



DERBY CITY COUNCIL

**CHILDREN AND YOUNG PEOPLE
COMMISSION
20 JANUARY 2009**

ITEM 7

Report of the Corporate Director for
Children and Young People

Children and Young People's Department Capital Programme 2009/10 – 2011/12

RECOMMENDATION

1. To recommend to Council Cabinet the proposed Children and Young People's Capital Programme for 2009/10 to 2011/12.

SUPPORTING INFORMATION

- 2.1 The Council will approve the capital programme for the 2009/10 financial year at its budget setting meeting on 2 March 2009 after consideration of the final proposals by Cabinet on 17 February 2009. The Children and Young People's department Capital Programme will include schemes financed both from service-specific allocations and discretionary corporate funding. This report deals with the proposed uses of available funding including the allocations that are specific to Children and Young People's Department (CYP) confirmed/expected at the point of its preparation. There is one adult learning scheme, this is being reported to the Adult Services and Health Commission.
- 2.2 The current Comprehensive Spending Review provides some certainty for funding until 2011. Assumptions have been made that the principal funding streams will continue in 2011/12 at the current level. This is subject to the next Spending Review.

Children and Young People's department allocations

Building Schools for the Future

- 2.3 The Department for Children, Schools and Families (DCSF) announced in December 2006 that Derby had been successful in its bid to be considered in wave 5 of Building Schools for the Future (BSF), a long-term national programme which will see all secondary schools rebuilt or refurbished. The funding allocation is likely to be around £204.5m at January 2008 prices, plus an additional £25m funding specifically for ICT.
- 2.4 The preparatory and planning work for this huge investment programme has now been underway for nearly two years. There is a dedicated BSF Project Team established in the Children and Young People's Department. A BSF Project Board

has also been in place for nearly two years for strategic direction. The BSF programme is well embedded within CYP, secondary schools, and the wider Council departments. The BSF project sponsor and owner are also in place. A range of external specialist advisers to support the development of BSF and the complex procurement process have also been appointed. The legal notice advertising Derby's BSF programme in the European Journal will be published towards the end of January 2009. This will be the start of the formal procurement process for the Council to select a private sector partner for Derby's BSF programme.

- 2.5 BSF is a long term project with building work likely to take place between 2010 and 2014. Schools which are completely rebuilt are likely to be funded through Private Finance Initiative (PFI) credits, while refurbishment costs are likely to be funded through grant funding. Da Vinci Community College and Merrill College have already been rebuilt through PFI, and Sinfin Community School (a BSF pathfinder project) has been substantially rebuilt following the fire in 2006. BSF will include the 10 remaining secondary schools, 4 special schools and Pupil Referral Units.
- 2.6 The proposed programme of work is:
- Two PFI new build secondary schools and one PFI new build special school
 - One Design and Build special school
 - Six major remodelling schemes
 - Three minor remodelling schemes including one special school
 - One sixth form centre at a school recently rebuilt as a BSF Pathfinder
 - One Pupil Referral Unit split over four sites.
- 2.7 Experience from other authorities in earlier waves is that BSF requires effective project management, with a full-time team of advisers from different disciplines and active involvement of the schools concerned. As with PFI, there will be substantial consultancy costs for external technical, legal, financial and ICT advice. A BSF delivery budget of £4.2 million was approved by the Council, which is comparable to earlier BSF authorities.
- 2.8 Sinfin Community School was partly destroyed by a fire in March 2006. The government agreed to fund the total cost of rebuilding up to £19m, less the insurance settlement. The construction of the school has now been completed.

Formula-based school allocations

- 2.9 The DCSF allocates a sum to all authorities for capital expenditure on schools: for the 2009/10 - 2010/11 budget period programmes continue to be categorised into three main areas; devolved, strategic and targeted, as per previously announced. However 2011/12 can only be assumed on the same basis due to the pending Comprehensive Spending Review.

