

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services and Deputy Leader
Date of Decision:	21 January 2015
Decision Title:	Children's Services Capital Programme 2015/16 to 2017/18
Decision Reference:	6174
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 submission to the Leader and Cabinet of the proposed Children's Services capital programme for 2015/16 to 2017/18 and the revised capital programme for 2014/15. The proposals contained within this report represent a significant and exciting investment for Hampshire children that will not only help raise educational standards but also create many additional local employment opportunities within its delivery.
- 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 21 January 2015. It will be reported to the Leader and Cabinet on 6 February 2015 to make final recommendations to County Council on 19 February 2015.
- 1.3 The Secretary of State announced details of individual local authority basic need capital allocations on 18 December 2013 for 2015/16 and 2016/17 and a one off capital grant to deliver universal free school meals for infant aged pupils. A further announcement on funding is expected in January 2015. The report makes assumptions on other future grant allocations in respect of Capital Maintenance and Devolved Formula Capital (DFC) for the three years of the programme.
- 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 2015/16 to 2017/18 within the guidelines used for the current capital programme including the third year, 2017/18, at a similar level to 2015/16

a programme of capital schemes in 2015/16 to 2017/18 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
2015/16	0.190	11.085
2016/17	0.190	-
2017/18	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.

- 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 2015/16 to 2017/18 – 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 2014/15 and the planning assumptions for 2015/16 included in the March 2014 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
2014/15 (actual)	16.651	18.473	35.124
2015/16 (CM assumed)	31.566	18.473	50.039
2016/17 (CM assumed)	33.145	18.473	51.618
2017/18 (assumed)	15.000	18.473	33.473

- 4.2 In line with the 2014/15 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 assumed split of capital maintenance grant between Policy and Resources and Children's Services for 2015/16, as well as the amounts assumed for 2016/17, and 2017/18. The actual figures for 2014/15 are included for comparison purposes.

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	18.473	9.975	8.498	32.582
2015/16 (assumed)	31.566	18.473	9.975	8.498	40.064
2016/17 (assumed)	33.145	18.473	9.975	8.498	41.643
2017/18 (assumed)	15.000	18.473	9.975	8.498	23.498

Note: Actual basic need figure for 2014/15 includes £7.433m Targeted Basic Need grant.

- 4.4 On the basis of the anticipated position outlined in Table 3, resources available for each of the three forward years to 2017/18 are as set out in Table 4. To address the need to fund a number of major projects in 2017/18, the funding available for starts in 2015/16 and 2016/17 have been reduced, and resources carried forward, to fund these projects.

Table 4 – Three year capital resources summary

	2015/16 (assumed)	2016/17 (assumed)	2017/18 (assumed)	Total
	£m	£m	£m	£m
Basic Need - new pupil places	31.566	33.145	15.000	79.711
Capital Maintenance	8.498	8.498	8.498	25.494
Schools’ Devolved Capital	3.366	3.366	3.366	10.098
Developers’ contributions anticipated	12.495	48.151	9.000	69.646
Capital receipts anticipated	4.506	2.585	2.900	9.991
Corporate capital resources	0.190	0.190	0.190	0.570
Capital investment priorities	11.085	0	0	11.085
Brought forward 2015/16 to 2014/15	-6.000	0	0	-6.000
Carry forward resources to 2015/16 (table 12)	8.973	0	0	8.973
Carry forward resources to 2016/17	0	20.000	0	20.000
Carry forward resources to 2016/17	-10.000	10.000	0	0
Carry forward resources to 2017/18	0	-25.000	25.000	0
Totals	64.679	100.935	63.954	229.568

- 4.5 Resources totalling £8.973m are proposed to be carried forward to 2015/16, this relates to projects being delivered early in 2015/16.

- 4.6 In addition, and in order to strategically manage the three year programme to deliver the planned new school places:
- £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
 - £10m proposed to be carried forward from 2015/16 to 2016/17
 - £25m proposed to be carried forward from 2016/17 to 2017/18

5. Three year capital allocations 2015/16 – 2017/18 – 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 2015/16 and further years. There has been an announcement on basic need allocations for the two years from 2015/16 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.

