

**CHILDREN AND YOUNG PEOPLE'S SERVICE
DRAFT CAPITAL PROGRAMME 2011-12**

**Joint report of the Executive Director of Children & Young People's Services and the
Director of Finance**

Please note that the following recommendations are subject to consideration and determination by the Cabinet (and confirmation under the provisions of the Council's Constitution) before taking effect.

Recommendations: Cabinet

- A** notes the priorities and spending pressures relating to the capital programme;
- B** notes the re-phasing of the CYPS Medium Term Capital Programme (MTCP) as detailed in Appendix 1;
- C** approves the capital programme proposals and proposed contingencies as detailed in Appendix 2.

1. BACKGROUND

- 1.1 The report of the Director of Finance on 9 February 2011 (CR/11/22) set a capital programme level, excluding estimated carry forwards, of £42.476m for 2011/12, £27.681m for 2012/13, £36.106 for 2013/14, £22.451m for 2014/15 and £22.576m for 2015/16. The indicative capital programme for 2012/13 and thereafter includes estimates of future capital announcements. The Department for Education (DfE) has indicated that funding for future years' will be announced after the Sebastian James review of school capital investment anticipated later this year.
- 1.2 Appendix 1 details the proposed rephasing of resources for 2011-12 to 2012-13. This is to ensure resources are available in future years to meet contractual commitments in 2012/13 from projects starting in 2011/12 and provide a contingency against the spending pressures identified in this report.
- 1.3 The recently published White Paper, *The Importance of Teaching*, highlighted the government's objective to reduce bureaucracy in allocating capital funding with the intention of securing significantly better 'value for money' from capital projects for schools. Capital is to address the poor condition of school buildings and to ensure there are sufficient school places for pupils, particularly at primary level.
- 1.4 Devon has received confirmation that Dartmouth Academy has secured a £8.274m capital allocation and we await confirmation of who will be responsible for delivering the project.

2. RESOURCES AND PRIORITIES/SPENDING PRESSURES

- 2.1 The factors, in priority order, which have been taken into consideration when drawing up the proposals in Appendix 2 are as follows:

- Projects that ensure the Local Authority meets its statutory responsibilities in respect of the supply of sufficient school places (Basic Need);
- Projects that ensure children with Special Educational Needs (SEN) can access the full curriculum;
- Projects targeted at reducing the maintenance backlog based on the Asset Management Condition data;
- Planning data, compliance surveys and specific professional advice from NPS South West Ltd;
- Projects where an element of matched funding can be provided and meet one of the priorities highlighted above;

In addition, a proportion of funding has also been allocated for advanced design fees to support the development of future years' priorities in particular projects targeted at Basic Need.

2.2 There are a number of significant pressures on capital allocations including:

- The announcement of a single year allocation has prevented the setting of three year capital programme. In addition, there has been a real decrease in capital funding, including an 80% reduction in schools' Devolved Formula Capital (DFC);
- The increase in birth rate in recent years has resulted in a high level of Basic Need, in particular for reception age;
- Requests for developer contributions to education infrastructure have not been fully supported by some local planning authorities;
- Schools Access Initiative resources have not been allocated, however there is still a high level of need in Devon, with significant resources required for students with specific needs;
- The results from compliance surveys, in particular Safety Glazing and Lightning Protection, will require capital funding, and individual schools may not be able to contribute significantly due to the reduction in school DFC;
- Despite the continued investment in the school estate, the maintenance backlog continues to rise and currently stands at £151m (approximately £32m can be attributed to schools who will have or are aiming to convert to academies by 1 April 2011). Some of the increase can be attributed to a revised survey regime. However, many buildings, in particular temporary provision, require significant investment or replacement.
- The impact of a major contractor going into liquidation and subsequent delays to Children's Centre projects funded from time specific resources may require an allocation to complete schemes.

