



Contract and Financial Procedure Matters Report

SUMMARY

- 1.1 This report deals with the following items that require reporting to and approval by Council Cabinet under contract and financial procedure rules:
- changes to the capital programme
 - use of corporate revenue reserves
 - approve an increase in the Crematorium's mercury abatement charge
 - to approve changes to the Scheme for Funding Schools
 - to approve a waiver of Contract Procedure Rules, Competition Requirements and Contract Extensions
 - to note additional grant allocations and approve increases in departmental revenue budgets
 - to approve a modification to the Council's investment strategy
 - to note the effect of public sector spending cuts announced by Government.

RECOMMENDATIONS

- 2.1 To approve and note the following changes in relation to the capital programme:
- to approve the changes detailed in Appendix 2 and to amend the 2010/11 – 2012/13 capital programme
 - to note the revised capital programme and associated funding detailed in Table 1 for 2010/11 at paragraph 3.1
 - to recommend to Full Council the approval of the additional borrowing requirement for the Nottingham Road Cemetery path improvement scheme, as set out in paragraph 3.5 and in 2012/13 for the BSF highways scheme as set out in paragraph 4
 - to note the additional £62,000 grant from English Heritage towards the building frontage enhancement scheme in the city centre and the reallocation of £62,000 match funding required from the Public Realm Contingency Fund as detailed in paragraph 3.6
 - to approve scheme commencements for the schemes in the capital programme detailed in Appendix 3.
- 2.2 To approve a transfer of £150,000 from New Deal for Schools Modernisation Fund that is currently allocated to the Building Schools for the Future – BSF - scheme to support highways related work, to a scheme to support property adaptations for foster carers. And to approve the funding of the BSF highways related work through unsupported borrowing as detailed in paragraph 4.

- 2.3 To approve the use of £120,000 from the 'council properties backdated business rates corporate revenue reserve' to fund a temporary principal officer, Asset Surveyor post, for a fixed term of three years to undertake an area based asset review as detailed in paragraph 5.
- 2.4 To approve the use of £59,622.31 from the 'council properties backdated business rates corporate revenue reserve' to fund revenue costs associated with the Accommodation strategy as detailed in paragraph 6.
- 2.5 To approve an increase from April 1 2010 in the Crematorium's mercury abatement charge for 2010/11 and the transfer of income into a mercury abatement reserve as detailed in paragraph 7.
- 2.6 To approve the changes to the Scheme for Funding Schools in relation to surplus balances and to take effect from the 2009/10 outturn as detailed in paragraph 8.
- 2.7 To approve a waiver of Contract Procedure Rule 8, Competition Requirements, and award a contract to 'A plus Education' to the value of £96,000 to deliver an audit of all foundation stage providers as set out in paragraph 9.1.
- 2.8 To approve a waiver of Contract Procedure Rule 47 – Contract Extensions – to approve a contract extension with Springboard to the value of £10,550 for pedestrian monitoring cameras in the city centre for one year as detailed in paragraph 9. 7.
- 2.9 To note the additional grant allocations and approve the increased expenditure and income as set out in paragraph 10 relating to the 2010/11 Area Based Grant.
- 2.10 To approve a modification to the Council's investment strategy whereby, whenever cash surpluses are less than £1m and the Bank of England's Debt Management Office (DMO) is the only overnight investment option, to leave the surplus balance overnight with the Co-operative Bank.
- 2.11 To note the impact on Council funding in 2010/11 as a result of the recent announcement in public sector spending cuts.

SUPPORTING INFORMATION

3. Changes to the Capital Programme

- 3.1 The latest approved programme as at 20 April 2010 Cabinet was £113.5m. Various changes are now required to increase this total by £0.244m making a revised capital programme total of £113.8m. Table 1 shows the changes and revised 2010/11 programme.

