



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:
- additional external funding for Children and Young People's Services, including Dedicated Schools Grant, computers for pupils, choice advisers, 14 to 19 flexible funding
 - specific proposals on the uses of the Youth Opportunity Fund
 - addition to the capital programme 2006/07 and capital scheme commencement for a new Pupil Referral Unit – PRU - Brighton Road
- 1.2 Subject to any issues raised at the meeting, I support the following recommendation.

RECOMMENDATION

- 2.1 To note the additional allocation of funding for dedicated schools grant, 14-19 flexible funding, computers for pupils and choice advisers and approve the additions to the Children's and Young Persons revenue budget and capital programme 2006/07.
- 2.2 To approve the arrangements to develop a 14-19 prospectus in partnership with Connexions Derbyshire and Derby County Council, including the financial contribution to its cost.
- 2.3 To agree that a further report on the allocation of other 14-19 flexible funding be presented to the Cabinet in due course.
- 2.4 To approve specific proposals totalling £40,555 on the use of the £135,000 Youth Opportunity Fund.
- 2.5 To approve the addition to the capital programme 2006/07 and commencement of the capital scheme for a new Pupil Referral Unit at Brighton Road at a cost of £137,000, subject to approval of funding in recommendation 1 above.



DERBY CITY COUNCIL

COUNCIL CABINET 4 JULY 2006

Report of the Corporate Director - Resources

Contract and Financial Procedure Matters Report

SUPPORTING INFORMATION

1. Additional external funding for Children and Young People's Services

Dedicated Schools Grant (DSG)

- 1.1. The final allocation of Dedicated Schools Grant (DSG), which is the main funding stream for the Schools Budget, has been confirmed at £130.521m, an increase of £309,000 over the DfES estimate used in setting the Council's budget. This is because pupil numbers have turned out higher than anticipated. The rules on DSG are that the Council cannot increase spending on central budgets by a greater proportion than delegated budgets, unless the Schools Forum agrees. At its meeting on 13 June 2006, Schools Forum agreed the Council's proposal to exceed the central expenditure limit. The proposals for 2006/7 are ...
- To spend £25,000 on revenue pressures in central budgets such as staffing for the new primary admissions system. This is what the Council would be entitled to spend centrally if the remainder of the £309,000 had been delegated.
 - Supporting the Pupil Referral Unit (PRU) Brighton Road capital scheme estimated at £137,000 – see paragraph 3 below.
 - The balance to be spent assisting schools in supporting “direct entry” pupils who have recently arrived from other countries, especially EU accession states, and who are not supported through existing funding routes and the grant income budget.

The approved revenue budget and capital programme and grant income budgets will be increased for the additional £309,000.

The additional grant will increase the base for 2007/8 and would therefore be available to fund any ongoing revenue budget pressures from the above proposals, if they had not already been provided for in the 2007/8 indicative revenue budget. This would need to be agreed by the Schools Forum.

Computers for pupils

- 1.2 The Council has been allocated £380,800 capital grant and £76,800 revenue in 2006/07 through the Standards Fund to provide access to ICT in the homes of the most disadvantaged pupils in the most deprived areas. The capital grant may be used to support the purchases of the ICT equipment and must only be spent on capital purposes. The revenue grant may be used to purchase internet connectivity, but is for one year only. Further guidance is to be issued during the summer. This will be added to the approved capital programme and revenue budget 2006/7. Approval is also sought to capital scheme commencement of £380,000 for ICT equipment.

Choice advisers

- 1.3 The DfES has allocated the Council £29,200 revenue funding in each of 2006/07 and 2007/08 through the Standards Fund to fund a "choice adviser", who would give practical support to parents likely to need additional help in navigating the secondary schools admission system. The funding is ring-fenced, so the function must be delivered, but it may be possible to deliver efficiencies elsewhere in departmental budgets as a result of this extra funding. The expenditure and income budgets will be added to the approval revenue budget 2006/7.