Devolved formula capital

- 2.10 Schools receive individual allocations of devolved formula capital, which is allocated according to a national formula. The grant is now linked to the condition of the buildings, with two rates to cover modernised and unmodernised schools. When the Council is undertaking a major capital scheme at a school, there is an expectation that the school should contribute some of its devolved capital, based on an agreed

formula. Total devolved formula allocations for community and foundation schools in Derby for each of the next two years are £4.787m per year.

Modernisation funding

- 2.11 This enables every local authority to modernise its buildings, addressing national and local priorities. This is in the Single Capital Pot and is unringfenced. It is the only significant funding stream where there is discretion on how the capital allocation can be spent.
- 2.12 The basis of allocation changed for 2008/9 onwards, with the authority's allocations mirroring its percentage share of devolved capital. The basic need element enables every local authority to meet statutory obligations to provide new pupil places. The allocation for Derby for community and foundation schools is £4.711m in both 2009/10 and 2010/11, a total of £9.422m over two years. Capital funding for aided schools is dealt with differently and is channelled directly from DCSF to dioceses and schools.

ICT grants

- 2.13 The ICT Harnessing Technology Grant will be allocated on pupil numbers with a deprivation factor to target investment to support personalisation and close the attainment gap.

Primary capital programme

- 2.14 As the Building Schools for the Future (BSF) programme is dealing with the refurbishment of the whole secondary school estate, the government has introduced a new capital funding stream to ensure that primary schools also benefit. The commitment is to rebuilding, re-modelling or refurbishing at least half of all primaries nationally by 2022/23.
- 2.15 Derby's allocation will be £3.786m in 2009/10 and £6.164m in 2010/11. Thereafter, the national funding is expected to be £500m per year, which would imply an annual allocation for Derby of at least £2.5m. For comparison, the cost of the new Village Primary facility in Normanton was £8.6m, with most of the cost spread over two financial years.
- 2.16 It is anticipated that approximately £2million of the Modernisation funding will be required per annum to join up with the above allocation and provide sufficient funding to deliver the programme.
- 2.17 To access the funding a Primary Strategy for Change proposal document was submitted to the DCSF. This has now been approved subject to clarification of a number of areas. There is an expectation that Authorities with a Local Education Partnership (LEP) set up as part of BSF deliver and procure the Primary Capital Programme through the LEP.

2.18 The Primary Strategy for Change comprises five core elements

- the local perspective
- baseline analysis, including standards, link to integrated children's services,
- long-term aims – how investment priorities will reflect national and local plans, again including ICT
- approach to change, including use of other funding streams and procurement
- initial investment priorities, including specific projects within the CSR period

2.19 The first phase of projects are currently being considered and scheme design is underway. Individual projects and funding requirements will be reported once detailed designs and programmes have been agreed.

Early Years and Children's Centre schemes

2.20 Stonehill Nursery School will provide the main base for the Phase 3 Normanton Children's Centre. The scheme will provide an extension at the side of the existing building, some work to the existing building to create additional office space and remodel the head's office and create a new, separate access for the Children's Centre, The budget for the scheme is £350,000

2.21 Early Years have also received a capital grant of £913,000 for the next two years to improve the quality of the learning environment in early years settings and support the delivery of the early years foundation stage. The grant is also intended to ensure all children, including disabled children, are able to access provision. The grant is also to be used within the private, voluntary and independent sectors to deliver the extension to the free offer for 3 and 4 year olds.

Specialist Children's Home

2.22 Council Cabinet has approved the development of a specialist children's home funded by unsupported borrowing within the 2008-2011 budget period. The proposal is for a purpose built five-bedded home specifically to meet the needs of autistic children aged 11 to 17 years.

2.23 Currently children who need such provision are placed out of authority with residential agencies. The development of a local facility will provide improved quality of care at a reduced cost to the council and meet the new Performance Assessment Framework (PAF) requirement to accommodate children within 20 miles of their family home.

