

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services and Deputy Leader
Date of Decision:	23 March 2015
Decision Title:	Children's Services Capital Programme 2015/16 to 2017/18
Decision Reference:	6463
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 2015/16 to 2017/18.
- 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 School Condition Allocations (formerly known as Capital Maintenance) and Devolved Formula Capital (DFC) on 9 February 2015 and Basic Need allocations for 2017/18 on 12 February 2015.
- 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 (BN) and School Condition Allocation (SCA) for the three years 2015/16 to 2017/18 and one year (2015/16) allocation for Devolved Formula Capital (DFC).
- 2.3 The Children's Services capital programme is based on government capital grants, capital receipts, developers' contributions and local resources.

3. Capital Programme 2015/16 to 2017/18

- 3.1 Table 1 set out the School Condition Allocations to 2017/18. The Department for Education (DfE) have confirmed that the grant in the following two years will be equal to the 2015/16 allocation.

Table 1 – School Condition Allocation (excluding schools' devolved capital)

Year	School Condition (Formerly Capital Maintenance)
	£m
2014/15	18.473
2015/16	17.809
2016/17	17.809
2017/18	17.809

- 3.2 The overall allocation of SCA 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 school condition grant between Policy and Resources and Children's Services for the three years to 2017/18.

Table 2 – Children's Services share of school condition grant

Year	Total School Condition (SCA) Grant	Policy & Resources share	Children's Services share
	£m	£m	£m
2015/16	17.809	9.617	8.192
2016/17	17.809	9.617	8.192
2017/18	17.809	9.617	8.192

- 3.4 On the basis of the anticipated position outlined in Table 2, resources available for each of the three forward years to 2017/18 are as set out in Table 3.

Table 3 – Three year capital resources summary

	2015/16 (actual)	2016/17 (actual)	2017/18 (actual)	Total
	£m	£m	£m	£m
Basic Need - new pupil places	31.566	33.145	34.479	99.190
School Condition Allocation (SCA)	8.192	8.192	8.192	24.576
Schools' Devolved Capital	3.343	3.343	3.343	10.029
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	0.100	0.100	0.100	0.300
Capital investment priorities	11.085	0	0	11.085
Bring forward 2015/16 to 2014/15	-6.000	0	0	-6.000
Carry forward resources to 2014/15	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	64.260	100.516	83.014	247.790

Table 3 sets out the updated resources following the most recent announcements for school condition, schools' devolved capital and basic need.

School Condition Allocations

- 3.5 The total allocation in 2015/16 for school condition is £17.809m (£8.192m for Children's Services). Specific projects for approval will be reported to a future Decision Day.
- 3.6 Building condition projects, e.g. recladding, 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 and Property Services to ensure a strategic and cost effective approach to investment.

Basic Need Grant

- 3.7 The most recent capital announcement by the DfE included a Basic Need grant allocation for Hampshire of £34.479m for 2017/18. Government grant over the period 2015-18 totals £99.19m.

Schools' devolved formula capital

- 3.8 Government grant allocations for schools' devolved formula allocations were substantially reduced in April 2011. The allocation for 2015/16 for maintained schools (excluding Academies) is £3.343m. 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 (DFC) allocation

2015/16 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
Post-16	22.50
Lump sum (all schools)	4,000.00

- 3.9 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

- 3.10 Further projects have been identified to meet needs of individual pupils. Approval is recommended for the projects listed in Appendix 1.

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 2014/15 are listed in Appendix 2.

5. Capital programme summary 2015/16 to 2017/18

- 5.1 The total amount available to fund starts in 2015/16 is £64.260m.
- 5.2 Table 5 shows the updated three year programme following the announcement of further capital grant allocations.

Table 5 – Summary three year programme

Year	Children's Services £'m
2015/16	64.260
2016/17	100.516
2017/18	83.014
Totals	247.790

6. Amendments to the 2014/15 capital programme

Universal Free School Meals for infant pupils

- 6.1 The Department for Education launched a bidding round on 16 October 2014 for local authorities to apply for additional capital funding to support the implementation of UIFSM. Nationally £20million has been made available from funds within the existing UIFSM budget. Local authorities were invited to bid for this capital funding on behalf of their maintained schools, including voluntary aided schools.
- 6.2 On 20 January 2015 the DfE advised that two bids were successful and Hampshire has been allocated £0.400m additional capital funding to support schools implementing universal infant free school meals in 2014/15. This funding will be added to the cash limit for 2014/15.