Table 1 - Revised Capital Programme 2010/11

Table 1 – Revised 2010/11 Programme and Funding			
Programme	Latest Approved (20 April Cabinet) Capital Programme £000's	Further Revisions (Appendix 2) £000's	Revised Programme £000's
Children and Young Peoples Department	31,486	305	31,791
Regeneration and Community Department	25,307	62	25,369
Housing	22,197	-500	21,697
Resources – e Services	1,881		1,881
Environmental Services	11,077	27	11,104
Corporate and Adult Services/Corporate	8,864	63	8,926
Chief Executive	12,754		12,754
Total Programme	113,566	-44	113,522
Funding 2009/10			
Supported Capital Expenditure (Revenue)	7,585	150	7,585
Supported Capital Expenditure (Capital)	27,530		27,530
<i>Unsupported borrowing</i>			
Corporate Programme	19,527		19,527
Service Financing	1,520	27	1,547
Service Financing Spend to Save	1,785		1,785
Housing major repairs allowance	8,273		8,273
Government grants	20,294	112	20,405
Capital receipts	10,074		10,074
External contributions	2,831	105	2,936
Lottery	0		0
Capital Reserves	1,113	-500	613
Revenue/Revenue Reserves	12,091	63	12,028
S106 External Contributions			
Total Funding	113,566	-44	113,522

3.2 Details of the changes are shown in Appendix 2 with a summary of some of the larger changes highlighted below ...

- £105k addition to remove the phone mast at Noel Baker School. The phone mast is on the existing building that is due to be demolished with the BSF PFI new build of Noel Baker (£39m). The location of the phone mast and re-location proposals have been part of on going dialogue with Orange, alongside the design development and location of the new Noel Baker school in order to ensure new location of the phone mast does not conflict with location of new build school. Services also needed to be taken into consideration, together with Orange access routes for maintenance of phone mast. Planning application for the re-location of the phone mast is also underway.

The Council has taken responsibility to deal with the phone mast contract as it is essential for this to be right with PFI contractual implications, in terms of identified land to be transferred to the PFI contractor, as outlined in the PFI project agreement.

The cost of the re-location of the phone mast (£105k) will be funded from the BSF budget which includes the agreed school's devolved capital funding contributions.

- £500,000 reduction to the Disabled Facilities Grant scheme due to the incorrect addition of corporate funding not available in the approved budget.
- £27,000 addition of Nottingham Road cemetery path improvements
- £63,000 additional spend to The Derventio / ASPECT scheme due to the Derventio site suffering internal fire damage prior to the commencement of the ASPECT development works. This damage was rectified before the development work could proceed and the resulting insurance settlement gave a shortfall of £22,568 in respect of the works carried out. Furthermore it has been agreed to install an internal and external sprinkler system to the building at an estimated cost of £40,000.
- £162,000 allocation of Modernisation funding for the Firs Estate Primary School urgent structural and fire risk assessment works to include upgrading of fire compartmentalisation, emergency lighting and Fire Alarm and structural repairs to two chimneys and gable walls.

3.3 Changes to the 2010/11 capital programme have a knock on effect on the indicative programme for 2011/12 – 2012/13. The summary revised totals by department for the indicative programme are shown in Table 2.

Table 2 - Revised Indicative Programme 2011/12 - 2012/13

Programme	2010/11	2011/12	2012/13
	£000	£000	£000
Children and Young Peoples Services	31,791	51,237	98,021
Regeneration and Community	25,369	7,243	6,302
Housing	21,697	12,779	11,110
Resources	1,881	-	-
Environmental Services	11,104	12,183	50,517
Corporate and Adult Social Services/Corporate	8,926	5,520	1,377
Chief Executive	12,754	22,375	8,560
Revised Programme	113,522	111,337	175,887

3.4 The figures shown for 2011/12 – 2012/13 are the indicative budgets approved by Cabinet on 16 February 2010 in the budget process for the 2010/11 altered for any rephrasing as reported at 20^h April 2010 cabinet and shown in Appendix 2.

3.5 Other Issues

Environmental Services

Cabinet is requested to recommend to Full Council the additional borrowing requirement for the Nottingham Road Cemetery path improvements with the borrowing costs funded through Environmental Services revenue budgets over a five year period.

3.6 Public Realm Capital Programme

Building Repair and Frontage Enhancement Grant Scheme

Following an initial slow start, the number of applications to the English Heritage Building Repair scheme has increased significantly. Due to the success of these increased application numbers English Heritage have increased their 10/11 funding allocations by £48,000 and £62,000 respectively with the condition that both amounts must be 50% match funded by the Council. In order to provide this match, the Public Realm Board has approved the release of £62,000 from the Public Realm Contingency budget to re-allocate to the Building Repair and Frontage Enhancement Grant Scheme.

