



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
  - Proposed additional capital works at Peartree Infant School and Walbrook Nursery School and associated funding
  - Acceptance of the 2023/24 award for the Household Support Fund and associated delegated authority
  - Submission of bids to Round 2 of the One Public Estates (OPE) Brownfield Land Release Fund (BLRF2).

### **Recommendations**

- 2.1 To approve delegated authority to the Strategic Director for People Services, the Section 151 Officer and Cabinet Member for Children, Young People and Skills, to agree terms with Pear Tree Infant School, Walbrook Nursery School and the Department for Education, and sign a Third-Party Contribution Letter to the Department for Education in respect to proposed additional capital works as outlined in section 4.1.
- 2.2 To approve acceptance of a school indicative contribution to the Council of £0.590m towards the Department for Education Schools Rebuilding Programme project for the proposed capital works as outlined in section 4.1.
- 2.3 To approve the acceptance of the 2023/24 award for the Household Support Fund of £4.449m and approve delegated authority of the final details of the scheme to the Strategic Director of People Services and the Cabinet Member for Children, Young People and Skills, as outlined in section 4.2.
- 2.4 To approve delegated authority to the Strategic Director of Communities and Place, following consultation with the S151 Officer and Cabinet Members for Adults, Health and Housing, Finance, Digital and Culture and Regeneration, Decarbonisation, Strategic Planning and Transport to agree the detail of and submission of bids for the One Public Estates Brownfield Land Release Fund, as outlined in section 4.3.
- 2.5 To note that if any of the One Public Estates bids are successful, a report with full details will be brought back to Cabinet to seek approval to accept the funding, secure the relevant capital and revenue budgets (including match funding requirements), and the contractual arrangements and conditions associated with the funding offer to enable it to be accepted, as outlined in section 4.3.

### **Reason**

- 3.1 To comply with Financial and Contract Procedure Rules.

## Supporting information

- 4.1 **Proposed additional works Pear Tree Infant School and Walbrook Nursery School and associated funding**
- Pear Tree Infant School and Walbrook Nursery School have requested additional works be included in the Department for Education (DfE) Schools Rebuilding Programme (SRP) scheme for the replacement of Pear Tree Infant school, to be funded by the schools. This relates to the proposed re-location and new build of Walbrook Nursery School onto the Peartree Infant School site.
- 4.1.1 This will be subject to a consultation process, prior to a final decision. The Council have therefore been asked by the DfE to sign a Third-Party Contribution Letter to fund these works. As the schools will fund the full costs of the additional works, the Council will enter into a legal agreement with the school Governors, subject to the statutory consultation process, for the school to fund the associated costs. The Council will sign the legal agreement with the schools before providing the Third Party Contribution letter to the DfE.
- 4.1.2 A statutory consultation process is required to 'merge' Pear Tree Infant School and Walbrook Nursery School to form a single school, within the brand-new building on Pear Tree Infant School's site. This follows the Council's successful bid to the Government's SRP to rebuild Pear Tree Infant School and is an exciting opportunity to provide new teaching and learning facilities for the benefit of children, staff and the whole school community.
- 4.1.3 Subject to the approval of the funding arrangements as set out in this report, a consultation document will be developed on the proposal, working together closely with the schools. The consultation document will be circulated widely to all interested parties, including parents, staff and governors. A further report will then be presented to Council Cabinet on the statutory process, including timescales for a formal decision on the proposal, which will be required in order for a merger to proceed.
- 4.1.4 The DfE currently estimate the costs of these works as £0.590m, subject to detailed design, planning and procurement. The Council's legal agreement with Pear Tree Infant school will ensure that the full costs of the additional work, once confirmed by the DfE, will be funded by the school. This will mitigate any risks to the Council, as far as is practicable. Once the agreement terms are finalised the Council's capital programme will be updated.
- 4.1.5 It is recommended to approve delegated authority to the Strategic Director for People Services, the Section 151 Officer and Cabinet Member for Children, Young People and Skills, to agree terms with Pear Tree Infant School, Walbrook Nursery School and the DfE, and sign a Third-Party Contribution Letter to the DfE in respect to proposed additional capital works.
- 4.1.6 It is recommended to approve acceptance of an indicative school contribution to the Council of £0.590m towards the DfE Schools Rebuilding Programme project for the proposed capital works.

#### 4.2 **Household Support Fund (HSF)**

On 20 Feb 2023, the Department for Work & Pensions (DWP) announced that the next Household Support Fund will run for 12 months from 1 April 2023 to 31 March 2024, together with details of the grant award for each Local Authority. Derby City Council's HSF grant allocation for 2023/24 is £4.449m.

- 4.2.1 The Household Support Fund is to support those in most need with food, energy and water bills, and may be used to provide supplementary advice services to award recipients, including debt and benefit advice, where Authorities consider this appropriate.
- 4.2.2 At this point, it is proposed that the new grant be awarded based on the same principles as the previous scheme, allocating food vouchers to all schools in Derby on the numbers of pupils eligible for Housing Benefit related Free School Meals, which is estimated to cost £2.78m. It is also proposed that an online application form and other accessible ways are made available to residents to apply for financial support to help towards the cost of living, which is estimated at £1m. The remaining grant amount will be used to further develop a community led approach to supporting residents with the cost of living, exploring ways to provide debt and benefit advice.
- 4.2.3 It is recommended to approve the acceptance of the 2023/24 award for the Household Support Fund of £4.449m and approve delegated authority of the final details of the scheme to the Strategic Director of People Services and the Cabinet Member for Children, Young People and Skills.

