



DERBY CITY COUNCIL

**CHILDREN AND YOUNG PEOPLE  
COMMISSION  
26 JANUARY 2010**

# ITEM 9

Report of the Corporate Director for  
Children and Young People

## **Children and Young People's Department Capital Programme 2010/11 – 2012/13**

### **RECOMMENDATION**

1. To comment on and recommend to Council Cabinet the proposed Children and Young People's Capital Programme for 2010/11 to 2012/13.

### **SUPPORTING INFORMATION**

- 2.1 The Council will approve the capital programme for the 2010/11 financial year at its budget setting meeting on 1 March 2010 after consideration of the final proposals by Cabinet on 16 February 2010. 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.
- 2.2 The current Comprehensive Spending Review provides funding until March 2011. Assumptions have been made that the principal funding streams will continue in 2011/12 and 2012/13 at the current level. This is subject to the next Spending Review.

### **Children and Young People's department allocations**

#### **Building Schools for the Future (BSF)**

- 2.3 The BSF programme is a huge opportunity to transform secondary education with significant capital investment. Funding for the programme is confirmed at £206.1m capital expenditure to replace or renovate secondary schools, plus an additional £25m specifically for ICT. The £206.1m capital expenditure includes the Private Finance Initiative (PFI) credits which will be used to meet the charge for the new PFI schools that will be built as part of the BSF Programme. Partnerships for Schools (PfS) have confirmed the amount of PFI credits available for Noel Baker Community School and St Martins Special School as the PFI sample schools, and this funding approval was used to calculate the Council's affordability position.

Following publication of an OJEU notice in the European Journal in March 2009, the BSF programme has now progressed to the formal procurement stage (competitive dialogue). The aim is to appoint the Preferred Bidder in June 2010 and contractual and financial close will be completed in October 2010.

## **Formula-based school allocations**

- 2.4 The Department for Children, Schools and Families (DCSF) allocates a sum to all authorities for capital expenditure on schools: for 2010/11 the budget programmes continue to be categorised into three main areas; devolved, modernisation and targeted. Devolved Capital is a formula based allocation for each school. Modernisation funding is a formula based allocation for Derby to be prioritised city wide. Targeted capital is a competitive bid funding stream, however the DCSF are not currently inviting bids. The 2011/12 & 2012/13 allocations have been assumed to be at 2010/11 levels, which are subject to the next spending review and could therefore change.

### *Devolved formula capital*

- 2.5 Schools receive individual allocations of devolved formula capital, which is allocated according to a national formula. The grant is linked to the condition of the buildings, with two rates to cover modernised and unmodernised schools. When the Council is undertaking a major scheme at a school, there is an expectation that the school should contribute some of its devolved capital, based on an agreed formula. These school contributions are yet to be agreed with individual schools for proposed new projects. Total devolved formula allocation for community and foundation schools in Derby for 2010/11 is £2.876m.

### *Modernisation funding*

- 2.6 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.
- 2.7 The authority's allocations mirrors 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 community and foundation schools is £4.711m in 2010/11. Capital funding for aided schools is dealt with differently and is channelled directly from DCSF to dioceses and schools.

### **Information & Communication Technology (ICT) grant**

- 2.8 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.

### **Schools Access Initiative**

- 2.9 The Schools Access Initiative (SAI) provides funding to mainstream and voluntary aided schools to make them more accessible to disabled children, hearing impaired pupils and visually impaired children, as well as to support other capital projects that improve the accessibility of schools.

### **Extended Schools**

- 2.10 Extended schools capital funding is allocated as formula funding through the local authority single capital pot. This funding stream was previously part of the General Sure Start Grant, with specific extended schools capital funding allocated in 2006-07 and 2007-08. As in previous years, extended schools capital allocations are being made to support primary schools only, since secondary schools benefit from the effect of the wider Schools Capital programme – in particular, Building Schools for the Future (BSF).

### **Youth Capital Fund**

- 2.11 The Youth Capital Fund is allocated to local authorities to meet their statutory duty to secure young people's access to positive activities and that authorities ascertain young people's views on provision.

### **2.12 Sure Start Early Years**

This allocation is made up from a Children Centre Allocation and an Early Years allocation. These form the last year of the previous funding announcement. No new allocations have been assumed for future years. The Children Centre allocation has been committed to phase three of the children centre programme locating centres in Chellaston, Oakwood and Chaddesden. The Early Years allocation's emphasis is towards supporting Private, Voluntary and Independent nurseries. The main focuses being outdoor learning, delivery of the flexible offer, block play activities and enhancements for childminders.

### **Primary capital programme**

- 2.13 As the Building Schools for the Future (BSF) programme is dealing with the refurbishment of the whole secondary school estate, the government introduced a new capital funding stream to ensure that primary schools also benefit. The commitment is to renew at least half of all primaries nationally by 2022/23.