2.3 Based on the uncertainty of future funding, it is proposed that a significant contingency is identified for 2012-13.

3. COMMUNITY ENGAGEMENT AND LOCAL SOLUTIONS

- 3.1 The Area Review process sets out to engage Local Learning Communities by supplying high quality data identifying the challenges they face. The consultation and engagement process aims to assist practitioners and community leaders in identifying local solutions to issues within a strategic framework.
- 3.2 To date, the CYPs Learning Environments Team have completed 22 out of 31 Area Reviews (two years ahead of programme). Outcomes resulting from either the preparation for, or as a result of, the Review itself include:
- Fifteen established Federations (involving 35 schools);
 - six proposed Federations in formal consultation (involving 17 schools);
 - seven schools working towards federation;
 - three schools consulting on amalgamation;
 - three cluster Academies (involving 6 schools);
 - one school opting for closure.

At the time of writing, more than 60% of schools are involved in collaborative activity to achieve better value for money.

- 3.3 The Area Review outcomes have also assisted in setting basic need priorities within the 2011-12 capital programme, in particular in Exeter where the follow up to the Area Review has provided agreed local solutions.
- 3.4 Devon's approach to collaboration has generated significant national interest, with the National College currently undertaking a case study on the Council's approach to this form of school/community consultation and engagement.

4. OTHER PROGRAMMES

- 4.1 **Devon Youth Service (DYS):** By working in partnership with voluntary agencies and community groups, DYS have recently seen the opening of brand new facilities at Dawlish and Colyton. The new South Molton youth centre is almost complete, and start on a smaller centre at Chulmleigh is imminent. Investing in Devon resources were secured to support the relocation and enhancement of Haven Banks Outdoor Education Centre, a detailed business plan is being developed and further investment opportunities are being investigated. A minor works allocation has been identified in the MTCP.
- 4.2 **Early Years, Children's Centres & Extended Services:** The DfE clawed back £1.565m of the grant in September 2010, causing the cancellation of the pre school projects for Northam and Children Centre projects in Exwick, Modbury and Uffculme. However, thirty pre-school groups have been provided with improved accommodation under this programme. The majority of Phase III Children's Centre Projects will be completed by the end of the 2010-11 financial year, with a further two projects slipping into 2011-12. Capital allocation for Extended Services were made to Local Learning Communities and have supported workspace and equipment for Parent Support Advisors. The DfE has not provided any detail on future years' funding and a small allocation has been identified to support capitalised maintenance on Children's Centres.
- 4.3 **14-19 Strategy:** Devon's four 14-19 Area Partnerships are in the process of implementing critical reforms, and most capital projects involve the change of use and refurbishment of existing buildings. Projects include:
- **Exeter4Learning Partnership:** developments have focused on some smaller targeted facilities in the schools and resources at Exeter College which are accessible to all.

- **East and Mid Devon Partnership:** concentrated upon smaller and targeted resources in schools focusing on those furthest away from larger Further Education (FE) facilities and also development of Bicton College and Petroc (Tiverton) as hubs which will allow partnership access.
- **The North Devon Academic Board Partnership (NORDAB):** planned to target resources at those farthest away, including the purchase of a mobile unit and the proposed development of the Devon Personalised Learning Service (PLS) build in Barnstaple to improve access for all young people to a more skills based curriculum.
- **South and West Devon Partnership:** this partnership planned for the development of resources across the region that could be accessed in smaller working groups of two or three schools, including the development of a skills centre in Newton Abbot.

Projects have been successful in increasing participation and broadening the curriculum offer.