New pupil places

- 5.3 The School Places framework for 2013-18 was approved by ELMCS on 26 March 2014. 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 2015/16 and 2016/17. 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 2017/18, 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 three year planning period of this report continues to show a rise in primary numbers and this is likely to continue until at least 2018/19. Whilst this report has not specifically identified projects for additional secondary school places, it is recognised that there will be a need to expand and build new secondary schools as the primary growth moves through the system into the secondary sector. A detailed exercise is currently being undertaken to review the forecast secondary numbers and high level costings of the potential building solutions and options. It is planned that the outcomes of this report will be reported to the Decision Day in July 2015.
- 5.9 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 developed 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.
- 5.10 The pressure of significant inflation in the construction market is also driving the need to reduce the cost of buildings. Whether this will continue to be maintained at high levels for the coming years is uncertain. Securing the necessary construction resources from the industry is imperative for the Council to deliver the significant increase in pupil numbers on time to meet demand. Public and private sectors are both competing for a smaller available capacity as a result of the economic recession. The situation will continue to be closely monitored and further work is underway looking beyond the current three year programme. This will place the Council in the most informed position to make the best judgements and set aside provision for inflation in the future. In this current three year programme, inflationary allowances have been included in the contingency.
- 5.11 The scale of the programme is now significantly larger than that being delivered in previous years. This has required the Director of CCBS to draw further on private sector partner resource to compliment the in-house capacity to deliver the programme. The number and scale of projects also requires a more structured programme-wide approach. This is paying dividends, but means that additional skills and leadership personnel have been recruited and seconded from partners to manage the scale of the current and future programme. The core capacity to lead and manage the

Capital Programme in Property Services has been maintained for many years and this is proving to be essential in responding quickly to the current requirements. In line with the County Council's on-going support for Traded Services with other public sector bodies, targeted recruitment to refresh and, where appropriate, grow new skills and capacity is being undertaken.

Table 5 – Potential Basic Need projects 2015 – 2018

Project	Planned Extension/ new school	Expected start on site (subject to revision)
Aldershot Urban Extension	2fe – new school (expandable to 3fe)	2016/17
Barton Farm Primary, Winchester	2fe – new school	2016/17
Basingstoke Primary places	1fe additional places	2017/18
Boorley Green Primary	2fe – new school	2016/17
Brookfield School, Sarisbury Green	Additional places	2015/16
Buryfields Infant & Mayhill Junior, Odiham	Expansion to 3fe	2017/18
East Anton 2 nd Primary	1.5fe – new school	2016/17
Four Marks C of E Primary	Expansion to 1.5fe	2015/16
Four Marks C of E Primary	Expansion to 2fe	2017/18
Gosport South East Primary places	1fe additional places	2016/17
Great Binfields Primary, Basingstoke	Expansion to 2fe	2015/16
Hook Infant & Junior	Expansion to 4fe	2015/16
Horndean/Clanfield Primary places	1fe additional places	2017/18
Kings Furlong Infant & Junior, Basingstoke	Expansion to 3fe	2016/17
Leigh Park, Havant Primary places	1fe additional places	2017/18
Liphook Primary places	1fe additional places	2016/17
Marnel Infant & Junior, Basingstoke	Expansion to 4fe	2015/16
Nursling C of E Primary	Expansion to 1.5fe	2015/16
Oakwood Infant & Greenfields Junior, Hartley Wintney	Expansion to 3fe	2015/16
Park View Junior, Basingstoke	Expansion to 3fe	2016/17
Poulner Infant, Ringwood	Expansion to 3fe	2016/17
Romsey/North Baddesley Primary places	1fe additional places	2016/17
Saint James' C of E Primary, West End	Expansion to 3fe	2016/17
Shakespeare Infant & Junior, Eastleigh	Expansion to 4fe	2016/17
The Butts Primary, Alton	Expansion to 2fe	2017/18
Tower Hill Primary, Cove	Expansion to 2fe	2015/16
Whiteley Primary – South phase 1	3fe – new school	2016/17
Yateley/Frogmore Primary places	0.5fe additional places	2017/18

5.12 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.

- 5.13 The cost of this new school provision and associated infrastructure is high when compared 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, as mentioned, formula allocations for capital maintenance and schools' devolved capital have yet to be confirmed. For the purpose of this report, working assumptions have been made in Table 3. It is proposed to allocate the capital maintenance grant to strategic priorities as in previous years.

- 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 2015/16 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 2017/18, 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 and modernisation of Children's Services buildings (through Policy and Resources);
- 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 – 6.18.

Table 6 – Proposed allocations for three year programme

	2015/16 (Assumed)	2016/17 (Assumed)	2017/18 (Assumed)	Totals
	£m	£m	£m	£m
New schools and extensions	27.022	71.200	25.520	123.742
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
Other improvement projects	1.000	1.000	1.000	3.000
Joint Funded Capital Maintenance Programme	8.498	8.498	8.498	25.494
Access improvements in schools	0.750	0.750	0.750	2.250
Area inclusion projects	5.500	0	0	5.500
Children's Homes projects	6.900	0	0	6.900
Social Care projects	0.100	0.100	0.100	0.300
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	3.366	3.366	3.366	10.098
Furniture and equipment and ICT	0.750	0.750	0.750	2.250
Development costs	0.100	0.100	0.100	0.300
Contingency	6.993	11.771	20.470	39.234
Totals	64.679	100.935	63.954	229.568

Note: costs are based on 4th Quarter 2014 with an estimate for inflation included within contingency.

