

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services and Deputy Leader
Date of Decision:	25 May 2016
Decision Title:	Children's Services Capital Programme 2016/17 to 2018/19
Decision Reference:	7423
Report From:	Director of Children's Services and Director of Corporate Resources – Corporate Services

Contact name: Peter Colenutt

Tel: 01962 846157

Email: peter.colenutt@hants.gov.uk

1. Executive Summary

- 1.1 This report seeks approval for the updated Children's Services Capital Programme for 2016/17 to 2018/19.
- 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 11 February 2016. Basic Need allocations for 2018/19 were announced on 17 March 2016.
- 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 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 2016/17 to 2018/19 and a one year (2016/17) allocation for Devolved Formula Capital (DFC).
- 2.2 The Children's Services capital programme is based on government capital grants, capital receipts, developers' contributions and local resources.

3. Capital Programme 2016/17 to 2018/19

- 3.1 On the basis of the recent DFE announcements, resources available for each of the three forward years to 2018/19 are as set out in Table 1.

Table 1 – Three year capital resources summary

	2016/17 (actual)	2017/18 (actual)	2018/19 (actual)	Total
	£m	£m	£m	£m
Basic Need - new pupil places	33.145	34.479	28.377	96.001
Schools' Devolved Capital ¹	3.353	3.353	3.353	10.059
Developers' contributions anticipated	30.010	47.898	48.147	126.055
Capital receipts anticipated	0.500	3.000	3.570	7.070
Corporate capital resources	0.100	0.100	0.100	0.300
Priority Schools Building Programme (PSBP2)	0	6.600	0	6.600
M3 Local Enterprise Partnership Grant	3.700	0	0	3.700
Other Contributions	0.400	0.733	0	1.133
Carry forward resources (Projects) to 2016/17	8.119	0	0	8.119
Resources Carried forward to 2016/17	30.000	0	0	30.000
Carry forward resources to 2017/18	-25.000	25.000	0	0
Carry forward resources to 2018/19	-12.000	-7.000	19.000	0
Resources to be identified	0	0	19.342	19.342
Totals	72.327	114.163	121.889	308.379

Table 1 sets out the updated resources following the most recent announcements for schools' devolved capital and basic need.

¹ Schools' Devolved Capital allocations assumed for 2017/18 and 2018/19

Basic Need Grant

- 3.2 The most recent capital announcement by the DfE included a Basic Need grant allocation for Hampshire of £28.377m for 2018/19. Government grant over the period 2016-19 totals £96.001m.

Schools' Devolved Formula Capital

- 3.3 The Government grant allocations for schools' devolved formula allocations for 2016/17 for maintained schools (excluding Academies) is £3.353m. The allocation per school will be allocated according to the DfE formula set out in Table 2 and is intended to fund high priority projects identified through schools' Asset Management Plans.

Table 2 – Schools' Devolved Formula Capital (DFC) allocation

2016/17 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

- 3.4 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.

4. Developers' contributions

- 4.1 Developers' contributions are a vital source of resources for the Children's Services capital programme, contributing towards schemes that are related to new housing developments although total contributions depend on the rate and make-up of the house building.
- 4.2 The details of developer contributions received in 2015/16 are listed in Appendix 2.

5. Capital programme summary 2016/17 to 2018/19

- 5.1 The total amount available to fund starts in 2016/17 is £72.327m.

- 5.2 Table 3 shows the updated three year programme following the announcement of further capital grant allocations.

Table 3 – Summary three year programme

Year	Children's Services £'m
2016/17	72.327
2017/18	114.163
2018/19	121.889
Totals	308.379

6. Amendments to the 2015/16 capital programme

Feasibility and Design - Additional Resource Costs

- 6.1 As a result of the size and scope of the current programme, additional fees of £0.6m have been incurred by the Director of Culture Community and Business Services. The additional professional time and resources have been required to maximise developer's contributions and secure the necessary land to deliver the new schools' programme. There has also been significant additional professional design resource committed to reduce the capital costs of projects, secure acceptable tender returns and maintain programme delivery for September 2016.
- 6.2 Therefore, it is recommended that the additional fees of £0.6m are met from the 2015/16 capital programme contingency.