- 4.4 **Children's Services Modernisation:** there have been significant improvements to provision, including the development of Blossom Corner Children's Home and improvements to Brookhayes Children's Home. The complete refurbishment of Welland House residential short breaks unit provides for the whole range of children with both complex physical and learning disabilities. A proposal to remodel and refurbish Rifford Road Children's Home is being finalised with a proposed start date on site of early April 2011. Resources are identified in the MTCP to support foster carer placements and adaptations for children with specific needs.
- 4.5 **CYPS Office Strategy:** The strategy is to reduce office desk spaces from 1600 to 1200 in 2012. Further rationalisation to 1,000 desks will be possible following the introduction of new technologies and through staff reductions. The combined offices of CYPS and NHS Devon will reduce from thirty-six to three strategic centres in Exeter, Barnstaple and Totnes, with two smaller centres at Tiverton and Newton Abbot. The new premises at Newton Abbot (Estuary House) opened March 2010, with Barnstaple, Springfield Court planned for Autumn 2011 together with Totnes, Follaton House. In 2011 CYPS is scheduled to close, for disposal, eight buildings designated for office functions.
- 4.6 **Stepping Stones:** In 2010-11 a major project to provide 52 week residential provision in Oaklands Park School, Dawlish was completed. Capital allocations have supported the development of other Stepping Stones provision, including secondary Communication and Interaction Resource Bases (CAIRB) and Local Area Bases. Springfield Court in Barnstaple is due to be completed in Autumn 2011 providing co-location for 120 staff from DCC NHS and other partners, a Devon Personalised Learning Service (DPLS) centre and the 25 place Behaviour, Emotional and Social Difficulties (BESD) school for North Devon. In addition, projects to provide improved DPLS accommodation in Exeter and Dartington will be developed in 2011-12, and capital funding is available to support the developing Primary Strand of the Stepping Stones continuum once investment priorities are confirmed.

5. DEVELOPER CONTRIBUTIONS (SECTION 106 PAYMENTS)

- 5.1 Due to the economic climate, developers are seeking more flexible payment terms in respect of Section 106 contributions. This has put great strain on authorities responsible for delivering new housing and as a consequence some planning authorities are not fully supporting claims made by the Council for new or additional educational infrastructure that arise from proposed housing developments.

- 5.2 It is estimated a potential 75,000 homes will be built over the next 20 years which, based on current ratios, could generate 18,750 primary school age children and 11,250 secondary age, as well as requiring infrastructure for early years, post-16 and youth services.
- 5.3 To ensure that the Council's position is more secure and that the quality of educational provision is not compromised, it is proposed that a Cross-Directorate Officer Working Group be established. This would be to develop a co-ordinated corporate approach to Section 106 Policy and establishing clear guidelines for future Section 106 negotiations and the safeguarding of the Council's statutory obligations in the delivery of services to local communities. In preparation, CYPS is reviewing its Section 106 policy in consultation with EEC colleagues.

6 SUSTAINABILITY CONSIDERATIONS

- 6.1 The CYPS capital programme for 2011-12 will focus on both basic need and reducing the maintenance backlog on the schools' estate. Although limited to one year, the programme will directly impact on improving school buildings.
- 6.2 The principles underpinning the proposed capital investment for schools will help reduce negative impact on the environment, and encourage good stewardship of school buildings.
- 6.3 The reduction in Devolved Formula Capital (DFC) means that in the short term schools may not be in a position to finance or match-fund significant building improvement works. It is therefore intended to refocus the remaining resources within the Green Challenge Fund at a targeted specific programme of work within schools, based on carbon intensity. This is principally to deliver energy efficiency improvements to the worst performing school buildings using the Carbon Trust's guidance (or similar) as the benchmark for prioritisation. The revised programme will therefore remove the current requirement for schools to provide match-funding. The projects would require careful assessment to ensure that approved schemes provide the maximum return on investment and carbon reduction, aiming to saving the most energy for the least cost. This change has the potential to contribute very positively to the Council's carbon reduction commitment.

7 EQUALITY CONSIDERATIONS

- 7.1 The planned investment has been targeted at communities and schools to ensure the local authority continues to fulfil its statutory duty for the provision of school places, providing diversity and choice within a mixed economy of provision.
- 7.2 The continued investment in capitalised maintenance and accessibility projects will ensure schools are a central part of the social fabric of the community, providing educational and social opportunities for children and young people, and also for families and the wider community. This will be especially supportive to those who might be experiencing rural isolation.
- 7.3 Specific resources have been identified to support some of the most vulnerable young people and their parents or carers.

8 RISK MANAGEMENT

- 8.1 The capital programme will be commissioned and proactively managed in a way that mitigates risk to the Local Authority. The proposals in the paper that relate to the statutory responsibilities of the Local Authority are the highest priority, and sufficient planning time has been allowed to ensure these projects are delivered within required timescales.
- 8.2 A significant contingency has been retained to ensure that unforeseen priorities can be managed and risks mitigated.