Capital Maintenance

6.3 The total assumed allocation in 2015/16 for capital maintenance is £18.473m (£8.498m for Children's Services). Recognising that part of the 2015/16 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. Specific projects will be brought to 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 As part of the Capital Investment Programme, it was agreed to pilot a scheme to invest £0.300m to install around a dozen solar PV arrays onto capital projects. A financial model is being developed that shows how both schools and the County Council will benefit from this 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 and the opportunity to demonstrate renewable technologies in their learning.
- 6.7 It is recommended that the provision of £0.300m (including fees) is carried forward from 2014/15 to the 2015/16 capital programme. Further investment will be subject to a future report on the outcomes of this pilot scheme.

Other improvement and modernisation projects

Access improvements in schools

- 6.8 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. Therefore, it is proposed that £0.750m is included in each year's capital programme to finance specific access improvement projects in schools.
- 6.9 It is recommended that the list of projects at Appendix 4 and 5 are approved for both 2014/15 and 2015/16.

Improvements and modernisation of SEN accommodation

- 6.10 It is proposed that £1m is allocated in 2015/16, 2016/17 and 2017/18 capital programmes for special school improvement projects linked to the rise in births and potential need for increased provision.
- 6.11 A list of priority investment projects is currently being developed and will be reported to a future Decision Day.

Area inclusion projects

- 6.12 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, Dibden Purlieu, Eastleigh, Gosport and Havant. A scheme is due to start in January 2016 and complete in December 2016 to replace the poor condition modular accommodation at the Linden Education Centre, Farnborough.
- 6.13 It is proposed to allocate an indicative sum of £5.5m (including fees) 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

- 6.14 A strategy has been agreed for the relocation and replacement of Hampshire's children's homes. The new homes will offer a homely environment for the small group of Children Looked After for which foster care or other provision is not suitable. The group is small in number but their needs are great, therefore, 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.
- 6.15 The latest information indicates that the cost of the six new homes will be in the order of £6.9m (including fees) with the potential of capital receipts totalling £3.2m. Funding has been carried forward from 2014/15 to the 2015/16 for this strategy for which detailed scheme designs have been reported.
- 6.16 Subject to planning and a successful procurement exercise it is planned that the homes in phase one of the programmes (Chandlers Ford, Havant, Andover and Waterside) will be ready for occupation by January 2016 and in full use by April 2016.
- 6.17 The two homes that form phase two of the programme (Fareham and Winchester) again subject to planning and procurement are planned to be ready for occupation during the autumn of 2016.

Foster Care

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

Schools' devolved formula capital

- 6.19 Government grant allocations for schools' devolved formula allocations were substantially reduced in April 2011. The assumption is that the allocation for 2015/16 will remain at the 2014/15 level and exclude Academies. The allocation per school will be 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

2015/16 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

6.20 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 2015/16 to 2017/18

- 8.1 The total amount available to fund starts in 2015/16 is £64.679m. 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 2017/18 is shown in Table 8.

Table 8 – Capital programmes 2015/16 to 2017/18

	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
2015/16	0.190	17.824	46.665	64.679
2016/17	0.190	50.736	50.009	100.935
2017/18	0.190	11.900	51.864	63.954

- 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 2017/18 is shown in Table 9. It should be noted that there are a number of planned developer contributions due in 2017/18 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

	Children's Services £'m
2014/15 (current)	107.610
2015/16	64.679
2016/17	100.935
2017/18	63.954
Totals	229.568

9. 2016/17 to 2017/18 programmes

- 9.1 As indicated above, it is possible to fund those schemes where starts need to be made in 2015/16. The indicative resources available in 2016/17 total £100.935m and are summarised in Table 10. This table assumes that the split between suitability and condition funding is the same in 2016/17 as in 2015/16.