2.24 Costs for a capital build using unsupported borrowing have been estimated at £1,201,000.

Children's Social Care allocations

2.25 There is a fund for children's social care of just £46,000 for 2009/10 and 2010/11.

Summary of Allocations

2.26 The table below summarises the allocations for the year 2009/10 with 2008/09 also shown for comparison.

CYP Department Allocations	2009/10	2008/09
	£000	£000
SCE (Capital) Modernisation	1,163	-
SCE (Revenue) Modernisation	1,656	3,355
SCE (Revenue) Basic Need	1,893	1,893
SCE (Revenue) Schools Access Initiative	505	505
SCE(Capital) Devolved Formula	4,225	4,275
SCE (Capital) Primary Capital	3,786	-
SCE (Capital) Ivy House	-	4,497
SCE (Capital) New Normanton School	-	2,372
SCE (Capital) New Sinfin School	-	9,631
SCE (Capital) Extended Schools	449	424
SCE (Revenue) Children's Social Services	46	46
SCE (Capital) ICT Harnessing Technology Grant	810	751
SCE (Revenue) Other ICT Grant	-	282
Total Supported Capital Expenditure	14,533	28,031
Specific Capital grant		
Voluntary Aided Schools	1,234	1,234
Government Grants Children's Centres Phase 3	-	329
Government Grants Sure Start Early Years Capital grant	1,597	913
Youth Capital grant	130	130
Short Breaks for Disabled Children grant	114	-
Total Specific Capital Grant	3,075	2,606

Other resources

2. 27 Other resources include: £1m service financed unsupported borrowing to finance the building of a specialist children's home.

Total available resources

2.28 The next table summarises all projected resources available for the three years 2009/10 to 2011/12:

	2009/10	2010/11	2011/12
	£000	£000	£000
Supported Capital Expenditure (Capital)	14,423	15,796	12,306
Supported Capital Expenditure (Revenue)	5,130	2,710	2,159
Unsupported Borrowing – service financed	1,000	-	-
Government Grants	3,049	9,132	35,520
External Contributions	364	48	-
Capital Receipts	8	-	-
S106	200	-	-
Revenue Contributions	-	47	284
Corporate Reserves	37	-	-
Total forecast available resources	24,211	27,733	50,269

Spending plans

2.29 The total projected funded programme in 2009/10 is £24.211 million, with £27.733m in 2010/11 and £50.269m in 2011/12. Details are shown in Appendix 2. All schemes are in line with Children and Young People's asset management planning prioritisation process. Condition projects address urgent health and safety issues or will prevent school closure.

2.30 Further condition schemes are currently being considered and prioritised and will be reported at a later date.

For more information contact:	Gail Thornton, Head of Asset Management, Children and Young People's Department. Phone: 01332 716851 E-mail: gail.thornton@derby.gov.uk
Background papers:	DCSF notifications of capital allocations
List of appendices:	Appendix 1 – Implications Appendix 2 – Details of Funded Scheme Costs and Scheme Priorities Appendix 3 – New Scheme Details

IMPLICATIONS

Financial

1. Revenue implications of the schemes will be met from within the CYP Department. Capital costs that are supported will be either funded from grant – SCE(C) – or support for the revenue costs of borrowing – SCE (R). Other capital funding is available from useable capital receipts, revenue contributions and external contributions.

Legal

2. There are no direct legal implications.

Personnel

3. The estimated costs of delivering the programme have been included.

Equalities impact

4. Buildings are designed to comply with relevant legislation such as the Disability Discrimination Act.

Corporate objectives and priorities for change

5. The proposals are intended to be consistent with corporate objectives and priorities.

Supporting everyone in learning and achieving, by:

- improving educational attainment at Key Stage and GCSE levels
- raising skill levels to improve the chances of securing employment.

Help us all to be healthy, active and independent, by:

- delivering joined up services for children and young people that meet the needs of the local community.

Giving you excellent services and value for money, by:

- minimising Council Tax levels and increasing value for money.