9 LEGAL CONSIDERATIONS

- 9.1 The legislative provisions either permitting schools to become self-governing under the Academies framework, or the introduction of Free Schools via the new schools network, will mean that some assets currently held by the Council will transfer to School Trust bodies.

10 SUMMARY

- 10.1 The announcement of a single year capital allocation has prevented the setting of a three year capital programme. However, including commitments from previous years, 2011-12 will still see a significant investment in CYPS infrastructure.
- 10.2 The 2011/12 capital programme has been set in order to address Basic Need, access for Children with Special Education Needs, Backlog Maintenance (condition) and Compliance (with statutory requirements, mainly health and safety). This approach and the scope of investment being planned is consistent with the coalition government's priorities in advance of the outcome of the James Review.
- 10.3 The legislative provision permitting schools to become Academies or the introduction of Free Schools will mean some assets currently held by the Council will be transferred to school trust bodies.

Anne Whiteley
Executive Director, Children & Young People's Services

Mary Davis
Director of Finance

Electoral Divisions: ALL

LOCAL GOVERNMENT ACT 1972: LIST OF BACKGROUND PAPERS

Contact for enquiries: Chris Dyer 01392 382531

<u>BACKGROUND PAPER</u>	<u>DATE</u>	<u>FILE REFERENCE</u>
Report on the Revenue Budget and Medium Term Financial Strategy 2010/11 - 2012/13 and the Capital Programme 2010/11 - 2014/15	10/02/2010	CR/10/21
CYPS Draft Capital Programme 2010-11	10/03/2010	CY/10/29
Report on the Revenue Budget and Medium Term Financial Strategy 2011/12 - 2014/15 and the Capital Programme 2011/12 - 2015/16	09/02/2011	CR/11/22

Cabinet Member for Children's Health & Wellbeing: Councillor Andrea Davis
Cabinet Member Schools and Skills: Councillor Christine Channon

FUNDING SOURCES FOR CYPS CAPITAL PROGRAMME

2011 – 12 & THEREAFTER

- 1 For 2011/12 Basic Need funding is **£17.270m**. This reduces to **£10.265m** in 2012/13 and includes **£6.460m**, which is an estimate of what the funding may be in the future. Consequently this cannot be committed until confirmation is received from the DfE of subsequent years' funding. Similarly the subsequent years also include a **£6.460m** estimate.
- 2 Grant funding is being received from the DfE for Capital Maintenance, which for 2011/12 is **£13.583m**. The same amount has been included in subsequent years, although these figures have not been confirmed and can therefore not be committed to projects.
- 3 Devolved Formula Capital Funding for 2011/12 is **£2.333m** and combined with Vehicle and Loans Pool (**£200k**) means the schools' managed capital programme is **£2.533m** for this year. A figure of **£2.333m** has been included in subsequent years, but again this cannot be committed by schools as it is only an estimate of future years' funding.
- 4 It is anticipated that funding for future years will not be announced until after the publication of the James Review, anticipated later this year.

Proposed Changes to CYPS Capital Programme 2011/12 & 2012/13		
	2011/12 £,000	2012/13 £,000
CYPS Capital Programme (CR/11/22)	42,476	27,681
Rephasing	(9,145)	9,145
Projected CYPS Spend	33,331	36,826

Funding Sources Comparison to 2010/11				
	2010/11 £,000	2011/12 £,000	2012/13 £,000	2013/14 £,000
Basic Need	8,639	17,270	10,265	6,460
NDS Modernisation	3,185	0	0	0
Capital Maintenance	0	13,583	13,583	13,583
Building Schools for the Future	9,900	2,800	0	0
Primary Capital Programme	2,216	0	0	0
Devolved Formula Capital	24,005	2,333	2,333	2,333
Section 106	250	100	750	12,260
Other	31,208	6,390	750	1,270
Total	79,403	42,476	27,681	35,906