Table 10 – Resources for 2016/17

	2016/17 £m
Basic Need	33.145
Capital Maintenance	8.498
Developers' contributions	48.151
Schools' Devolved Capital grant	3.366
Capital Receipts anticipated	2.585
Corporate Resources	0.190
Resources carried forward to 2016/17	30.000
Resources carried forward to 2017/18	-25.000
Totals	100.935

10. Pressures on the capital programme

- 10.1 There are sufficient resources available to fund all the schemes which need to be started in 2015/16. It is proposed that the position for 2016/17 is managed by moving resources from 2015/16. The position for the following years will be dependent on future resources.
- 10.2 As indicated in paragraphs 5.3 to 5.10, there will be a significant on-going expenditure on projects to provide new pupil places in 2015/16 and 2016/17 and this is likely to continue in the primary sector until at least 2018/19. Whilst the funding position for 2017/18 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 build new secondary school places

- 10.3 This report has not specifically identified projects for additional secondary school places, it is recognised that there will be a need to expand and build new secondary schools as the primary growth moves through the system into the secondary sector. A detailed exercise is currently being undertaken to review the forecast secondary numbers and high level costings of the potential building solutions and options. It is planned that the outcomes of this report will be reported to the Decision Day in July 2015.
- 10.4 The estimated cost of the new primary school places where starts are likely to be required in 2015/16, 2016/17 and 2017/18 is £130m. Due to the insufficiency of government grant and developer contributions there has been a need to support the programme with local resources.
- 10.5 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. School Building Delivery

- 11.1 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.
- 11.2 Lower cost schools have been delivered over the past 5 years and further work is on-going to maximise value. The building costs have been progressively reduced putting the County Council in the best position to combat the effect of recent inflationary pressures. The cost reductions to date have been delivered with no significant reduction in quality or scope.
- 11.3 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 develop strategies identified in the next section of this report to ensure good quality school buildings continue to be delivered.

12. Emerging construction inflation and resource capacity issues

- 12.1 Tender price inflation has been rising over the last 12 months as output has increased across all sectors of the construction industry. The industry's limited capacity to meet increases in demand for new work is leading to inflationary pressure as national infrastructure and building projects increase in number. This is particularly so in the South East. The RICS Building Cost Information Service has reported that tender prices will rise by nearly 7% over 2014. The RICS predicts that tender prices will continue to rise by between 5 and 6% per annum over the next 3 years as output increases and the industry continues to adjust to meet the demand. It should also be noted that the level of tender prices has returned to the pre-recession peak during 2014, and are forecast to rise by around 30% by 2019. The current surge in demand that is being experienced particularly in the south east may mean that inflation levels could climb higher than these latest predictions.
- 12.2 A recent publication by the London Chamber of Commerce on the scale of the construction pipeline across London and the South East indicates significant skills capacity shortages due to the scale of activity. Construction price inflation as well as capacity issues in the industry will pose some significant challenges in terms of capital spend on buildings over the next few years.
- 12.3 As the Capital Programme grows (particularly the delivery of new school places), this will add to the funding pressures. Related to this, discussions are underway with colleagues in the SE7 group of authorities who face the same challenges as the County Council in terms of construction growth and capacity to deliver. The group which includes all the major local authorities across the south east including Surrey County Council and Kent County Council, is planning to develop an overall pipeline of activity to aid market engagement and to inform skills capacity requirements.
- 12.4 The County Council is also in regular dialogue with Government departments – particularly the Department for Education (DfE) and the Education Funding Agency (EFA) over visibility pipeline and areas of collaboration; particularly benchmark costs to discuss funding levels.
- 12.5 This work will continue over the coming months in order to raise the profile of the inflationary pressures being experienced by the County Council and other Authorities. The DfE is keen to continue with this dialogue, particularly comparing the price levels for major works. This benchmarking work has also been invaluable to the County Council and has shown that the cost of schools in Hampshire compares favourably with national averages. There has also been a steady downward trend in the cost of schools in Hampshire as a result of rationalising the design of new schools, and adopting a common design approach.
- 12.6 In summary, the Directors of Children's Services and Culture, Communities and Business Services are putting in place a comprehensive response to the pressures now faced by the County Council in delivering new schools places that will involve:

- Reducing building floor areas without a significant impact on space and flexibility – around 5% is deliverable
- Achieving economic and simple school plans (including some two storey options where appropriate) to maximise efficiency
- Common design and specification across the programme of work
- Realising economies of scale through contracting projects across a number of authorities – working with Surrey County Council, Reading Borough Council and West Sussex County Council and the wider SE7
- Securing capacity through the re-procurement of the major construction framework arrangements; working closely with the newly appointed contractors and their supply chain
- Designing a ‘core’ landscape and external works element which may be developed over time by the school if further funding becomes available
- Robust negotiations with developers to continue to maximise funding contributions
- Regional and national benchmarking with other local authorities, the DFE and EFA to compare building costs, ensure we are getting best value, share expertise and learning and to challenge funding levels

12.7 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 the intended approach.

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
2015/16	64.679	1.380
2016/17	100.935	2.105
2017/18	63.954	1.365
Totals	229.568	4.850

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 2014/15 original budget of this service.