14 to 19 Flexible Funding

- 1.4 The LA is in receipt of 14-19 Flexible Funding from the DfES to support delivery of the new 14-19 learning reforms. The purpose of this report is to seek approval to work with Connexions Derbyshire and Derbyshire County Council to develop a 14-19 Area Prospectus.
- 1.5 The DfES 14-19 Implementation Plan puts local authorities, through their Children's Trusts, at the heart of delivering the new 14-19 entitlement and in leading collaboration with local Learning & Skills Councils and with schools, colleges, training providers, employers and universities. The Education and Inspections Bill recognises this new strategic role for local authorities by including a new statutory duty on local authorities to ensure there is sufficient provision to meet the demand for the new diplomas from 14-16 year old pupils. There will be a similar duty on the LSC in relation to 16-19 year olds. The recently published White Paper on further education states that the Government wants local authorities to play the strategic leadership role, consistent with their leadership role in Children's Services overall, ensuring the integration of the delivery of 14-19 reform with the wider agenda for children and young people in the locality.
- 1.6 To assist with the development of these new arrangements, the DfES has allocated £74,000 for 2006/7 and £71,000 for 2007/8 to the City Council, and these overall sums are already reflected in Standards Fund budgets approved by Cabinet. This funding is to be used to support the following:
- (a) Establishing a 14-19 Partnership by September 2006
 - (b) Developing new Specialist Diplomas
 - (c) Ensuring good communication between the local authority and DfES
 - (d) Publishing a local prospectus by the autumn of 2007.

- 1.7 This proposal requires the fixed term appointment of a Project Manager. This appointment will co-ordinate the establishment of a web based prospectus for Derby City and Derbyshire detailing courses at Key Stage 4 and Post 16, meeting the requirements of the DfES guidance document.
- 1.8 It is proposed that Connexions Derbyshire will act as employer for the project, with City and County Officers involved in the appointment process. The cost of the Project Manager and associated administrative support for two years is £165,097 of which 25% (£41,275) would be covered by the City Council.
- 1.9 At this stage it is not possible to predict the total cost of producing the prospectus, but it is recommended that an overall budget of £30,000 over two years is approved for web development, of which the City Council contribution would be 25% (£7,500) Further funds will be required to cover the costs of the production of paper-based copies for those who cannot access the web, dissemination costs, publicity and the production of curriculum support material, of approximately £2,500.
- 1.10 When the costing of the 14-19 Area prospectus is finalised a further Cabinet report with proposals for the allocation of any remaining money will be produced for approval.
- 1.11 At this stage, the total identified cost to the Council over a period to August 2008 is £48,775, to be met from the approved Standard Fund budget, and a detailed budget profile over this period will subsequently be developed.

2. Youth Opportunity Fund

- 2.1 The Youth Opportunities Fund (YOF) has been established to give a voice and influence to young people aged 13 to 19 in relation to the 'Something to do, Somewhere to go to and Someone to talk to' agenda in Youth Matters Next Steps. The aim is to involve young people, especially hard to reach young people, in identifying positive activities and things to do and to support their role as decision makers, grant givers and project leaders.'
- 2.2 Twenty three young people from across Derby attended a meeting on 13th June to consider the first set of applications for funding. They recommended that funding should be provided for a range of projects including;
- New project working with young people of Indian heritage
 - New support for young people who run away from home
 - Support for young peoples' involvement in the African Caribbean carnival
 - Opportunities for young people to go away on residential weekends over the summer holidays
 - Extra activities in a variety of venues over the school holidays
 - Opportunities for young people to try out new activities including outdoor education, sports, arts and drama
- 2.3 The young people are committed to attending a training day in early July which will support their involvement in decision making. Youth workers will ensure that this

group is representative of all of the communities across the city and that appropriate support is provided for disadvantaged young people.

- 2.4 It is anticipated that the group of young people making decisions on applications will meet on a regular basis throughout the year, bearing in mind the amount of funding available and that all expenditure needs to be completed by the end of the financial year.
- 2.5 Council Cabinet on 6 June 2006 approved the addition to the 2006/07 revenue budget for this additional funding, subject to receipt of specific proposals on its use. The total of the above recommendations for use is £40,555 out of the £135,403 available for allocation

3 Capital scheme commencement – PRU Brighton Road

- 3.1 Lakeside Primary Brighton Road site – previously the site of Southgate Infants School - will be vacated in July 2006, as the school are moving to a new PFI facility on London Road that has recently been completed.
- 3.2 It is proposed to refurbish the existing building to provide a facility for use by the Pupil Referral Unit. The scheme is estimated to cost £137,000 to commence in quarter 3 of 2006/07 and be completed in 2006/07.
- 3.3 It is proposed to fund the scheme from additional Dedicated Schools Grant as explained in paragraph 1 above.
- 3.4 Council Cabinet approval is sought, as required by Financial Procedure Rules, to add the scheme to the capital programme 2006/07 and capital scheme commencement.

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Background papers:	None
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

1. As included in the report.

Legal

2. None

Personnel

3. None

Equalities impact

4. None

Corporate priorities

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