
Report to: Cabinet
Council

Date of Meeting: 17 July 2014
24 July 2014

Subject: Capital Scheme Approvals 2014/15

Report of: Head of Corporate Finance & ICT

Wards Affected: All

Is this a Key Decision? No

Is it included in the Forward Plan? No

Exempt/Confidential

No

Purpose/Summary

To provide Members with details of the latest capital projects that have been recommended for inclusion within the Capital Investment Plan for 2014/15 by the Cabinet and the Strategic Capital Investment Group (SCIG).

Council is recommended to:

- i) approve the scheme to relocate Air Quality Monitoring Equipment from the land at Hemans Street and Rimrose Road at a cost of £15,000 to be funded from capital receipts as detailed in paragraph 2, and
- ii) approve revenue Trajectory funding of £549,000 be capitalised to undertake capital work to provide additional places for early education for 2 year olds as detailed in paragraph 3.

How does the decision contribute to the Council's Corporate Objectives?

	<u>Corporate Objective</u>	<u>Positive Impact</u>	<u>Neutral Impact</u>	<u>Negative Impact</u>
1	Creating a Learning Community	√		
2	Jobs and Prosperity		√	
3	Environmental Sustainability	√		
4	Health and Well-Being	√		
5	Children and Young People	√		
6	Creating Safe Communities		√	
7	Creating Inclusive Communities		√	
8	Improving the Quality of Council Services and Strengthening Local Democracy		√	

Reasons for the Recommendation:

To advise Members of the increased costs of these 2 previously approved capital schemes and the proposed method of funding the shortfall.

What will it cost and how will it be financed?

(A) Revenue Costs

Any revenue costs of these approvals will be met from existing resources.

(B) Capital Costs

The capital costs of these new schemes and can be met from various grants and capital receipts as detailed in the report.

Implications:

The following implications of this proposal have been considered and where there are specific implications, these are set out below:

Legal	
Human Resources	
Equality	
1. No Equality Implication	<input checked="" type="checkbox"/>
2. Equality Implications identified and mitigated	<input type="checkbox"/>
3. Equality Implication identified and risk remains	<input type="checkbox"/>

Impact on Service Delivery:

The new schemes to be approved will enable more cost effective services to be provided.

What consultations have taken place on the proposals and when?

The Head of Corporate Finance and ICT (FD 3067/14) and the Head of Corporate Legal Services (LD 2372/14) have been consulted and any comments have been incorporated into the report.

Are there any other options available for consideration?

The options available to Members are to not approve the schemes which would lead to the new capital work not being carried out.

Implementation Date for the Decision

After call in following Cabinet and after Council

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Background Paper

There are no background papers available for inspection.

1. Introduction/Background

- 1.1 The Strategic Capital Investment Group met on 23rd June to consider new potential capital schemes and requests Members to approve the new capital schemes as detailed in the paragraphs below. Subsequently the Cabinet have considered and recommend to Council the following two schemes which are not funded by external funding and are not currently in the programme.

2. Land at Hemans Street and Rimrose Road, Bootle

- 2.1 The land at Hemans Street and Rimrose Road is owned by the Council and previously formed part of St Joan of Arc Primary School. Parcel A is held on a 999 year Lease from 25 March 1895 and Parcel B is held freehold. The buildings have been demolished and the remainder of the school site is owned by the Archdiocese of Liverpool.

It should be noted that there is an Air Quality Monitoring Station located on Parcel B which requires relocation prior to any development or disposal of the site. An alternative Council owned site in close proximity at Crosby Road South has been identified as suitable and the cost of relocation has been estimated at £15,000, and it is proposed that this will be funded from any future capital receipt received from the sale of land.

3 Trajectory Funding 2 Year Old Offer

- 3.1. The Department for Education announced in December 2012 £100m of additional capital funding towards expanding Early Nursery Education for eligible two year olds from lower income households. Sefton's share of this capital allocation was £427,970. This grant was non-ring fenced and could be used for any capital purpose, but it was intended to support implementation of early education for two year olds. It must be noted that the original capital funding available would never have been enough to meet the capacity required.
- 3.2. On 14 May 2013, Council approved for inclusion within the Capital Programme, the allocation of £427,970 towards funding schemes which would build capacity for the Early Education for Two Year Olds from Lower Income Households in 2012/13, and this was fully allocated by the end of 2013/14.
- 3.3. The Department for Education have been keen to see the expansion of 2 year old eligibility and have set a target for local Authorities to achieve 40% take up of eligible 2 year olds to receive 15 hours per week free nursery education by the end of the financial year 2014/15. This has meant having to ensure there is extra capacity to expand place numbers at Nurseries where there is a definite need.
- 3.4. In addition to Capital allocation and Revenue funding for places, one –off Trajectory funding has also been allocated to Local Authorities in 2013/14 and 2014/15. This was revenue funding given, to enable Authorities to plan for the expansion of 2 year old places through support with training and other issues across providers. Sefton has been allocated £1,012,042 for this purpose. The funding is out of Dedicated Schools Grant for Early Years and so is technically

ringfenced in its application. Regionally however, trajectory funding has been used more flexibly by many Local Authorities, and in some instances has been capitalised where appropriate, to support larger schemes rather than minor works. Currently £549,251 of this £1,012,042 is still uncommitted and which could be capitalised if required, to support additional capital schemes, after allowing for some ongoing revenue capacity to support future providers. As noted above the Council is obliged to increase the numbers of eligible 2 year olds into nursery education from 20% capacity in 13/14 to 40% of eligible 2 year old children in 14/15. This has prompted the LA to seek out potential nursery providers to ensure we meet this target. By 14/15 we need to have 1429 places for 2 year olds available and we should reach this target by January 2015 subject to having nurseries ready to accommodate the numbers. As the original capital allocation was exhausted at the end of 13/14 and there were other nurseries in the wings requiring to be extended etc to increase numbers, the only way forward is to capitalise this trajectory funding.

- 3.5. As all the original capital funding has been assigned to approved schemes the local authority has been in contact with DfE to seek support in how to increase capacity when capital has been used. The DfE has advised that some LA s have utilised their DSG Early Years Trajectory funding more flexibly through capitalising it to support building extra capacity.
- 3.6. The Strategic Capital Investment Group (SCIG) has recently approved this in principle, subject to approval from the DfE to capitalise the funding. It is therefore recommended that the identified uncommitted Early Years Dedicated Schools Grant trajectory revenue funding of £549,000 is capitalised, to enable the continued programme of increase in two year old places to be maximised as indicated above.