14. Amendments to the 2014/15 capital programme

Early Education Funding for Two Year Olds from Lower Income Households

- 14.1 At the ELMCS meeting on 25 July 2014 it was agreed that £0.700m of Two Year Old Trajectory Revenue Funding be converted to capital. This approval was subject to approval by the Department for Education and Schools Forum for which approval has now been given.
- 14.2 Therefore, it is recommended that the additional resources of £0.700m be added to the 2014/15 programme subject to final confirmation.

The Crescent Primary School, Eastleigh

- 14.3 Funding of £5.6m was approved by the ELMCS on 23 January 2013 for a 1fe expansion of Crescent Primary School to 3fe. A further £0.300m was approved on 24 October 2013 to provide a Synthetic Turf Pitch (STP) due to the restrictive nature of the site.
- 14.4 Due to unforeseen structural and site issues with this complex project, further funding is required to complete the scheme. Therefore, it is recommended that additional funding of £0.179m (including fees) be allocated to the project that is due for completion in summer 2015.

Norwood Primary, Eastleigh

- 14.5 As a result of the pressure on school places in the Eastleigh Town area it was agreed to increase the size of Norwood Primary School by 1fe. This has been achieved by bringing back into school use the space currently used by the Chamberlayne Children's Centre for which £0.670m was approved from the 2014/15 programme.
- 14.6 Negotiations were held with the Children's Centre and Chamberlayne Pre-School to find other appropriate accommodation. Further changes have since been identified that will require an additional contribution to complete the three phases of work.
- 14.7 Therefore, it is recommended that additional resources of £0.630m (including fees) are identified from the 2014/15 programme to meet the additional cost of these works.

Swanwick Lodge Children's Home

- 14.8 A grant of £0.035m has been awarded by the Department for Education to upgrade the all weather 5-a-side football pitch. This award has been granted on the basis the works will be completed before 31 March 2015.
- 14.9 The project is on track to complete by the required timeframe and it is recommended that the additional resources of £0.035m are added to the 2014/15 programme.

Park Community School, Havant

- 14.10 The main contractor working on this project has given notice that the part of the scheme to complete the science laboratories could be delayed by up to 12 weeks to allow for the safe removal of asbestos from the site. The

school have worked without their practical science spaces since the beginning of the academic year but are unable to cope beyond the original completion date of March 2015. Therefore, additional funding of £0.073m is required to provide a temporary science laboratory in the existing building which will be operational from mid January to June 2015.

14.11 It is recommended that the increased cost for the temporary science works of £0.073m be funded from the 2014/15 joint capital maintenance programme.

14.12 It is recommended that the increased cost for asbestos removal of £0.600m is funded from the 2015/16 joint capital maintenance programme.

Swanmore College of Technology

14.13 Approval was given by the Executive Member for Policy and Resources on 27 October 2011 that 100% of the capital receipt from the disposal of part of the college playing field could be reinvested at the college. The receipt will be paid in phases of which £3.2m has now been received.. This will allow for the second phase of works to improve sports facilities to be undertaken during 2015/16.

14.14 Therefore, it is recommended that this project is added to the 2015/16 capital programme funded from the capital receipt of £3.2m. A detailed project appraisal will be brought to a future Decision Day.

Technology & Skills Centre, Andover

14.15 Funding of £0.250m has been identified from the Children's Services capital programme to support the new Technology & Skills Centre in Andover. This project will add to the growing network of 'Future Skills Centres' which are being supported by the County Council. Developed as part of the Hampshire Youth Investment Programme (HYIP), Futures Skills Centres are supporting greater participation in technical education and work-based learning, including apprenticeships and meeting the future skills requirements of the Hampshire economy.

14.16 The project was reported to the Executive Member for Policy and Resources on 12 December 2014 and is primarily being funded by the Enterprise M3 LEP as part of their 2015/16 Local Growth Plan.

14.17 Therefore, it is recommended that £0.250m be approved for this project funded from the 2014/15 programme.

Tweseldown Infant, Fleet

14.18 In August 2014, Tweseldown Infant school was relocated to a new site and buildings on the Queen Elizabeth Barracks Development in Church Crookham, Fleet. However, additional costs have been incurred as a result of difficulties and delays in transferring the site under the S106 agreement signed between Hart District Council and the developer. Action is currently being undertaken to try and recover this from the developer and was reported to ELMCS on 25 July 2014.

14.19 Prior to the construction of the new school a large quantity of soil contaminated with asbestos was deposited on the school site, which

emanated from the demolition of former MOD property on the development. Discussions are ongoing with the developer over liability and recovery of costs involving the County Council's Legal Practice. In the meantime, the County Council instructed the removal of all of the contaminated soil from the site in order to complete the external landscaping and playing fields. The contractor has incurred costs and there have been delays to the project. This has resulted in additional costs.