Appendix 2

CYPS DRAFT CAPITAL PROGRAMME 2011 – 12 & THEREAFTER

	2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000	Total £,000
Projects Funded From:						
Basic Need - Borrowing	10,810	3,805				14,615
Other - Borrowing	5,390	550	270	75		6,285
Basic Need - Grant	6,460	6,460	6,460	6,460	6,460	32,300
Building Schools for the Future - Bideford	2,800	0	0			2,800
Vehicle and Equipment Loans Pool	200	200	200		200	800
Capital Receipts	800		1,000			1,800
Capital Maintenance - Grant	13,583	13,583	13,583	13,583	13,583	67,915
Devolved Formula Capital	2,333	2,333	2,333	2,333	2,333	11,665
Section 106	100	750	12,260			13,110
TOTAL	42,476	27,681	36,106	22,451	22,576	151,290
CONTRACTUAL COMMITMENTS FROM 2010-11 & BEFORE						
	11,126					11,126
ADVANCED DESIGN FEES						
	650					650
Including:-						
St Leonard's CofE Primary School						
Exminster Community Primary						
Alphington Primary						
Pinhoe CofE Primary School						
BASIC NEED - SECONDARY/SPECIAL						
Marland School	Residential	50	700			750
Mill Water School	School Relocation	300	6,305			6,605
Teign School	Sports Hall	2,800				2,800
Cranbrook	Contribution			1,000		1,000
DPLS - Stepping Stones	South Devon	450				450
BASIC NEED - PRIMARY						
Ashburton Primary School	Increase Pupil Places	35				35
Bishopsteignton School	Increase Pupil Places	35				35
Bowhill Primary	Increase Capacity to 525 - Subject to Statutory Consultation	200	1,000			1,200
Clyst Heath Nursery & Community Primary School	Increase Capacity to 315	550	250			800
North Tawton Primary School	Double Wernick to Increase Pupil Places	373				373
St Peter's CofE Junior School, Tavistock	Increase Capacity	750				750
PROPOSED CONTINGENCY						
		250	2,151			2,401
TOTAL BASIC NEED	17,569	10,406	1,000	0	0	28,975
CAPITAL MAINTENANCE - SECONDARY/SPECIAL						
Coombeshead College	Refurbishment to Main School Building					2,020
Coombeshead College	DDA Project					
Honiton Community College	Retaining Wall repairs					
Honiton Community College	DDA Project					
Newton Abbot College	Refurbishment to Main Block on Main Site					
Oaklands Park School	Contribution towards Residential Works					
Pilton Community College	Cruciform Repairs Phase 3					
Ratcliffe School	Residential Block Upgrade					
Ilfracombe Community College	Refurbishment					
The Community College, Chumleigh	DDA Project					
The Park Community School	DDA Project					
Tiverton High	Horizon Block					

		2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000	Total £,000
CAPITAL MAINTENANCE - PRIMARY		7,687					7,687
All Saints CofE Infant School Sidmouth	Main School Building						
Appledore Community Primary School	Temporary Classrooms						
Ashleigh CofE Primary School	Demolish Double Devon Lady						
Bishops Nympton Primary School	School Hall - Contribution						
Bishops Tawton Primary School	Demolition of HORSAs						
Blackawton Primary School	Refurbish/Replace Temporary Classrooms						
Bolham Primary	Refurbish/Replace Single Elliott Classroom						
Bovey Tracey Primary School	DDA Project						
Bradley Barton Primary School & Nursery Unit	Demolish Temporary Classrooms						
Braunton Caen Primary School	Main School Building						
Bridestowe Primary School	Refurbish/Replace Single Devon Lady – Contribution						
Broadhembury CofE Primary School	Main School Building						
Burlescombe CofE Primary School	Single Elliott Nursery						
Cheriton Bishop Community Primary School	Main School Building						
Clyst Hydon Primary School	Main School Building						
Decoy Primary School	Refurbish/Replace Double Devon Lady						
Dunsford Community Primary School	DDA Project						
East-The-Water Community Primary School	Roof, Fascia and External Repairs						
Exeter Road Community Primary School	School House						
Fremington Community Primary & Nursery School	Refurbish/Replace Double Devon Lady						
Halberton Primary School	Main School Building						
Hayward's Primary School	Refurbish/Replace Double Devon Lady						
Hazeldown School	Refurbish/Replace Double Elliott Classroom						
Holywell CofE Primary School	Main School Building						
Ilfracombe CofE Junior	Refurbish/Replace Single Devon Lady Classroom						
Instow Community Primary School	Hall and Remodelling						
Kenton Primary School	Refurbish/Replace Devon Lady Classroom & ICT Suite						
Ladysmith Junior School	DDA Project						
Marwood School	Refurbish/Replace Temporary Buildings						
Musbury Primary School	Main School Building						
Newtown Primary School	Main School Lower Block						
Pynes Infant School & Nursery	Refurbish/Replace Single Devon Lady Classroom						
Rydon Primary School	Roof Repairs – Contribution						
Sandford School	Main School Building						
St Mary's CofE Primary School, Bideford	Refurbish/Replace Single Holder						
St Michael's CofE Primary School, Kingsteignton	DDA Project						
St Rumons CofE Infants	Main School Block						
The Grove Primary School, Totnes	Site Issues & Roof Repairs						

