

Report of the Director of Adults, Children and Education

Children's Services Capital Programme 2011-12

Summary

1. This report is to inform Members of new schemes, seek approval for their addition to the 2011/12 Capital Programme and to provide a brief update on schemes funded from the Targeted Capital Fund.

Background

2. The funding allocations for 2011/12 are shown in Table A below. These allocations were set out in a letter from the Secretary of State for Education dated 13 December 2010.
3. There are three main allocations that are made to the local authority. They comprise Devolved Formula Capital (DFC), the funding received directly by schools, Basic Need funding which is for the provision of additional school places and Maintenance funding which is provided for the improvement of school buildings and Children's Centres.
4. In addition, there is an allocation of Devolved Formula Capital for Voluntary Aided schools and an allocation under the Local Authority Co-ordinated Voluntary Aided Programme (LCVAP), also specifically for Voluntary Aided schools. These funding streams do not come to the local authority but the local authority approves allocations to projects from the LCVAP funding. Voluntary Aided Devolved Capital is paid direct to the VA schools from the Department of Education.

Table A – 2011/12 capital funding

Purpose of allocation	Amount £
DFC – maintained schools	475,303
Basic Need	2,333,738
Maintenance	2,773,578
Sub-Total – Local Authority funding	5,582,619
DFC – VA schools	87,475
LCVAP	501,880
Total Capital Funding for City of York	6,171,974

5. The Secretary of State's letter states that allocations for 2012-13 until 2014-15 will be informed by the outcome of the James Report (a review of capital funding of schools) which is due to be published later this year. While the allocation and management for these programmes may change to reflect the recommendations of the review, the DfE have advised that LAs should plan on the basis that the funding available for basic next year will be roughly in line with the funding announced for 2011-12.

Proposals for new projects

6. The following paragraphs set out the approach which has been taken, and the proposed allocation of the Maintenance (£2.7m) and Basic Need (£2.3m) allocations, for 2011/12 and the following two financial years, on the assumption that allocations continue broadly in line with 2011/12.

Maintenance

7. It has become increasingly apparent that schools across the city are experiencing a number of infrastructure issues, with electrical installations, heating systems, roofs and windows coming to the end of life. In order to address these issues, it is proposed that the Maintenance budget is largely focused on keeping schools safe, warm and weather-tight. To this end, all building condition surveys for schools have been ranked in order of priority, with the most serious condition issues ranked first. It is this prioritised list that forms the main part of the proposal for the 2011/12 programme, with the following two years shown, on the presumption that funding continues at the indicated level.
8. All schools have been given an opportunity to comment on the condition of their buildings to ensure that any known major defects arising since the last survey are reflected in the current prioritisation.
9. So that other work, for which funding is no longer separately available, can continue, it is proposed that allocations are made from the Maintenance fund to continue the existing rolling programmes for updating condition surveys, kitchen maintenance and addressing access issues for individual pupils with specific needs. In addition an allocation needs to be set aside for project management costs.
10. Not all of the 2011/12 funding has been allocated to individual projects at this stage. A contingency provision to meet various potential funding demands has been set aside. This is to ensure that sufficient funds are available once tenders have been assessed and costs finalised. The contingency is also required to cover any unforeseen expenditure arising from schemes already underway in the approved capital programme. Finally, and given the uncertainty of the amount of funding available in 2012/13, a prudent approach has been taken to the funding of several major schemes that will run across 2011/12 and 2012/13.
11. It is expected that further schemes will be brought forward for member approval as the year progresses, subject to other calls on this contingency provision, and confirmation of the funding to be received from DfE for 2012/13.
12. The costs shown in Annex A are budget estimates only and will be subject to change as exact specifications are drawn up and work tendered.

Basic Need

13. The Basic Need funding is allocated to provide new school places. The current pressure in York is on primary school places in certain parts of the city. Arrangements have already been made to accommodate additional pupils at the September 2011 intake. Forecasts of pupil numbers and area demographics over the next 5+ years are in the process of preparation and will be published this summer in the form of a School Organisation Plan 2012 – 2017.
14. The authority will be working with individual schools in order to consider the most appropriate use of buildings in meeting the increasing demand for primary school places.
15. In this first year, it is proposed to allocate the new Basic Need funding to the Primary Capital Programme, replacing the Modernisation fund that is no longer available. This will ensure that the funding is spent within any time scale that may be imposed and will give an opportunity for a longer term strategic plan, related to the School Organisation Plan outcomes, to be developed.
16. Detailed proposals for 2011/12 with allocations for the following two years, subject to the availability of funding, are shown at Annex A.

Targeted Capital Fund Update

17. This funding, now totalling £7.857m, was allocated during the last two years to support the diploma lines at various secondary schools across the city and also to support schemes which contribute to the SEN and Access objectives of the funding.
18. The most significant scheme that has been allocated funding from within the TCF is a project to provide additional accommodation at Applefields Special School in order to address pressures within the school. The scheme will also replace a two classroom temporary unit currently onsite, and to carry out some remodelling work on the building. The revised scheme budget is £1.5m and planning permission is now being sought to enable a start on site in the summer break.

Implications

Financial Implications

19. The Children's Services Capital Programme has already been updated and approved by the Executive to include the local authority funding streams at headline level for the years discussed above. The schemes in this report for which approval is requested (Annex A) are within the overall resources available in the programme. In the event that allocations for 2012/13 and future years are reduced, then the programme will need to be amended accordingly.

Other Implications

20. There are no implications relating to Human Resources, Equalities, Legal, Crime & Disorder, Information Technology or Property arising from this report.

Risk Management

21. There is always a degree of risk associated with operating a capital programme as schemes are developed and implemented. The key to minimising this risk is the effective operation of monitoring and control processes. This report is part of that process, where updated figures and corrective actions are proposed. There are no specific risks arising from the recommendations in this report.

Recommendations

22. The Executive Member is recommended to approve the allocation of funding to schemes for 2011/12 (Annex A, Column A).

Reason: To ensure the effective management and monitoring of the capital programme

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**Report
Approved**



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Specialist Implications Officer(s)

Financial
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Wards Affected: *List wards or tick box to indicate all*

All



For further information please contact the author of the report

Background Papers

Letter to Local Authorities from Secretary of State for Education, 13 December 2010

Annexes

Annex A - 2011/12 proposals with tentative allocations for 2012/13 and 2013/14