14.20 In addition there have been increased costs to the scheme as a result of not achieving intended savings in the original design. This is principally due to the re-sequencing of various sub-contract packages due to the site contamination, the development of the structural steel frame and additional works required for the kitchen fit out. As a result of the above additional project costs have been incurred and a total of £0.772m is required to deliver the project.

14.21 Therefore, it is recommended that a further £0.772m be added to this scheme from the 2014/15 programme.

Wellington Community Primary, Aldershot

14.22 Additional funding of £0.291m is required to deliver this scheme, largely down to increased costs arising from the receipt of high tenders. This issue is referred to in section 12 of this report due to the national increase in construction costs.

14.23 The team have worked hard to value engineer the scheme to keep the additional costs as low as possible. Therefore, it is recommended that additional funding of £0.291m be approved from the 2014/15 programme.

Westgate School, Winchester

14.24 Additional funding of £0.400m is required to complete this project. Costs have increased for the external landscaping works as a result of an increase in scope along with additional costs for off-site highways works following consultation with stakeholders and the public. There have also been increased costs associated with the IT infrastructure and equipment.

14.25 These factors, together with further inflationary pressures in the construction market have increased the planned out-turn cost of the project. Therefore, it is recommended that a further £0.400m be added to this scheme from the 2014/15 programme.

Children's Homes

14.26 As part of the Children's Homes Strategy two new sites have been acquired at The Anchorage, Dibden Purlieu and Catisfield Road, Fareham. This was reported to ELMCS on 25 July 2014 and the total cost is £0.650m.

Primary Behaviour Service

14.27 As part of the investment in the Primary Behaviour Service a site in Bolton Crescent, Basingstoke was purchased for £0.240m. This is now called The Harewood Centre.

Ashwood Education Centre, Basingstoke

14.28 As part of the investment in the local area a small parcel of land was acquired for £0.056m to provide for car parking on the site.

Resources for the 2014/15 programme

14.29 The revised capital programme for 2014/15 reflecting the adjustments made during the year is shown at Appendix 2. This lists all the schemes in the current programme together with a reconciliation of resources.

14.30 A number of decisions have been taken under delegated officer powers since the last meeting in July 2014. These are all under the officer delegated amount of £250,000 and have been funded from the block vote allocations reported on 22 January 2014 when the current programme was approved.

14.31 Details of decisions taken since the last report in July 2015 are recorded for information in Appendix 4.

Resources and projects proposed to be carried forward to 2015/16

14.32 It will not be possible to start the schemes listed in Table 12 during 2014/15. 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 2015/16.

Table 12 – Resources and projects to be carried forward from 2014/15 to 2015/16

Project	Cost of Projects & Resources carried forward
Named projects	£m
Brookfield School, Sarisbury Green	1.100
Herne Junior, Petersfield	0.400
Henry Tyndale, Farnborough	0.145
Children's Homes	6.900
Solar Panels	0.300
Projects funded from Developer Contributions	0.128
Total carry forward	8.973

14.33 It is proposed to carry forward resources of £8.973m as shown in Table 4 and Table 12.

14.34 Updates relating to individual projects proposed to be carried forward are set out in the following paragraphs.

2014/15 Carry Forward Schemes - Basic Need Projects

Brookfield Community School, Sarisbury Green

14.35 This project was reported to the ELMCS on 22 January 2014 at a cost of £1.1m (including fees). The scheme is due to start in summer 2015 and complete in autumn 2015. The project will provide for an additional 45 places and increase the school capacity to 1800.

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

Herne Junior, Petersfield

14.37 This project was reported to the ELMCS on 22 January 2014 at a cost of £0.400m (including fees). The scheme is due to start in April 2015 and complete for September 2015. The project will provide for remodelling the administration area and a small extension.

Henry Tyndale, Farnborough

14.38 This project was reported to the ELMCS on 24 October 2013 at a cost of £0.145m (including fees). The works will consist of internal alterations to provide a new Hygiene room and an extension to provide a small group room. The scheme is due to start in summer 2015 and complete in the autumn 2015.

2014/15 carry forward schemes – Other Projects

Children's Homes

14.39 The latest position on the investment strategy is reported in paragraphs 6.14 to 6.17 with phase one of the programme due to start early in 2015/16.

14.40 An update for this major investment programme will be brought to a future Decision Day.

15. 2015/16 Capital Programme – Basic Need Projects

Four Marks Church of England Primary School

15.1 Four Marks Primary School operates with a PAN of 42, and 10 classrooms. It is proposed to increase the PAN to 45 (1.5fe) which would require an additional classroom for which a design solution has been produced.

15.2 The project is due to start on site in April 2015 and complete in June 2015. Funding of £0.462m (including fees) has been identified within the 2015/16 programme.