3.7 Scheme Commencements

Scheme commencement approval is requested for the following, the details of which can be found in Appendix 3.

- Sadler Gate, Corn Market and St Peter's Street – Design Vision and Detailed Design (Sadler Gate only)
- Phone mast removal at Noel Baker Community School, Building Schools for the Future scheme
- Various schools Fire Precaution Works following FRA
- Vic Hallam repairs at various schools. Urgent structural repairs for Chaddesden Park Infant and Junior, Mickleover Primary and Ridgeway Infant Schools
- Boiler Replacement Programme - various schools
- STEPS Specialist Teaching Equipment 2010-11
- Firs Estate Primary School urgent structural work and fire risk assessment works.

3.8 On 1 March 2010, Full Council approved the Capital Budget 2010/11 to 2012/13 for boiler replacements, structural repairs to Vic Hallam buildings and work identified through fire risk assessments. Health and Safety and logistical reasons dictate that many of the schemes were planned for implementation over the summer holiday period when most of the schools are unoccupied or have minimum occupation. Due to the nature and scope of the work, if the work is not undertaken during this period rescheduling for summer 2011 will be necessary, causing scheme cost increases and also the risk of school closures before the work can be carried out. Approval for scheme commencement is therefore requested for boiler replacements, structural repairs to Vic Hallam buildings and work identified through fire risk assessments.

3.9 Cabinet is asked to approve the additions and amendments to the 2010/11 – 2012/13 capital programme and to agree scheme commencement for the schemes listed in Appendix 3.

4 **Specialist Scheme for Foster Carers capital grants**

4.1 Modernisation funding has been sought to pump prime a scheme within the Children and Young People's department to support a specialist foster carer scheme. This scheme is to ensure that we have in-house capacity to accommodate hard to place children with our own in-house foster cares. This scheme will provide substantial revenue savings as the children would be otherwise placed with more expensive external organisations. Savings have been built into the department's approved revenue budget.

4.2 The scheme is now well under way but to enable some foster carers to take these placements they may require adaptations to their homes.

4.3 There are no additional funds available to support this capital grant; unsupported borrowing is not an option because we do not own the asset. It is recommended that funds are switched from the New Deal for Schools Modernisation fund, as this is part of the single capital pot and is therefore un-ring fenced, and set aside to support capital grants to carers of the specialist foster carer scheme. It is proposed that the shortfall in the BSF scheme as a consequence of the switch of funding is then funded by unsupported borrowing from the Children and Young People's revenue budget.

4.4 The Council will register a legal charge against the foster carers' property to secure the repayment of the grant should they cease to continue as foster carers for less than five years from the grant being made.

5 Area Asset Review

- 5.1 A three year programme of area based asset reviews are being developed in conjunction with the Derby Property Alliance. The programme requires an assessment of need within the context of the council's priorities to identify opportunities to rationalise and realise public sector assets and co-locate services.
- 5.2 To assist in the completion of the programme a temporary principal officer Asset Surveyor post for a fixed term of three years in the Asset Management section is required. The estimated total cost is £120,000. It is proposed to fund this from the 'Council properties backdated business rates corporate revenue reserve', subject to Cabinet approval as required by financial procedure rules. Should this be approved, the balance on this reserve, which is held as part of the uncommitted corporate reserves, would reduce to £659k.

6 Accommodation Strategy

- 6.1 Costs totalling £59,622.31 have been incurred in relation to initial scoping and feasibility work and legal fees before the design stage of the revised Accommodation Strategy. To comply with the Council's revised capitalisation policy these costs do not fall within the definition of capital costs and as such cannot be funded from the Accommodation Strategy capital programme.
- 6.2 It is proposed to fund these costs from the 'Council properties backdated business rates corporate revenue reserve', subject to Cabinet approval as required by financial procedure rules. Should this be approved, the balance on this reserve, which is held as part of the uncommitted corporate reserves, would reduce to £599k.

