



Report sponsor: Alison Parkin, Director of
Financial Services
Report author: Toni Nash, Head of Finance,
Resources

Compliance with Contract and Financial Procedure Rules

Purpose

- 1.1
 - Capital programme - addition of £0.719m in Section 106 – s106 funding for the provision of the new primary school - Snelsmoor Grange, Boulton Moor
 - Capital programme – addition of £0.889m and £0.101m in Basic Need funding, including allocation of £0.700m of this funding for the provision of the new primary school – Snelsmoor Grange, Boulton Moor
 - Submission of the UK Shared Prosperity Fund (UKSPF) Investment Plan and use of the three year allocation of £6.1m and delegations associated with this funding/plan

Recommendations

- 2.1 To approve the change to the 2022/23-2024/25 capital programme to include an additional £0.719m in s106 funding for the construction of the new primary school to serve the Snelsmoor Grange, Boulton Moor housing development, as outlined in section 4.1.
- 2.2 To approve the change to the 2022/23-2024/25 capital programme to include an additional £0.889m and £0.101m in Basic Need funding, and allocate £0.700m of this funding for the provision of the new primary school – Snelsmoor Grange, Boulton Moor, as outline in section 4.1.
- 2.3 To approve delegated authority to the Strategic Director of Corporate Resources, in consultation with the Council Leader, to submit the Investment Plan to apply for UKSPF grant funding in accordance with the grant terms and conditions as outlined in section 4.2.
- 2.4 To approve, subject to acceptance of the Investment Plan by Government, acceptance of the grant of £6.1m funding over the next 3 years, 2022/23 – 2024/25 from UKSPF and use of the funds as determined by the terms and conditions of the grant as outlined in section 4.2.
- 2.5 To approve that the Council will be the Accountable Body for the UKSPF.
- 2.6 To approve delegated authority to the Strategic Director of Corporate Resources to make all necessary adjustments to the capital programme to incorporate the actions resulting from the Investment plan for UKSPF grant funding.

- 2.7 To approve delegated authority to the Strategic Director of Corporate Resources to authorise grants to external partners that are in line with the investment plan and have received approval from the internal SPF governance and bid review process.

Reason

- 3.1 To comply with Financial Procedure Rules and Contract Procedure Rules.

Supporting information

4.1 Snelsmoor Grange, Boulton Moor, Primary School

The Council successfully completed a s106 agreement for a new housing development at Snelsmoor Grange, Boulton Moor, which is made up of 800 dwellings. It is anticipated that 224 primary school pupils will be generated by a development of this size. In addition, a housing development on Fellow Lands Way, Chellaston, made up of 190 dwellings, has recently been completed. Based on the Council's pupil yield multipliers, the total of 990 new dwellings across the two developments will generate an estimated 277 primary aged pupils.

- 4.1.1 Following careful consideration, as a result of the new housing at Snelsmoor Grange and Fellow Lands Way, a new one and a half form entry primary school (315 pupils), with a 39 place nursery, is proposed to ensure sufficient school places. A school site has been identified within the Snelsmoor Grange housing development and it is anticipated that construction work on the new primary school will commence in Summer 2022 for a September 2023 opening. The proposal is for the new school to open up on a gradual basis, as the new housing is built and occupied.
- 4.1.2 As previously reported to Cabinet, on 13 April 2022, the initial Snelsmoor Grange, Boulton Moor, s106 was for £7.084m as set out in 7.2. This sum was to be index linked from 30 January 2020 to the time payment is due, as set out in the agreed s106. Indexation has now been applied to the £7.084m which has generated a further s106 contribution of £0.719m taking the Snelsmoor Grange, Boulton Moor, s106 contribution £7.803m for the provision of the new primary school.
- 4.1.3 The Department for Education have announced further Basic Need funding allocations for 2023/24 and 2024/25, of funding allocated for the provision of new school places, as follows:
- 2023/24 - £0.889m
 - 2024/25 - £0.101m
 - Total - £0.990m

Due to continuing volatility in construction market costs, it is necessary for the Council to allocate £0.700m of this Basic Need funding for the provision of the new Snelsmoor Grange, Boulton Moor, primary school, to enable the awarding of the construction contract. The Council will continue to carefully review costs of the scheme and look to make any efficiency savings where possible, but it is necessary to allocate this funding to the scheme whilst final costs are reviewed and challenged.

- 4.1.4 The additional funding is required to complete the construction of the new school and to reflect increased inflationary construction costs relating to the school scheme.