Great Binfields Primary School, Basingstoke

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

15.4 It is recommended that the above scheme be incorporated into the 2015/16 capital programme at an estimated cost of £3.8m (including fees). A detailed project appraisal for the scheme will be brought to a future Decision Day.

Hook Infant and Hook Junior Schools

- 15.5 As a result of the planned pressure on school places in the local area, a 1fe expansion is planned at these schools to accommodate the forecast rise in pupil numbers.
- 15.6 Therefore, it is recommended that the above scheme be incorporated into the 2015/16 capital programme at an estimated cost of £4.9m (including fees) with a detailed project appraisal being brought to a future Decision Day.

Marnel Infant and Marnel Junior Schools, Basingstoke

- 15.7 A project to provide for additional primary places in the Popley area was included in the 2015/16 Capital Programme and was agreed by the ELMCS on 22 January 2014.
- 15.8 Following a review of school places in the area it was decided to expand the Marnel Schools. Approval was given by the ELMCS on 26 March 2014, to undertake a statutory consultation on the proposal to enlarge the premises of Marnel Infant and Junior schools.
- 15.9 Therefore, it is recommended that the capital project to expand these schools at a cost of £3.4m (including fees) be included in the 2015/16 programme. The project is due to start on site in late 2015 and complete for September 2016. A detailed project appraisal for this scheme will be brought to a future Decision Day.

Nursling Church of England Primary

- 15.10 As a result of new housing within the Nursling Primary school catchment area, a scheme is being developed to provide for a four classroom extension.
- 15.11 Funding of £1.7m (including fees) is contained within the 2015/16 programme for this project. The scheme is due to start in autumn 2015 and completed in the summer 2016.
- 15.12 A detailed project appraisal for this scheme will be brought to a future Decision Day.

Oakwood Infant and Greenfields Junior, Hartley Wintney

- 15.13 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.
- 15.14 It is recommended that these schools are incorporated into the 2015/16 programme at an estimated cost of £4.5m (including fees). A detailed project appraisal will be brought to a future Decision Day.

Tower Hill Primary School, Cove

- 15.15 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.

- 15.16 It is recommended that the above scheme be incorporated into the 2015/16 programme at an estimated cost of £3.2m (including fees). A detailed project appraisal will be brought to a future Decision Day.

Woolton Hill Junior and St Thomas' C of E Infant, Newbury

- 15.17 Developer's contributions of £0.360m are being allocated to improve facilities at the two schools through the provision of additional multi purpose accommodation at the Junior School and internal remodelling and external improvements at the Infant School.
- 15.18 It is recommended that the above scheme be incorporated into the 2015/16 programme at an estimated cost of £0.360m (including fees).

Other Basic Need Projects

- 15.19 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. 2016/17 Capital Projects

Aldershot Urban Expansion (Wellesley)

- 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 2017 and will be designed initially as 2fe School (The David Kirk Academy) 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 contribute to the cost of this provision.
- 16.2 The project for the 2fe at a cost of £8.5m is due to start on site in October 2016 and complete for September 2017. A detailed costed project appraisal for the scheme will be brought to a future Decision Day.

Barton Farm Primary School, Winchester

- 16.3 A new 2fe primary school is proposed to serve the new housing development at Barton Farm, Winchester.
- 16.4 It is recommended that the above scheme be incorporated into the 2016/17 capital programme at an estimated cost of £8.6m (including fees). A detailed report will be brought to a future Decision Day.

Boorley Green, near Hedge End

- 16.5 A new 2fe primary school is proposed to serve the new Boorley Green housing development.
- 16.6 It is recommended that the above scheme be incorporated into the 2016/17 capital programme at estimated cost of £8.6m (including fees). A detailed report will be brought to a future Decision Day.

East Anton 2nd Primary School, Andover

- 16.7 A scheme is being developed for the second new primary school to serve the South East Anton development area in Andover.
- 16.8 It is recommended that a new 1.5fe primary school be incorporated into the 2016/17 programme at estimated cost of £7.8m (including fees). A detailed report will be brought to a future Decision Day.

Gosport South East Primary places

- 16.9 A package of works is being developed with schools to provide for additional primary places to serve the south east area of Gosport. An additional 1fe will be required in the area by September 2018. This pressure is due to increased local demand and new housing developments due to come on-stream over the next three years.
- 16.10 It is recommended that funding of £3.8m (including fees) be incorporated into the 2016/17 programme. A detailed report will be brought to a future Decision Day.

Kings Furlong Infant & Kings Furlong Junior, Basingstoke

- 16.11 A scheme is being developed for a 1fe expansion at the Kings Furlong schools to serve the Basingstoke area.
- 16.12 It is recommended that the above scheme be incorporated into the 2016/17 programme at estimated cost of £4.1m (including fees). A detailed report will be brought to a future Decision Day.