7 Crematorium's mercury abatement

- 7.1 To address the Department for Environment, Food and Rural Affairs - DEFRA - requirements that, by 31 December 2012, 50% of all cremations at existing crematoria are subject to mercury abatement, the Council has since 2006/07 been charging a mercury abatement fee in addition to the normal cremation charges.
- 7.2 A ring fenced reserve to assist with the future costs required to adapt or replace the cremators to comply with mercury abatement requirements has been created, from income from the mercury abatement fee. A scheme to replace or refurbish the cremators is within the current capital programme. Total costs of the scheme are estimated at £2m, of which the reserve is expected to contribute £450,000.
- 7.3 The current charge of £40 per cremation is based on the levy recommended by the Federation of British Cremation Authorities, who are now recommending a charge of £45 for 2010/11 per cremation in 2010/11.
- 7.4 The increased mercury abatement levy from £40 to £45 per cremation will generate approximately £13,750 additional income to be transferred to the mercury abatement reserve in 2010/11.

8 Scheme for Funding Schools

- 8.1 On 6 March 2007, Jim Knight, the then Minister of State for Schools and Learners, wrote to all schools informing them that the decision to redistribute locally 5% of all surplus revenue balances would be postponed at this time. At the same time the letter did indicate that the Government remained concerned that school balances had been increasing and stood at £1.7 billion as at March 07 and had increased by £100 million on the previous year. The letter also indicated that the Department would monitor the situation over the next three years and would consider imposing action from 2011/12 should the totals not be brought down.
- 8.2 The national figures continued to rise and in March 2008 they stood at £2 billion and, although they did reduce in March 2009, they were still higher than that reported in 2007 at £1.9 billion. It is evident from this trend that the challenge on school balances will not go away.
- 8.3 In Derby our situation is better than both the regional and national picture. The table below illustrates our levels of balances over the last six years.

	Total Balances £m	Balances as a % of Budget			Total School with Excess Surplus Balances (%)		
		Derby	East Mids.	All Eng.	Derby	East Mids.	All Eng.
2003/04	6.0	4.8	4.6	5.1	32.3	36.7	38.4
2004/05	5.0	3.7	5.2	5.5	25.7	40.9	40.9
2005/06	5.8	4.0	5.4	5.3	27.9	41.1	38.6
2006/07	5.4	3.5	5.5	5.3	24.0	42.8	38.4
2007/08	7.0	4.2	6.1	5.8	31.4	44.1	38.3
2008/09	5.7	3.4	6.2	5.2	15.1	40.8	32.7
2009/10 provisional	5.2	3.6					

- 8.4 School balances are reported annually to Council Cabinet and Schools Forum. Schools Forum has debated this issue on numerous occasions and has always been supportive of the Local Authority taking action to reduce surplus balances. Schools Forum considered a report in October 2009 on the proposals for an automatic clawback of a proportion of balances and at that meeting gave a cautious welcome to the proposals. Concerns were around being able to distinguish devolved funds, particularly Standards Funds, and being able to apply some form of discretion.
- 8.5 It is now proposed that where schools have a surplus balance of 11% and above in nursery, primary and special schools, and 8% and above in secondary schools, these balances will be clawed back subject to conditions. The use of these balances will then be determined by the Local Authority in consultation with Schools Forum. The use of balances in excess of 8% for nursery, primary and special schools, and 5% for secondary schools, will remain subject to Council Cabinet approval and compliance with the approved reasons within the Scheme for Funding Schools.
- 8.6 Appendix 4 details the proposed new scheme. Amendments are in italics.

9 Waiver of Contract Procedure Rules

9.1 'A plus Education Ltd', Contract Value £96,000

The Local Authority has a duty to support, encourage and facilitate the childcare market in terms of quality. The service requested from A plus Education will support the delivery of the Childcare Act 2006. The Environmental Childhood Education Rating Scales - ECERS - are used in many countries around the world to assess quality as part of large scale research studies and as tools for improving practice in the UK. Research shows that the quality of the provision links direct to outcomes for children.

9.2 The ECERS tool has been assessed for its appropriateness for meeting the requirements of Derby City. Evidence has been gathered from other Local Authorities that have used ECERS and A + Education Ltd. Other Local Authorities are now able to reflect and provide data on the impact of ECERS including baseline evidence and improvements in quality over a period of time. The ECERS tool will support work across the service setting standards for decision making.