		2011/12 £,000	2012/13 £,000	2013/14 £,000	2014/15 £,000	2015/16 £,000	Total £,000
The Redhills Community Primary School	Flat Roof Replacement						
Two Moors Primary School, Tiverton	Refurbish/Replace Double Elliott Classroom						
Umberleigh School	Main School Building						
Wembury Primary School	Temporary Classrooms						
West Alvington CofE Primary School	Main School Building						
Whimple Primary School	Refurbish/Replace Single Elliott Classroom						
Safety Glazing (Non VA & non Academies)	Repairs/Improvements at Schools	500	1,000				1,500
Lightning Protection (Non VA & non Academies)	Repairs/Improvements at Schools	200					200
Radon Mitigation Works (Non VA & non Academies)	Repairs/Improvements at Schools	35					35
Health & Safety Compliance Works (Non VA & non Academies)	Repairs/Improvements at Schools	300					300
Children's Centre Maintenance		50					50
PROPOSED CONTINGENCY		247	1,544				1,791
TOTAL CAPITAL MAINTENANCE		11,039	2,544	0	0	0	13,583
IYSS PROGRAMME							
Youth Minor Works		80	90	60			230
TOTAL IYSS PROGRAMME		80	90	60	0	0	230
SECTION 106							
Cranbrook New Community		100	750	12,260			13,110
TOTAL SECTION 106		100	750	12,260	0	0	13,110
CHILDREN'S SERVICES							
Adaptations for Children with Additional and Specific Needs		150	150	150	75		525
Children's Services - Foster Carers – Adaptations		60	60	60			180
Rifford Road Community Children's Home	Upgrading Premises	590					590
Contingency		160	250				410
TOTAL CHILDREN'S SERVICES		960	460	210	75	0	1,705
CYPS OFFICE MODERNISATION PROGRAMME							
Exeter Office Rationalisation & Remodelling		500					500
Office Modernisation		50					50
South Devon Hub		500					500
TOTAL OFFICE MODERNISATION		1,050	0	0	0	0	1,050
SPECIFIC PROJECTS/RESOURCES MANAGED BY SCHOOLS							
Devolved Formula Capital		2,333					2,333
Vehicle and Equipment Loans Pool		200	200	200		200	800
TOTAL SCHOOLS DEVOLVED PROGRAMME		2,533	200	200	0	200	3,133
<i>Basic Need (Commitments and New Starts)</i>			6,460	6,460	6,460	6,460	25,840
<i>Capital Maintenance</i>			13,583	13,583	13,583	13,583	54,332
<i>Devolved Formula Capital</i>			2,333	2,333	2,333	2,333	9,332
INDICATIVE FUNDING AMOUNTS UNABLE TO COMMIT		0	22,376	22,376	22,376	22,376	89,504
PROJECTED CYPS CAPITAL SPEND		33,331	36,826	36,106	22,451	22,576	151,290
REPHASING		9,145	(9,145)	0	0	0	0
BUDGET BOOK TOTAL		42,476	27,681	36,106	22,451	22,576	151,290