Projects to be funded from developers' contributions

- 6.3 The approach for adding developers' contributions to the programme is that contributions for future projects are not added to the programme until the specific scheme has been fully developed and costed. These funds are held in a holding account and released when required.
- 6.4 A project to replace modular buildings at Locks Heath Infant & Junior was reported to ELMCS in January 2014. Developer contributions of £0.154m have been received and it is recommended these resources are added to the cash limit in 2014/15.

Feasibility and Design - Additional Resource Costs

- 6.5 As a result of the size, nature and scope of the current programme, additional professional time and resources have been required to maximise developer's contributions and secure the necessary land to deliver new school provision on a number of the large housing development sites across Hampshire. There has also been a significant additional professional design resource committed to reduce the capital costs of projects, secure acceptable tender returns and maintain programme delivery for September 2015. These adjustments have been necessary due to the industry inflationary and capacity pressures and changes experienced this year particularly on key building elements, such as brickwork, steelwork and services.

- 6.6 The County Council is leading a cost benchmarking exercise nationally that shows Hampshire's school projects to be on track with the average net cost of buildings across the country with work continuing to be undertaken to reduce our overall building costs. As a result of these pressures and costs incurred by the Director of Culture Communities and Business Services, it is recommended that £0.300m be allocated from the 2014/15 programme contingency to cover these costs.

Revised Capital Programme 2014/15

- 6.7 As a result of the above amendments and the approval for deferral of resources by the County Council at its meeting on 19 February 2015 the revised cash limit for the programme is shown in Table 6.

Table 6	£'000
Cash limit as reported to ELMCS on 21 January 2015	101,137
Projects and resources carried forward to 2015/16	-8,973
UIFSM – additional DfE grant	400
Developer contribution - ATC HQ Farm Road Titchfield	154
Total	92,718

7. Amendments to the 2016/17 programme

- 7.1. The ongoing analysis of the pupil forecasting data identifies the need for three additional projects to meet the countywide need to deliver more school places. In order to begin the consultation and design process and meet procurement timescales the following projects are recommended for inclusion within the 2016/17 programme.
- 7.2. When a school increases its capacity by both more than 30 pupils and by 25% of the current capacity of the school or by 200 pupils (whichever is lesser) then statutory proposals are required. The proposed expansions referred to at paragraphs 7.4 to 7.7 require statutory consultation for Significant Enlargement to be undertaken with all relevant stakeholders.
- 7.3. Therefore, it is recommended that approval be given to statutory consultation taking place with the governing bodies, parents, pupils and staff together with the governing bodies, staff and parents of any other schools that may be affected, trade unions, diocesan authorities, MPs, district, borough and parish councils, neighbouring local authorities and any other interested parties.

Tweseldown Infant School, Fleet

- 7.4 A scheme is being developed for a 1fe expansion at Tweseldown Infant School to reflect the forecast pressure on school places from the local area.
- 7.5 It is recommended that the above scheme be incorporated into the 2016/17 programme at an estimated cost of £1.7m (including fees). A detailed report will be brought to a future Decision Day.

Whitchurch CE (Controlled) Primary School

- 7.6 A scheme is being developed for a 0.5fe expansion at this school to reflect pressure for school places from within the local area.
- 7.7 It is recommended that the above scheme be incorporated into the 2016/17 programme at an estimated cost of £1.6m (including fees). A detailed report will be brought to a future Decision Day.

Leesland CE (Controlled) Junior School, Gosport

- 7.8 A scheme is being developed for a 1fe expansion at this school to reflect pressure for school places from within the local area.
- 7.9 It is recommended that the above scheme be incorporated into the 2016/17 programme at an estimated cost of £1m (including fees). A detailed report will be brought to a future Decision Day.

8. Modular Classrooms

- 8.1 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.

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 4 has been taken and it is recommended that these approvals are noted.