Other quality tools have been investigated however they will not provide the service with the data to improve quality within settings and support improving outcomes for all children. The expertise to carryout this type of audit provision is not currently available within the Local Authority - LA.

9.3 ECERS enables an audit mapping of quality trends across the authority to prioritise spending, training, allocation of funding and support. The summary of the findings for each provider is non- negotiable because of the rigour of the process. ECERS will provide baseline evidence for the majority of Early Years National Strategies and LA initiatives and projects. The data provided is reliable and valid. The data analysis tool will support the comparison of Early Years Foundation Stage Profile - EYFSP - data to identify patterns of need and how we will work to narrow the gap in achievement.

9.4 Other quality improvement tools have been considered. However these were assessed as unsuitable as they did not provide a generic tool for quality improvement, data was not seen as being reliable or valid to base decisions regarding quality improvement.

9.5 A plus Education is the only licensed organisation within the UK to be able to deliver the project. The contract value is for £96,000 and will run until September 2010. The contract will be funded from ring fenced early years grants.

9.6 ECERS is identified within a range of key documents and materials from the Department for Education included the Draft Code of Practice for 3 and 4 year old flexible offer and National Strategies Early Years Quality Improvement Support Programme - EYQUISP - and are recommended within the Early Years Foundation Stage.

9.7 **Contract Extension for Pedestrian Monitoring Cameras**

Footfall cameras were first installed in Derby City Centre in 2006, with counting points at Iron Gate (since Oct 2006), Sadler Gate (since Oct 2006), Cornmarket (since Dec 2007) St Peters St McDonalds (since Oct 2006) and St Peters St Manor Pharmacy/ Waterstones (The Spot) (since May 2008)

9.8 The contract for first two counting cameras (three counting zones) (Iron gate/ Sadler gate. St Peters Street McDonalds) will end in May 2011, and the contract for the additional two footfall counting cameras (Cornmarket and The Spot) will end in December 2011.

9.9 The data collected from these cameras is one of the cities key performance Indicators, providing comparative evidence of footfall trends throughout the main pedestrian route from Westfield to Cathedral Quarter. It is evaluated on a weekly basis with retail sales data from across the city centre, and is used to both advise and inform partners of the impact of events and activities in the city. It is also being used by other funding applications as a mechanism of supporting evidence for attracting in funding for events, and by commercial companies who are looking at bringing in commercial space hire sites within the City

9.10 The proposed contract extension is for a further one year, until May 2012 at a total value of £10,550 and is recommended for the following reasons ...

- Springboard already hosts our existing cameras and has obtained permissions, erected cameras and installed monitoring requirement in the existing locations.
- Springboard is the leading provider of footfall counting services in town and city centres - currently around 70 towns and cities nationally - and so Springboard is able to provide excellent national benchmarking for town centres via the National High Street Index that it publishes in collaboration with the ATCM.
- In addition to national comparisons, Derby is able to compare its performance in terms of footfall against a number of other benchmarks, e.g. nationally, regionally, by type of town, by groups of towns, by particular towns.
- In addition to Derby, Springboard also monitors footfall in Nottingham, and so is able to provide local benchmarking.
- Derby's cameras are also compared to Sheffield, York and Cheltenham. These towns and cities have catchments which have been identified as comparable to Derby, and therefore are important benchmarks.
- Springboard provides access to a large database of historic footfall data for Derby City Centre stretching back to 2006.
- Springboard's technology is designed for external environments and, as such, has a high degree of accuracy which has been externally validated
- Springboard's service and reporting structure is designed to meet the specific needs of town centres, which often differ from shopping centres.

10 Area Based Grant - ABG - Additional Funding Streams

10.1 The ABG funding for 2010/11 was £23,765,567 when revised at the end of November 2009 (reported to cabinet January 2010). The Government announcement at the beginning of April 2010 has revised this total to £24,093,222.

This is an increase of £327,655. This change is due to four additional new funding areas ...