- 4.1.5 It is recommended to approve the change to the 2022/23-2024/25 capital programme to include an additional £0.719m in s106 funding for the construction of the new primary school to serve the Snelsmoor Grange, Boulton Moor housing development, and the addition of £0.889m and £0.101m in Basic Need funding, including allocation of £0.700m of this funding for the provision of the new primary school – Snelsmoor Grange, Boulton Moor.
- 4.2 Submission of the UK Shared Prosperity Fund (UKSPF) Investment Plan and Acceptance and Use of UKSPF funding of £6.1m funding**
- As referenced in the recent Government White Paper on Levelling-Up, the Government has allocated the Council circa £6.1m of UK Shared Prosperity Funding (UKSPF). Funding is over three years starting April 2022 for circa £0.746m, £1.491m and £3.907m respectively, with the requirement to span the relevant financial years to complete the programme. The funding goes some way to replace European structural funds and it is expected the first allocation will be paid in the Autumn.
- 4.2.1 The £6.1m, three year, SPF will be led by the Council as accountable body, in consultation with partners through the Derby Partnership Board. Opportunities for partner organisations to deliver elements of the funded proposal in partnership will be considered as part of the process. The amounts allocated to partners will depend on their capacity to deliver outcomes as required and competitive bids may be required to ensure best value.
- 4.2.2 The focus of the funding is to build pride in place and improve life chances with three main investment priorities set by Government – communities and place, supporting local business and people & skills. The Council must submit an Investment Plan to apply for UKSPF focused towards these themes with spending plans and measurable outcomes. We intend to align the priorities linked to our Council Plan outcomes and Partnership themes of Green, Growth, Resilient and Vibrant. The Investment Plan is expected to be subject to annual review.
- 4.2.3 UKSPF will be steered and administered through a corporate cross-service working group and overseen by the Derby Partnership Board (as presented to the board on 20th June 2022). There will be an inclusive process within agreed priorities, with stakeholder engagement taking place to inform the development of the investment plan and allocation process. The fund will be supported by appropriate governance, including a risk management plan and funding agreements where applicable, with regular monitoring of outputs in accordance with Government guidance. The UKSPF includes an allocation of £0.020m for initial costs plus up to 4% for fund administration.

4.2.4 It is recommend to approve:

- delegated authority to the Strategic Director of Corporate Resources, in consultation with the Council Leader, to submit the Investment Plan to apply for UKSPF grant funding in accordance with the grant terms and conditions
- subject to acceptance of the Investment Plan by Government, acceptance of the grant of £6.1m funding over the next 3 years, 2022/23 – 2024/25 from UKSPF and use of the funds as determined by the terms and conditions of the grant
- that the Council will be the Accountable Body for the UKSPF
- delegated authority to the Strategic Director of Corporate Resources to make all necessary adjustments to the capital programme to incorporate the actions resulting from the Investment plan for UKSPF grant funding
- delegated authority to the Strategic Director of Corporate Resources to authorise grants to external partners that are in line with the investment plan and have received approval from the internal SPF governance and bid review process

Public/stakeholder engagement

5.1 None arising from this proposal.

Other options

6.1 None arising from this proposal.

Financial and value for money issues

7.1 **Snelsmoor Grange, Boulton Moor, primary school** - The approved 2022/23-2024/25 capital programme already contains £7,984,154 for the provision of the new Snelsmoor Grange, Boulton Moor, primary school. This includes £7,084,154 in s106 funding from the completed s106 agreement for the Snelsmoor Grange, Boulton Moor, development.

- 7.1.2 The approved 2022/23-2025/25 capital programme scheme for the Snelsmoor Grange, Boulton Moor, primary school requires updating to include the additional £718,989 following indexation as set out below:

	Funding Sources	22/23 Budget	23/24 Budget	24/25 Budget	Total
Current approved capital programme	Fellow Lands Way s106 - already on approved capital programme	£900,000	-	-	£900,000
	Boulton Moor/Snelsmoor Grange s106 - as reported to Cabinet for scheme commencement April 2022	£3,448,480	£3,511,540	£124,134	£7,084,154
	Total	£4,348,480	£3,511,540	£124,134	£7,984,154
Changes Required	Fellow Lands Way s106 changes	-	-	-	-
	Boulton Moor/Snelsmoor Grange s106 - additional indexation requiring adding to the capital programme	-	£718,989	-	£718,989
	Additional Basic Need Funding	-	£700,000	-	£700,000
	Total Changes	-	£1,418,989	-	£1,418,989
Revised phasing for Capital Programme		£4,348,480	£4,930,529	£124,134	£9,403,143
Remaining Additional New 23/24 and 24/25 Basic Need Allocations		-	£189,236	£101,132	£290,368

Legal implications

8.1 N/a

Climate implications

9.1 N/a

Other significant implications

- 10.1 The new school will be accessible for disabled children and the design will be discussed with the Lead on Equality and Diversity and the Specialist Teaching and Psychology Service

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	26/06/2022
Finance	Toni Nash, Head of Finance Resources	20/06/2022
Service Director(s)	Alison Parkin, Director of Financial Services	29/06/2022
Report sponsor	Alison Parkin, Director of Financial Services	29/06/2022
Other(s)	Diane Whitehead, Head of School Organisation and Provision	20/06/2022
	Ann Webster, Lead on Equality and Diversity	20/06/2022
	Liz Moore, Head of HR	21/06/2022

Background papers:	N/A
List of appendices:	N/A