#### 4.3 **Brownfield Land Release Fund**

The Council is a member of OPE, a partnership delivered by the Local Government Association and the Office of Government Property. The aim of OPE is to take a strategic approach to asset management across the public sector and make best use of publicly owned assets to deliver shared objectives. This includes releasing land for development to create new jobs and new homes.

- 4.3.1 At the Spending Review in 2021, a new Brownfield Land Release Fund of £180 million was announced, the current round has up to £60 million to allocate. Applications must be submitted on the Council's behalf by our regional OPE partnership by 31 March 2023.
- 4.3.2 The Fund is housing-led. Key criteria are that the Council must be able to enter into contracts to deliver the works funded by BLRF2 by 31 March 2024 and that the land must be released for housing by 31 March 2027.
- 4.3.3 The Council is still finalising its potential bids, hence delegated authority is sought in order to meet the bid submission deadline.
- 4.3.4 It is recommended to approve delegated authority to the Strategic Director of Communities and Place, following consultation with the S151 Officer and Cabinet Members for Adults, Health and Housing, Finance, Digital and Culture and Regeneration, Decarbonisation, Strategic Planning and Transport to agree the detail of and submission of bids for the One Public Estates Brownfield Land Release Fund.

- 4.3.5 It is recommended to note that if any of the bids are successful, a report with full details will be brought back to Cabinet to seek approval to accept the funding, secure the relevant capital and revenue budgets (including match funding requirements), and the contractual arrangements and conditions associated with the funding offer to enable it to be accepted.

### **Public/stakeholder engagement**

- 5.1 **Pear tree/Walbrook** - The outline proposal has been developed in close partnership working with the DfE, Pear Tree Infant and Walbrook Nursery School. The Council will be required to conduct detailed consultation on the proposal as part of the required statutory process, including consultation with parents, staff and governors and the publication of a statutory notice.
- 5.2 **Household Support Fund** - The HSF fund has already been subject to scrutiny and has been established.
- 5.3 **BLRF2** - The decision to bid and accept funding from the BLRF2 is a technical financial one, and so has not in itself been subject to consultation or engagement. Engagement around the principle of redeveloping any of the sites that are successful in securing funding will be subject to the usual consultation as part of the planning process.

### **Other options**

- 6.1 **BLRF2** - The Council could decide not to bid; however this is not considered the best option as this fund represents a good opportunity to enable bringing forward Council-owned sites for redevelopment.

### **Financial and value for money issues**

- 7.1 **Pear tree/Walbrook** - The final cost for the additional works at Pear Tree Infant school are subject to confirmation by the DfE, following detailed design, planning permission and procurement. It is proposed that the full final costs, once confirmed by the DfE, will be funded by the two schools and set out in an agreement between the Council and the schools. If the additional costs are higher, the costs will be funded by the schools in line with their agreement with the Council. If the final additional costs are lower, the remaining balance will be returned to the schools.
- 7.2 **BLRF2** - There is no explicit requirement for the Council to commit match funding as part of the BLRF2 bids. However, should match funding be required towards the cost of any successful bids, the detail will be included in the reports being brought back to Cabinet for acceptance of the funds.

### **Legal implications**

- 8.1 **Pear tree/Walbrook** - The Council will be required to undertake statutory process to 'merge' the two schools, should the proposal be taken forward.
- 8.2 **Pear tree/Walbrook** - The Council will enter into a legal agreement with the Governors of Pear Tree Infant School and Walbrook Nursery, for the schools to fund the costs the Council would be committing to in the Third-Party Contribution Letter and to indemnify the Council against any liability which may arise from the Third-Party Contribution Letter.

- 8.3 **Household Support Fund** - The Household Support Fund must be delivered in compliance with the associated grant agreement and within financial regulation.
- 8.4 **BLRF2** - The Council has powers to bid for and accept the BLRF funding, and the decision whether to do so for a sum over £0.250m is reserved to Cabinet by the Financial Procedure Rules. Any funding will be subject to a contractual grant agreement, which will be reviewed by Legal Services before being signed in accordance with Contract Procedure Rules.

### **Climate implications**

- 9.1 None arising from this report.

### **Socio-Economic implications**

- 10.1 **Household Support Fund** – The HSF fund is specifically earmarked to prioritise those citizens experiencing financial hardship.

### **Other significant implications**

- 11.1 None arising from this report.

This report has been approved by the following people:

<b>Role</b>	<b>Name</b>	<b>Date of sign-off</b>
<b>Legal</b>	Olu Idowu	03/03/2023
<b>Finance</b>	Toni Nash – Head of Finance	03/03/2023
<b>Report sponsor</b>	Alison Parkin – Strategic Director of Corporate Resources	23/02/2023
<b>Other(s)</b>	Anne Webster, Head of Equalities	24/02/2023
	Liz Moore, Head of HR	24/02/2023

**Background papers:**  
**List of appendices:**