- £37,212 January Guarantee – local areas are expected to offer every 16-17 year old who is not in education, employment or training - NEET - a place in Entry to Employment provision. Amount passed to Connexions via Children and Young People's Department.
- £280,663 Learning and Skills Council Staff Transfer: Special Purpose Grant – grant to ensure all posts within the local authority are fully funded for a three year period after transfer of function to local authorities. Amount to be transferred to Children and Young People's Department revenue budget.
- £8,400 NI160 Status Survey – Authorities that have an ALMO are required to carry out a survey of tenants and report on National Indicator 160. This survey is due to take place within the Council later this year with estimated costs to be covered by the allocation. This amount is to be transferred to the Housing Revenue Account.
- £1,380 Familiarisation Costs – one-off payment to assist in costs incurred by authorities in familiarising themselves with new statutory guidance on social housing allocations, issued in December 2009. These costs are already incurred and this allocation will help cover those costs within the Adults, Health and Housing department.

10.2 Cabinet is asked to note the changes to the 2010/11 ABG funding allocations and approve the proposed treatment of the additional funding.

11 Modification to Council's investment strategy

11.1 The Council's bank is the Co-operative which has a 'Fitch' credit rating of F2. It therefore falls below the minimum investment threshold of F1 set at the Council meeting of 1 March 2010. This is causing some practical administration problems for the service in that for us to comply with the Treasury Management policy, no significant balances should be placed with the Co-operative Bank overnight, despite the Council often holding very large amounts of over £1m with the Bank during business hours.

11.2 The problem with overnight balances has arisen partly from a widespread tightening of the Council's investment criteria over recent years - in response to market volatility - and partly from the Co-operative Bank's being downgraded after its take-over of the Britannia Building Society in August 2009.

11.3 This across-the-board tightening occasionally means that the Council has no option but to place daily cash surpluses with the Bank of England's Debt Management Office - DMO, which offers the most secure investment and also the lowest possible rate of return - currently 0.25%. Unfortunately, the DMO does not accept principal amounts of less than £1m. Therefore, in instances where the Council has less than £1m to invest overnight this means withdrawing cash from other instant access investments paying a higher rate of interest than the DMO in order to 'top up' the cash surplus to £1m. To do this, albeit not very often, costs the Council in bank charges, lost interest and adds to the administration workload of the treasury management team.

11.4 It is therefore proposed, whenever cash surpluses are less than £1m and the DMO is the only overnight investment option, to leave the surplus balance overnight with the Co-operative Bank. This marginally increases the level of default risk to which the Council is exposed, but this is very low and the amounts in question will be small relative to the daytime balance held with the Bank.

12. Central Government cuts and Public Sector spending

12.1 Following the announcement of a cut in public sector spending of £6.25bn in 2010/11, of which £1.165bn is in councils specific grants, Government departments have begun to outline what this means for sectors of the service.

12.2 Updates are being received on a daily basis and the impact on services is being explored. Further updates will follow to Cabinet as we receive more information.

12.3 Two areas of other public sector spending cuts which impact on Derby are the:

- East Midlands Development Agency - Emda – Single Programme
- Housing and Communities Agency - HCA – Growth Fund.

12.4 Notification has been received from Emda and HCA regarding reductions in grant for 2010/11. These reductions are outlined below:

	Original 10/11 £	Revised 10/11 £	Change 10/11 £	%
Emda Single Programme				
• Revenue	1,364,000	1,122,000	-242,000	-17.8
• Capital	2,298,000	1,733,000	-565,000	-24.6
HCA Growth Fund				
• Capital	727,000	tbc	tbc	

12.5 The impact on the planned programme in each of these areas is being reviewed by the relevant partnership boards and recommendations will be reported as soon as possible. Updates may be available at the 8 June Cabinet meeting.

12.6 As part of the announcement, the other relevant information for Cabinet to note is:

- the ringfencing of local authority grants worth £1.7bn will be scrapped – this should provide greater flexibility in addressing the savings expected.
- formula grant remains untouched for 2010/11.

12.7 An update on this position will be reported to 6 July Cabinet.

12.8 To note the impact on Council funding in 2010/11 as a result of the recent announcement in public sector spending cuts.

For more information contact:	Alison Parkin, Head of Children and Young People's Finance 01332 716872 e-mail Alison.parkin@derby.gov.uk
Background papers:	None
List of appendices:	Appendix 1 - Implications Appendix 2 - Changes to the capital programme Appendix 3 - Capital Scheme Commencements Appendix 4 – changes to the Scheme for Funding Schools

IMPLICATIONS

Financial

1.1 As outlined in the report.

Legal

2.1 As outlined in the report.

Personnel

3.1 As outlined in the report.

Equalities Impact

4.1 As outlined in the report.

Corporate objectives and priorities for change

5.1 These recommendations, where relevant, are in line with approved budgets which accord with the Council's corporate priorities.