Locks Heath Infant and Locks heath Junior Schools

- 6.3 Funding of £3.225m was approved for the replacement of five modular buildings with permanent facilities from the 2014/15 capital programme. The scheme has recently completed and provides a considerably enhanced teaching environment at both schools. Due to unforeseen ground conditions, obstructions in the ground, unchartered services and structural alterations, this complex project has required additional funding to complete the project
- 6.4 Therefore it is recommended that additional funding of £0.350m (including fees) be allocated to the project from the 2015/16 capital programme contingency.

Revised Capital Programme 2015/16

- 6.5 As a result of the above amendments and the approval for deferral of resources by the County Council at its meeting on 18 February 2016 the revised cash limit for the programme is shown in Table 4.

Table 4	£'000
Cash limit as reported to ELMCS on 20 January 2016	73,905
Projects and resources carried forward to 2016/17	-8,119
Net cash limit adjustments	21
Adjusted Developers Contributions	1,635
Swanwick Lodge – additional DfE grant	17
Total	67,459

7. Amendments to the 2016/17 programme

Bentley CE Primary School, Farnham

- 7.1 As a result of the pressure on school places in the local area it is proposed to extend Bentley Primary with a new reception classroom, and use the existing space to provide an extended kitchen and a SEN space. The project will also include new toilet facilities and a medical inspection room.

Therefore, it is recommended that the project at Bentley CE Primary Schools is added to the 2016/17 capital programme at a total cost of £0.521m including fees. A detailed project appraisal will be brought to a future Decision Day.

St Lawrence CE Primary School, Alton

- 7.2 The project to extend St Lawrence Primary school by one classroom was approved by ELMCS on 20 January 2016 with an expected start in 2017/18. However, following an update of the forecast pupil data, it is proposed to bring forward the scheme to start in the current financial year. The latest feasibility study is costed at £0.5m.

- 7.3 Therefore it is recommended that the project at St Lawrence CE Primary School is added to the 2016/17 capital programme at a total cost of £0.5m including fees. A detailed project appraisal will be brought to a future Decision Day.

Northern Infant School, Portchester

- 7.4 As a result of the pressure on school places in the local area it is proposed to bring back into use two classrooms at this school as teaching accommodation. The classrooms are currently occupied by an early years provider and it is proposed to locate a purpose built modular pre-school on to the school site to facilitate the move. This will enable the school to increase its Published Admission Number (PAN) from 45 to 60 with effect from September 2017.

7.5 Therefore, it is recommended that this scheme be incorporated into the 2016/17 programme at an estimated cost of £0.65m (including fees).

8. Amendments to the 2017/18 Programme

Romsey Primary School

8.1 On the 20 January 2016 the ELMCS approved the need for a 1fe expansion of primary school places in Romsey. Following discussion with the local headteachers it has been agreed that the additional places will be provided at Romsey Primary School.

8.2 Therefore, it is recommended that the scheme at Romsey Primary School is added into the 2017/18 capital programme at an estimated cost of £2.41m including fees. A detailed project appraisal will be brought to a future Decision Day.

9. Modular Classrooms

9.1 Details of the location of modular buildings required for September 2016 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 permission and procurement for modular buildings to be located on the sites listed at Appendix 3.

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

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

11. Recommendations

11.1 To approve the updated capital programme for 2016/17 to 2018/19 following further announcements on capital grant allocations by Department for Education (DfE) on 11 February and 17 March 2016.

11.2 That the revised 2016/17 capital programme at Appendix 1 is approved along with the amendments to the 2016/17 programme.

11.3 That the Developer Contributions detailed in Appendix 2 are noted.

11.4 It is recommended that approval be given for the application of planning permission and procurement for modular buildings to be located on the additional sites listed at Appendix 3.

11.5 The projects approved under delegated powers by the Director of Children's Services in Appendix 4 are noted.

- 11.6 It is recommended that additional resources of £0.350m (including fees) are identified from the 2015/16 programme to meet the additional costs of the projects at Locks Heath Infant and Junior.
- 11.7 It is recommended that £0.600m be allocated from the 2015/16 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.