10. Recommendations

- 10.1 To approve the updated capital programme for 2015/16 to 2017/18 following further announcements on capital grant allocations by Department for Education (DfE) on 9 and 12 February 2015.
- 10.2 That the following variations to the 2014/15 capital programme be approved:
- UIFSM additional grant received £0.400m
- Developer contributions received £0.154m

- 10.3 It is recommended that the projects for Access Improvements in Schools as listed in Appendix 1 are approved.
- 10.4 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.
- 10.5 The projects approved under delegated powers by the Director of Children's Services in Appendix 4 are noted.
- 10.6 There is a need to expand Tweseldown Infant School, and Whitchurch Primary School. It is recommended that approval is given to statutory consultations taking place as listed in paragraph 7.3.
- 10.7 It is recommended that £0.300m be allocated from the 2014/15 programme contingency to cover the Director of Culture Communities and Business Services additional resource costs for feasibility and design.

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 2015/16 to 2017/18	6174	21 January 2015
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.

Access Improvements in Schools - proposed works for 2015/16

Resources	£000's
Allocation 2015/16	750
Balance c/fwd 2014/15	0
Total	750

School	Project	Cost £'000
Court Moor Secondary School, Fleet	Installation of handrails, powered doors and improvements to accessible WC.	37
Elson Infant School, Gosport	Internal alterations to provide changing bed space.	12
Front Lawn Primary Academy, Havant	External alterations to provide two accessible parking bays.	18
Hamble Community Sports College	Installation of powered doors and refurbishments of existing accessible WC.	12
Haven Children's Centre, Gosport	Installation of ramps to resourced SEN hub	14
Horndean C of E Junior	Installation of ramps to provide access to playground	13
Horndean Technology College	Internal alterations to provide handrails, adjustments to entrances/doors and alterations to changing rooms for Physical Education.	47
Itchen Abbas Primary School, Winchester	Internal alterations for acoustic improvements in the remainder of the classrooms.	12
Kempshott Primary, Basingstoke	Access improvements to hygiene room including changing table and hoist	27
The Petersfield School (Academy), Petersfield	External alterations to provide ramps at the entrance to the school and to provide a portable stage lift to enable GCSE pupils to fully participate.	16
Wildern School (Academy), Hedge End	Internal alterations to improve accessible WC facilities.	8
Various	Small packages of works below £2,000	2
Total		218

Note: schemes controlled on an expenditure basis.

Note: four projects previously approved on 21 January 2015 totalling £141k.

Developer Contributions received 2014/15

Location	Related to previously funded projects £m	Related to borrowing £m	Related to future projects £m
Abbotswood, Romsey (Cupernham Infant and Junior)	1.141		
ATC Titchfield (Locks Heath Infant and Junior)			0.154
Brislands Lane, Four Marks (Four Marks Primary)			0.063
Brook House, Alencon Link, Basingstoke (Kings Furlong Infant)			0.095
Francis Gardens, Winchester (St Bede Primary)	0.243		
Green Lane, Clanfield (Petersgate Infant)	0.149		
Hampshire Farm, Emsworth (Emsworth Primary)	0.392		
North of Popley Way, Basingstoke (Merton Infant & Junior)			0.770
OSU Canada Way, Liphook (Liphook Primary places)			0.082
Pirelli Eastleigh (The Crescent Primary)	0.281		
Sandy Lane, Crookham QEB (Tweseldown Infant)	4.459		
Sandy Lane, Crookham QEB (Calthorpe Park)	0.779		
Sherfield Park, Basingstoke (Great Binfields Primary)			0.114
Various sites Fleet (Tavistock Infant & All Saints Junior)	0.167		
West of Waterlooville (Berewood Primary)	1.555		
Total	9.166	0.000	1.278

New Modular Classrooms 2015/16

School	NCA October 2014	Actual NOR October 2014	Forecast NOR January 2018	Requirement
Cornerstone C of E (Aided) Primary, Whiteley	120	67	134	Purchase – three classroom block
Fryern Infant, Chandlers Ford	180	182	218	Purchase - single
North Baddesley Infant	177	180	210	Purchase - single
Oakridge Infant, Basingstoke	180	176	241	Purchase - double
Whitchurch Primary	390	391	461	Hire – double

Actions by Director of Children's Services 2015/16

School/Group	Project	Funding Source	Year	£'000
Harrison Primary, Fareham	Internal adaptations	Minor Works	2015/16	185
Hythe Primary	Additional contribution to community building project	Minor Works	2015/16	18
Marnel Infant & Junior, Basingstoke	Additional contribution to basic need project	Basic Need	2015/16	50
Merton Junior, Basingstoke	Additional contribution to basic need project	Basic Need	2014/15	100
Nightingale Primary, Eastleigh	Additional contribution to basic need project	Basic Need	2014/15	50
Total				403