Summary of further changes to the capital programme 2010/2011				
	Latest Approved Capital Programme 2010/11 £000	Revised Capital Programme 2010/11 £000	Change £000	Category
Children & Young Peoples Department				
Schools Access Initiative Schools Access Initiative (Allocation of £225k to the schemes below)	668	443	(225)	R2
Chaddesden Park Infants and Junior SAI Improvement to access – drives and pathways. Addition of toilet block with Clos-o-mat toilet and changing facilities.	66	83	17	R2
Silverhill Primary - Contribution to school scheme - to provide disabled parking space	-	10	10	R2
Griffe Field Primary School - Schools Access Initiative contribution towards family room	-	1.20	1	R2
Ridgeway Infant School - SAI treatment and sensory room	-	10.00	10	R2
Redwood Junior - Schools Access Initiative contribution towards entrance improvements	-	10.00	10	R2
Ravensdale infants - SAI Black out blinds	-	2.00	2	R2
Roe Farm - SAI create changing area for Foundation Stage 2	-	10.00	10	R2
Rosehill Infants - SAI Install rooflights over hall to remove glare	-	35.00	35	R2
StEPS Equipment budget	-	130.00	130	R2
NDS Modernisation NDS Modernisation (funding source) allocation to the scheme below	932	770	(162)	R2
Firs Estate Primary School urgent structural and Fire Risk Assessment works	-	162	162	R2
Property adaptations for foster carers	-	150	150	R2
Children's Centre Capital				

Funding				
Chellaston Children's Centre - Improvements to security gates and speed bumps	-	5	5	R2
Stonehill/Babington Children's Centre - Improvements to access, gates and railings	-	2	2	R2
Sinfin Children's Centre	20	23	3	R2
West End Children's Centre (Central Community Nursery School)	350	417	67	R2
Unallocated Childrens Centre Capital Funding (Allocation of £77k to the schemes above)	376	299	(77)	R2
BSF Schemes				
Phone mast removal at Noel Baker Community School, BSF scheme	-	105	105	A
New Grant Allocations				
West Park School Capital Grant for Redesignating Specialist Schools	-	25.00	25	A
Noel Baker Community School & Language College Capital Grant for Redesignating Specialist Schools	-	25.00	25	A
Total changes to Children & Young Peoples Department	2,412	2,717	305	
Regeneration & Community Department				
Full St Corridor / Heritage Walk (Ph1 is Morledge/Corporation Street) - Detailed Design	152	202	50	R2
Building Frontage Enhancement Scheme	445	617	172	R2 / A
PR Contingency	750	590	(160)	R2
Saddler Gate, Corn Market & St Peter's Street - Design Vision & Detailed Design (Saddler Gate only)	192	439	247	R2
Cornmarket & St Peter's St. Design Vision	200	-	(200)	R2
PR Portfolio - NGP's CONFIRMED funding	64	17	(47)	R2
Total changes to Regeneration & Community Department	1,803	1,865	62	
Disabled Facilities Grants	1,400	900	(500)	R1
Total changes to Housing Department	1,400	900	(500)	
ASPECT (Derventio)	326	389	63	R1

Total changes to Corporate and Adult Social Services Department	326	389	63	
Nottingham Road Cemetery - Path improvements	-	27	27	A
Total changes to Environmental Services	-	27	27	
TOTAL CHANGES TO PROGRAMME	5,942	5,898	(44)	

Key of Categories	
A	Additional schemes from new funding secured
A1	Scheme increase funded by previous years reserves income
S	Re-phasing
R1	Other Adjustments - Scheme Reductions/Increases
Re-allocation:	
R2	Within Department's programme
R3	To different Departments programme

Scheme Commencements

Approval is sought for the following scheme commencements. Proposed funding details are shown below.