Liphook Primary Places

- 16.13 A scheme is being developed to provide for additional 1fe (210 primary places) to serve the Liphook area.
- 16.14 It is recommended that the above scheme be incorporated into the 2016/17 programme at estimated cost of £3.6m (including fees). A detailed report will be brought to a future Decision Day.

Park View Junior, Basingstoke

- 16.15 A detailed feasibility study is currently being undertaken for a 3 classroom extension at the above school to serve the Basingstoke area.
- 16.16 It is recommended that the above scheme be incorporated into the 2016/17 programme at estimated cost of £1.2m (including fees). A report will be brought to a future Decision Day.

Poulner Infant, Ringwood

- 16.17 As a result of development in the Ringwood area it is planned that Poulner Infant School be expanded by 0.5fe (105 places). The project for the extension is estimated to cost £1.0m (including fees). A detailed report will be brought to a future Decision Day.
- 16.18 Therefore, it is recommended that the above scheme be incorporated into the 2016/17 capital programme at an estimated cost of £1.0m (including fees).

Romsey/North Baddesley Primary places

- 16.19 A scheme is being developed to provide for an additional 1fe (210 primary places) to serve the Romsey/North Baddesley area.
- 16.20 Therefore, it is recommended that the above scheme be incorporated into the 2016/17 capital programme at estimated cost of £4.0m (including fees). A detailed report will be brought to a future Decision Day.

Saint James' Church of England Primary, West End

- 16.21 As a result of a growth in pupil numbers in the area a scheme is being developed for a 1fe expansion of Saint James' C of E Primary school.
- 16.22 Therefore, it is recommended that the above scheme be incorporated into the 2016/17 programme at estimated cost of £4.7m (including fees). A detailed report will be brought to a future Decision Day.

Shakespeare Infant and Shakespeare Junior, Eastleigh

- 16.23 As a result of the ongoing growth in pupil numbers in the Eastleigh area, a scheme is being developed for a 1fe expansion to both Shakespeare Infant and Junior schools.
- 16.24 Therefore, it is recommended that the above scheme be incorporated into the 2016/17 capital programme at estimated cost of £3.4m (including fees). A detailed report will be brought to a future Decision Day.

Whiteley Primary, South

- 16.25 A scheme is being developed for a new 3fe primary school to serve the planned Whiteley housing development to replace the temporary school, Cornerstone C of E (Aided) Primary.
- 16.26 Therefore, it is recommended that the above scheme be incorporated into the 2016/17 capital programme at estimated cost of £11.9m (including fees). A detailed report will be 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, kitchen, 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 2015 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 2015/16 to 2017/18 as set out in Appendix 1 and the revised capital programme for 2014/15 as set out in Appendix 2 and including the transfers between years as set out in Table 4.
- 19.2 That the deferral of resources of £8.973m, relating to schemes of £8.973m be approved for submission to Cabinet as shown in Table 12 of this report.
- 19.3 That the following variations to the 2014/15 capital programme be approved:
- It is recommended that the additional resources of £0.700m Two Year Old Trajectory Revenue Funding should be converted to capital and are added to the 2014/15 programme
 - It is recommended that an additional £0.179m, funded from the 2014/15 capital programme, is allocated to The Crescent Primary, Eastleigh project
 - It is recommended that additional resources of £0.630m (including fees) are identified from the 2014/15 programme to meet the additional costs of the project at Norwood Primary, Eastleigh

- It is recommended that the additional grant for a project at Swanwick Childrens Home of £0.035m is added to the 2014/15 programme
 - It is recommended that the increased cost of the major project at Park Community School, Havant is funded £0.073m from the 2014/15 and £0.600m from the 2015/16 joint capital maintenance programmes.
 - It is recommended that a new project at Swanmore College of Technology is added to the 2015/16 capital programme funded by the capital receipt of £3.2m received in 2014/15
 - It is recommended that a contribution of £0.250m from the 2014/15 capital programme is allocated to the Technology & Skills Centre in Andover
 - It is recommended that a further contribution of £0.772m from the 2014/15 capital programme is allocated to the major project at Tweseldown Infant, Fleet
 - It is recommended that a further contribution of £0.291m from the 2014/15 capital programme is allocated to the major project at Wellington Community Primary, Aldershot
 - It is recommended that a further contribution of £0.400m from the 2014/15 capital programme is allocated to the major project at Westgate School, Winchester
- 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.
- 19.7 That the projects listed at Appendix 5 for Access Improvements in Schools for 2015/16 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 2014/15 to 2016/17	5583	26 March 2014
Children's Services capital programme update	5800	25 July 2014
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.