planning application which is anticipated to be determined by Winchester City Council from the 6th March 2014 and it is expected to have a significantly greater chance of being approved by the Planning Authority. If successful, it creates the prospect of a total capital receipt of £4.3m to the County Council, which will enable reinvestment into school facilities including replacement sports pitches and other improvements to the school buildings.
- 6.8 The County Council's Regulation 3 planning application for the first phase of these works (replacement sports pitches costing £1.1m including professional fees) is also anticipated to be determined during March 2014. This will enable these first phase works to commence in the summer 2014.
- 6.9 The remaining £3.2m of capital receipt income will be made available when the first phase works are complete and the school is able to vacate the existing school pitches to allow commencement of the residential development.
- 6.10 Approval is therefore sought to include provision for the first phase works within the 2014/15 capital programme with the second phase included in the 2015/16 capital programme.

7. Amendments to the 2013/14 capital programme

Swanwick Lodge Secure Unit

- 7.1 Following a successful bid to the DfE, grants of £0.036m have been awarded to undertake security works improvements at Swanwick Lodge.
- 7.2 Therefore, it is recommended that additional resources of £0.036m are added to the 2013/14 capital programme.

Services for Young Children

- 7.3 A project is planned to enhance the office base at Mill Hill Early Years Centre to improve facilities for SfYC staff. This work is to be funded from the services revenue budget and it is recommended that the resources be transferred to the capital programme at a value of £0.023m.

Revised Capital Programme 2013/14

- 7.4 As a result of the above amendments and the approval for deferral of resources by the County Council at its meeting on 20 February 2014 the revised cash limit for the programme is made up as shown in Table 6.

Table 6	£'000
Cash limit as reported to ELMCS on 22 January 2014	106,132
Projects and resources carried forward to 2014/15	-11,515
Swanwick Lodge – DfE grants	36
Services for Young Children – revenue to capital transfer	23
Total	94,676

8. Modular Classrooms

- 8.1 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.

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

- 9.1 Under delegated powers, and following consultation with the Executive Member for Children's Services, the action set out in Appendix 1 has been taken and it is recommended that these approvals are noted.

10. Recommendations

- 10.1 To approve the updated capital programme for 2014/15 to 2016/17 following a further announcement on capital grant allocations by Department for Education (DfE) on 24 January 2014.
- 10.2 That the following variations to the 2013/14 capital programme be approved:
- Swanwick Lodge additional grants received £0.036m
- Services for Young Children transfer £0.023m from revenue to capital.
- 10.3 It is recommended that resources of up to £6.2m be identified from the 2014/15 programme for the implementation of the Infant Free School Meals initiative.
- 10.4 It is recommended that approval be given to undertake the necessary statutory consultations to establish the new ASD provision at Horndean Technology College

- 10.5 It is recommended that subject to the approval of Public Notices, approval is given to adding the ASD project at Horndean Technology College at a cost of £0.400m to the 2014/15 programme.
- 10.6 It is recommended that additional resources of £296,000 (including fees) are identified from the 2014/15 programme to meet the anticipated additional costs for the project at Merton Infant and Merton Junior Schools, Basingstoke.
- 10.7 It is recommended that provision for the first phase works at Swanmore College is made within the 2014/15 capital programme (£1.1m) with the second phase (£3.2m) included in the 2015/16 capital programme.
- 10.8 It is recommended that approval be given for the application of planning permission for modular buildings to be located on the additional sites listed at Appendix 3.
- 10.9 The projects approved under delegated powers by the Director of Children's Services in Appendix 1 are noted.
- 10.10 The projects for Access Improvements in Schools as listed in Appendix 4 are approved.

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 2014/15 to 2016/17	5444	22 January 2014
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.