- Saddler Gate, Corn Market and St Peter's Street – Design Vision and Detailed Design (Saddler Gate only)

Budget	£'000
2010/11	439
Total Expenditure	439
Funding	
New Growth Point's Grant funding	439
Total Funding	439

- Phone mast removal at Noel Baker Community School, BSF scheme

Budget	£'000
2010/11	105
2011/12	0
Total Expenditure	105
Funding	
Schools Devolved Contribution	105
Total Funding	105

- Various schools Fire Precaution Works following FRA

Budget	£'000
2010/11	1,500
2011/12	500
2012/13	500
Total Expenditure	2,500
Funding	
SCE (C) Primary Capital Programme Funding (NDS Modernisation switched 2010/11)	1,500
SCE (R) Basic Needs	1,000
Total Funding	2,500

- Vic Hallam repairs at various schools. Urgent structural repairs for Chaddesden Park Infant and Junior, Mickleover Primary and Ridgeway infant Schools

Budget	£'000
2010/11	300
2011/12	815
2012/13	150
Total Expenditure	1,265

Funding	
SCE (C) Primary Capital Programme Funding (NDS Modernisation switched 2010/11)	300
SCE (R) Basic Needs	965
Total Funding	1,265

- Boiler Replacement Programme - various Schools

Budget	£'000
2010/11	400
2011/12	400
2012/13	400
Total Expenditure	1,200
Funding	
SCE (C) Primary Capital Programme Funding (NDS Modernisation switched 2010/11)	400
SCE (R) Basic Needs	800
Total Funding	1,200

- STEPS Specialist Teaching Equipment 2010-11

Budget	£'000
2010/11	130
Total Expenditure	130
Funding	
Schools Access Initiative Funding SCE (R)	130
Total Funding	130

- Firs Estate Primary School urgent structural and fire risk assessment works

Budget	£'000
2010/11	162
Total Expenditure	130
Funding	
SCE Modernisation funding	162
Total Funding	162

Summary of approved reasons for holding large balances in schools budgets

Where:

- the balances have been taken into account in setting the following year's budget plan, and the projected balance at the end of that year falls below 8% of the delegated formula budget (for primary and special schools) or 5% for secondary schools.

It is proposed that this is removed, justification is on the grounds that schools with surplus balances can plan into their next year's budget plan without Council Cabinet approving the detail of the use. There is inconsistency here.

Insertion of 'balances of 11% and above within nursery, primary and special schools and 8% and above in secondary schools will be automatically clawed back unless they fall within any of the following categories:

- there is expenditure which has been committed by the end of the financial year by placing orders or employing staff prior to that date, but has not been charged to the previous financial year.
- income from a Standards Fund has not been spent within the 12 month period but will be by the end of the current academic year.

This is amended to read income from specifically devolved or ring fenced standards funds, School Development Grants and Schools Standards Grants are exempt from this clause as these are annual allocations and in essence treated as core budgets in schools.

- a balance relates to earmarked external funding which has been received but not yet spent.
- expenditure has been set aside to meet necessary additional costs of an approved scheme within the capital programme, such as furnishing a new classroom.
- expenditure has been set aside for capital work which accords with the Council's Asset Management Plan priorities and there is an agreed timetable for the work.

Insertion of 'balances in excess of 8% in nursery, primary and special schools and 5% in secondary schools are subject to the following conditions:

- funding has been set aside to meet the costs of maintaining curriculum organisation for a single year group with reduced pupil numbers as it progresses through the school.
- it is planned to avoid staffing reductions for the summer term so as to provide stability for pupils for the remainder of the academic year.
- a balance relates to earmarked external funding which has been received but not yet spent.

- there is expenditure which has been committed by the end of the financial year by placing orders or employing staff prior to that date, but has not been charged to the previous financial year.
- income from a Standards Fund has not been spent within the 12 month period but will be by the end of the current academic year.

This is amended to read income from specifically devolved or ring fenced standards funds, School Development Grants and Schools Standards grants are exempt from this clause as these are annual allocations and in essence treated as core budgets in schools..

The list would not include:

- Retaining significant funding to cushion the budget against future falls in pupil numbers, where balances would remain above the threshold at the end of the following financial year.
- Unplanned additions to revenue budgets where these arise from a higher than expected carry forward and do not comply with any of the categories listed above.
- Capital projects which have not been clearly defined and/or do not comply with Asset Management Plan priorities.