

HERTFORDSHIRE COUNTY COUNCIL

**CABINET
MONDAY 15 MARCH 2004 AT 2.00 P.M.**

Agenda Item No.

8

**CHILDREN, SCHOOLS AND FAMILIES CAPITAL PROGRAMME -
PRIORITIES FOR DfES CAPITAL FUNDING IN 2004/05 AND 2005/06**

Report of Director of Children, Schools and Families

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1. Purpose

This paper has been prepared to give members of the Cabinet more detail about the priorities for allocating the DfES funding which is available for capital works in Hertfordshire in 2004/05 and 2005/06. The views of schools' Resources Panel, which met on 3 March after this report was prepared, will be reported separately.

2. Summary

Appendix I lists the top priority projects under each of the "outcomes" from the C.S.F. Capital Strategy.

An indication of the funding source (basic need, new modernisation or primary new modernisation) for each scheme is shown. These priority projects are based on all the relevant Asset Management Plan data i.e. condition, suitability and sufficiency information which has been checked and moderated where appropriate.

3. Conclusion

The Cabinet is asked to consider whether to confirm:-

- The stated outcomes and the priority order in which the schemes are listed.
- The proposal to use 50% of the new modernisation and the primary new modernisation allocations for capital repairs and maintenance.
- The list of priority schemes for funding in 2004/2006 (this list has been recommended to Cabinet by the Resources Panel).

4. Background

The following sums of money are available for allocation in 2004/05 and 2005/06 to carry out capital works at schools.

	2004/05	2005/06
New modernisation	£8,036,681	£4,369,942
Primary new modernisation	£3,397,623	£3,177,998
Basic Need	£5,258,000	£10,517,302
Seed Challenge	£1,233,962	None
Schools Access Initiative	£1,828,101	£1,853,249

5. New Modernisation and Primary New Modernisation

- 5.1 The allocations for new modernisation and primary new modernisation include funding for capital repairs and maintenance as well as for new capital projects. As there is still a significant backlog for capital repairs and maintenance at our schools the officer recommendation is that half of these two funding streams is used for capital repairs and maintenance.

The table above shows the amounts which remain available for new capital projects (i.e. 50% of the total allocations).

- 5.2 The modernisation funding can be used to address any of the outcomes which form part of the C.S.F. Capital Strategy. Initially it is proposed to use:

Approx	£10,918,835	of new modernisation and
Approx	£4,670,000	of primary new modernisation

for specific schemes.

6. Basic Need

- 6.1 Where there is a need to provide additional accommodation to meet anticipated need the funding source is usually "basic need". £13,080,000 has been allocated from the total of £15,775,302 allocated to us over the two years.

7. Building Programmes

- 7.1 The funding available from new modernisation, primary new modernisation and basic need will be used to undertake new building projects as shown in the programmes in Appendix I and summarised below.
- 7.2 *To ensure that no buildings will be closed for health and safety, other legislative or basic amenity reasons.*
The top three priority schemes have been highlighted in the condition surveys.
- 7.3 *To provide sufficient accommodation to meet anticipated need.*
These schemes have mostly been prioritised because of the need to provide additional accommodation for either current or anticipated need. The schemes have been prioritised using sufficiency and where appropriate suitability data.
- 7.4 *To provide additional or remodelled accommodation to meet current needs or to replace worn out temporary accommodation.*
These schemes have been prioritised using condition, moderated suitability data and in a few cases the sufficiency data has also been a factor.
- 7.5 *Unsuitable accommodation in secondary special schools.*
The four top priorities have been selected on the basis of moderated suitability data.
- 7.6 *The remaining three categories, technology replacements/refurbishment, science labs and food technology rooms are all the specialist accommodation needs in secondary schools.*
Again they have been prioritising in their separate categories using suitability and condition data. Previous experience has shown us that at least three laboratories at each secondary school need to be refurbished for the project to be cost effective. Hence the allocation of £300,000 to each of the schools apart from one school where there is now only one very poor laboratory.
- 7.7 *Primary Area Reviews*
There are three current area reviews which will need forward funding because work must be completed at the remaining, sometimes expanded, schools before other school sites can be vacated and sold. These are:

- North Watford primary review, both phases £6,750,000
- South Hatfield (Hazelgrove/FiveOaks) £1,750,000
- South Oxhey £2,000,000

(These are all initial estimates)

Therefore the total forward funding required is some £10,500,000. This will be needed across two or possibly three financial years.

- 7.8 Any of the three funding streams from the DfES (basic need, new modernisation or primary new modernisation) may be used initially to cover these significant investments but, following capital receipts, the money may then be used to carry out other projects. It is suggested that the modernisation budgets would be the most appropriate ones to use.

8. Seed Challenge

- 8.1 Appendix II indicates the schemes which are recommended for funding in 2004/05.

Practically all the primary projects will require a school contribution which is greater than one year's devolved formula allocation. Overall for an investment of £1.2 million schemes worth a total of £2,883,254 will be completed.

- 8.2 There are another 14 high priority projects which cannot be funded from seed challenge but which officers have concluded are good value for money and therefore these are recommended for approval from the "new modernisation fund".

All these projects are funded on a 50% - 50% basis if they are primary or special schools and 33% - 66% if they are secondary schools with the school paying the balance.

Each of the schemes requires a contribution of more than one year of devolved formula capital from the school.

The 14 schools are listed, as part of appendix II but they are not shown in a priority order. It is hoped that the £433,335 required to support all these schemes will be approved from the new modernisation fund. For this investment (£433,335) projects worth £1,202,503 will be completed.

- 8.3 Most of the other bids for seed challenge funding would require smaller contributions from the bidding schools and therefore it is concluded that these could be undertaken by the schools themselves without the need for contribution from the authority.

9. Schools Access Initiative

- 9.1 The £1.8m allocated for each of years 2004/05 and 2005/06 will include work to deal with the requirements of the Disability Discrimination Act and specific breaches of health and safety legislation. Modest scale works in the region of £15 - £20,000, are

being, and will be, undertaken at more than one hundred primary schools.

10. Financial Position

- 10.1 All projects in appendix I including the £433,335 from new modernisation to support the “other” seed challenge schemes comes to a figure of £28,668,835. When the forward funding figure is added to this the total budget will be fully committed.
- 10.2 It is proposed to carry out all the work as a two year programme (i.e. some schemes to be started in 2004/05 and others in 2005/06). The schemes for 2005/06 are more provisional and may require amendment during the next year. However it may be necessary to hold some of the lower priority schemes until the forward funding for primary reviews comes back for reallocation. This is because many of the estimates are at an early stage and until feasibility works are completed it is not possible to finalise the costs for each project.