Derby's allocation is £6.164m in 2010/11. The allocations for 2011/12 and 2012/13 are assumed at the 2009/10 level of £3.786m and are subject to the spending review.

### **Children's Social Care allocations**

- 2.14 There is a fund for children's social care of just £46,000 for 2010/11. As yet proposals for this funding have not yet been developed, but a further report to Cabinet will be submitted once a scheme has been established.

### **Short Breaks for Disabled Children grant**

- 2.15 There is a specific grant of £266,000 for 2010/11. As yet proposals for this funding have not yet been developed, but a further report to Cabinet will be submitted once a scheme has been established.

### Section 106 Funding

- 2.16 There is a range of site specific Section 106 Agreements with property developers totalling £1.2m. This funding is only available for the provision of additional school capacity linked to developments. Schemes are currently being developed and a further report will be brought to Cabinet detailing the Section 106 funding once known.

### Table 1 Summary of Allocations

- 2.17 The table below summarises the allocations for the year 2010/11 with 2009/10 also shown for comparison:

| <b>CYP Department Allocations</b>                      | <b>2010/11</b> | <b>2009/10</b> |
|--|----------------|----------------|
|  | <b>£000</b>    | <b>£000</b>    |
| SCE (Capital) Modernisation                            | 2,552          | 1,163          |
| SCE (Revenue) Modernisation                            | 266            | 1,656          |
| SCE (Revenue) Basic Need                               | 1,893          | 1,893          |
| SCE (Revenue) Schools Access Initiative                | 505            | 505            |
| SCE(Capital) Devolved Formula                          | 2,538          | 4,225          |
| SCE (Capital) Primary Capital                          | 6,164          | 3,786          |
| SCE (Capital) Extended Schools                         | 232            | 449            |
| SCE (Revenue) Children's Social Services               | 46             | 46             |
| SCE (Capital) ICT Harnessing Technology Grant          | 875            | 810            |
| SCE (Capital) Kitchens                                 | 46             | 0              |
| <b>Total Supported Capital Expenditure</b>             | <b>15,117</b>  | <b>14,533</b>  |
| <b>Specific Capital grant</b>                          |                |                |
| Voluntary Aided Schools                                | 1,011          | 1,234          |
| Government Grants Sure Start Early Years Capital grant | 1,326          | 1,597          |
| Youth Capital grant                                    | 130            | 130            |
| Short Breaks for Disabled Children grant               | 266            | 114            |
| Fair Play Playbuilders grant                           | 439            | 410            |
| <b>Total Specific Capital Grant</b>                    | <b>3,172</b>   | <b>3,485</b>   |

### Table 2 Total available resources

- 2.18 Table 2 summarises all projected resources available for the three years 2010/11 to 2012/13:

|   | <b>2010/11</b> | <b>2011/12</b> | <b>2012/13</b> |
|---|----------------|----------------|----------------|
|   | <b>£000</b>    | <b>£000</b>    | <b>£000</b>    |
| Supported Capital Expenditure (Capital) | 14,361         | 12,250         | 11,885         |
| Supported Capital Expenditure (Revenue) | 3,344          | 5,689          | 2,787          |

|   |               |               |               |
|---|---------------|---------------|---------------|
| Unsupported Borrowing – corporate resources | -             | -             | -             |
| Unsupported Borrowing – service financed    | -             | -             | 14,000        |
| Government Grants                           | 6,739         | 33,505        | 68,349        |
| External Contributions                      | 318           | 276           | -             |
| Capital Receipts                            | -             | -             | -             |
| S106*                                       | -             | -             | -             |
| Revenue Contributions                       | -             | -             | -             |
| Departmental Reserves                       | -             | -             | -             |
| Corporate Reserves                          | -             | -             | -             |
| <b>Total forecast available resources</b>   | <b>24,762</b> | <b>51,720</b> | <b>97,021</b> |

\*S106 schemes are currently being developed and will be reported to Cabinet when available.

### Spending plans

- 2.19 The total projected funded programme in 2010/11 is £24.762 million, with £51.720m in 2011/2012 and £97.021m in 2012/13. The increase in the programme from 2010/11 to 2012/13 is due to the impact of the BSF schemes commencing. Full details of proposed schemes 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.

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| Background papers:            | DCSF notifications of capital allocations   |
| List of appendices:           | Appendix 1 – Implications<br>Appendix 2 – Details of Funded Scheme Costs and Scheme Priorities<br>Appendix 3 – New Scheme Details |

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| <b>IMPLICATIONS</b> |
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**Financial**

1. Revenue implications of the schemes will be met from within the CYP Department or schools. 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.