

HERTFORDSHIRE COUNTY COUNCIL

CABINET

MONDAY 19 MAY 2003 AT 2.00 P.M.

COUNTY COUNCIL

TUESDAY 20 MAY 2003 AT 10.30 A.M.

Agenda Item No.

Cabinet

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County Council

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**CAPITAL FUNDING FOR EARLY YEARS DEVELOPMENT
PROJECTS**

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1. Purpose of report

To consider:

- options for the application of council capital resources released for alternative use as a result of DfES capital grants being made available to part fund the Ludwick/Squirrels nursery scheme
- the inclusion of the development of the Rye Park Early Years Centre in the capital programme for 2003/04.

2. Summary

The County Council has already committed capital expenditure, funded from receipts, to develop replacement early years provision at Ludwick Nursery School. The availability of external grant has provided the opportunity to match-fund that committed expenditure, releasing £393,000 of council capital resources previously allocated to this project

The options available to the Council are:

- to allocate the available resource to the further extension of nursery provision. This option would attract external matched grant funding,

enabling a total additional sum of £785,000 to be applied to new early years provision

- to allocate the resource to other capital priorities that are currently unfunded in the capital programme
- to return the released sum to general reserves.

3. Conclusion

Members are asked to decide how the released capital resource should be applied and, if the first option is agreed, to agree to recommend to Council the inclusion of the Rye Park project in the 2003/04 capital programme.

Background

1. The expenditure for the cost of the capital work required to implement the review of secondary education in Welwyn Garden City was to be funded from the disposal of the former Sir John Newsom School (SJN) site.
2. The Squirrels Nursery occupied part of the SJN buildings as part of an arrangement with the school and a private operator. Planning policies require this facility to be reprovided in the event of redevelopment. The County Council has been working with the operator in order to provide an Early Years Centre at Ludwick Nursery School. Initial indicative feasibility work in 1998/9 showed that a replacement at Ludwick might cost in the order of £400k.
3. However the cost of a 'like for like' scheme has risen to £785k, largely due to planning requirements about access to the site and parking. In addition, an opportunity has been taken to review the proposal to take account of current thinking and new service models. An innovative project is now proposed to form an integrated early years centre with family support activities, extended care and training and support activities for early years providers to take place. Funding for these additional facilities (estimated at £140k) would come from a combination of government grant and a contribution from Ludwick Nursery School. The pre tender estimate of the construction cost of the entire new facility is £925k, of which £785k would be due to come from the County Council.
4. The Department for Education and Skills (DfES) has allocated the County Council up to £788,262 of grant from Standards Fund 614 for the expansion of nursery education. The stipulations placed on the Council are that it is match-funded and spent in areas of socio-economic deprivation. The budget must be spent by March 2004.
5. The revised Ludwick/Squirrels scheme is now proceeding on the basis that the project could now be 50% funded from the new DfES Standards Fund grant. This released £393,000 of Council capital

resources for alternative use. Up to £395,262 of Standards Fund Grant remains available to match fund other nursery projects in areas that meet the socio-economic deprivation criteria.

6. The options available to the council for the use of the £393,000 of released Council capital resources are:
 - to allocate the available resource to the further extension of nursery provision. This option would attract external matched grant funding, enabling a total additional sum of £785,000 to be applied to new early years provision
 - to allocate the resource to other capital priorities that are currently unfunded in the capital programme
 - to return the released sum to general reserves.
7. If the first option above was followed, early years projects in areas of deprivation could be funded with the additional £785,000 capital as set out in the following table:

Scheme	Total Scheme Cost £000	Funding Sources		
		Standards fund Grant £000	HCC capital resources £000	Other Grant £000
Rye Park, Hoddesdon	500	250	250	
Birchwood, Hatfield	322	143	143	36
TOTAL	822	393	393	36

8. The latter project is already in the capital programme, funded from another Standards Fund Grant and work is underway, but it would now be able to be part-funded from Standards Fund Grant 614.
9. The former project would be a new item in the 2003/04 capital programme and be designed to provide comprehensive early years provision comparable to that provided at Ludwick and Birchwood. Its priority as a new early years scheme stems from a decision of the then Education Committee, on 13 January 1999, to "develop Rye Park Nursery School, to include day-care provision..."
10. Importantly, by using Standards Fund Grant 614 for this scheme in 2004, the funding already earmarked from Standards Fund Grant 316, which is not restricted in use to areas of socio-economic deprivation, and can be spent over a longer time period, could in turn be redirected to yet other projects. Nursery Schools bidding to extend their services are:
 - Arlesdene , Cheshunt
 - Heath Lane, Hemel Hempstead

- London Colney, St Albans
- Tenterfield, Welwyn
- Weston Way, Baldock
- York Road, Hitchin

It is estimated that two or three of the above could be funded with the £286,000 of Standards Fund Grant 316 resource released from the Birchwood project. Decisions have yet to be taken on which would proceed, but the criteria set out in the CSF Strategy Panel report of 23 May 2002 would be used to prioritise them and the selected schemes would then be incorporated into the 2004/05 capital programme.