

Decision Maker: **Children and Young People Portfolio Holder**  
Date: **For Pre-Decision Scrutiny by the Children and Young People PDS Committee on 7 September 2010**

Decision Maker: **Executive**  
Date: **29 September 2010**

Decision Type: Non-Urgent Executive Key

**TITLE: A STRATEGY FOR CAPITAL INVESTMENT IN SECONDARY SCHOOLS: UPDATE 7**

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Chief Officer: Gillian Pearson, Director of Children and Young People Services

Ward: Boroughwide

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1. Reason for report

- 1.1 The Children and Young People Portfolio Holder has considered a series of reports since 2008/09 in relation to the strategy for Capital Investment in Bromley Secondary Schools. These reports have in turn, been considered by the Council's Executive and Council for final approval. The most recent report was presented on 31 March 2010. At that time, £9.2m of the total available funding of £13.420m had been allocated to secondary schools. The Children and Young People Portfolio Holder was also informed of the need to set aside a contingency to cover any increased costs of the rebuilding of Langley Park School for Boys.
- 1.2 This report provides an update on the reduction in the available capital funding and also provides an update to the capital strategy with particular reference to the scheme at Bullers Wood Secondary School.
- 1.3 This report will need to be presented to a full Council meeting.
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2. **RECOMMENDATION(S)**

2.1 **For the Children and Young People Portfolio Holder:**

- (i) **That the Children and Young People Portfolio Holder recommend to the Executive to proceed with the scheme at Bullers Wood Secondary School at a cost of £1.7m.**
- (ii) **That the scheme at Langley Park School for Girls remain a priority for future capital funding.**

2.2 **For the Executive:**

- (i) **That the Executive approve the release of £1.7m from the available capital funding to proceed with the scheme at Bullers Wood Secondary School.**
- (ii) **That the Executive recommend to the Council to include the scheme at Bullers Wood Secondary School as a separate scheme in the capital programme.**

### Corporate Policy

1. Policy Status: Existing policy: Children and Young People's Plan 2009-2011
  2. BBB Priority: Children and Young People
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### Financial

1. Cost of proposal: Estimated cost £1.7m
  2. Ongoing costs: Non-recurring cost Future capital projects will depend on Government funding
  3. Budget head/performance centre: Capital Programme
  4. Total current budget for this head: £11.42m
  5. Source of funding: DSG/Capital Grant/Section 106 agreement funding
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### Staff

1. Number of staff (current and additional) - N/A
  2. If from existing staff resources, number of staff hours - N/A
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### Legal

1. Legal Requirement: Statutory requirement: Education Act 1996
  2. Call in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - All children and young people in Bromley secondary schools
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

### **3. COMMENTARY**

- 3.1 Following a full consultation on a proposed strategy for capital investment across secondary schools in Bromley the Children and Young People Portfolio Holder approved the secondary capital investment strategy in October 2008.
- 3.2 The strategy was approved following the assessment of capital need and recommendations for prioritisation of expenditure took into account an evaluation of improvement needs, in terms of suitability, capacity, and condition of the current secondary school building stock. The assessment also took into account the previous Government's announcement for extending the statutory age for education and training to 18+ years by 2015, review of qualifications and curriculum for 2013 and arrangements for Post-16 funding to begin April 2010. The recommendation of the adoption of a phased programme for capital investment over a five year period also took into account the then Department for Children, Schools and Families intentions for the next round of Building Schools for the Future funding.
- 3.3 Originally, over the five year period 2008/09 to 2012/13, £13.420m was available to fund this capital investment programme through a combination of the revenue contribution from the Dedicated Schools' Grant, the Targeted Capital Grant (£8m) from Central Government, and unspent Section 106 agreements balances relating to education. The Targeted Capital Grant was originally to be paid to Bromley over the two year period 2009/10 and 2010/11. A report to the Children and Young People Portfolio Holder in 2008 provided information on the acceleration of capital funding including paying the whole £8m of this grant to Bromley in 2009/10.
- 3.4 Since the time Members approved the previous reports on this issue, the current Government have made a number of announcements that reduce the funding available to local authorities as a measure to balance the nation's deficit. These include a reduction in the Targeted Capital Grant (originally £8m) by £660,000 for every local authority in receipt of this grant. This reduces the funding available to £12.76m (£13.42 less £660,000). However, included in the £12.76m is a revenue contribution from the Dedicated Schools Grant (DSG) of £720,000 for each of the future financial years 2011/12 and 2012/13.
- 3.5 At the Children and Young People Policy Development and Scrutiny meeting on the 25 March 2010 and the Executive on the 31 March 2010, Members were informed that it would be necessary to revisit the final phase of funding commitment once more information is available from the DfE on future DSG funding settlements. It was considered that a prudent approach would be to exclude this future funding from the investment strategy at this stage until more information is known on the DSG settlements for 2011/12 and 2012/13.
- 3.6 As a result of the uncertainty, surrounding future funding, Members agreed to the unallocated schemes at Bullers Wood and Langley Park School for Girls at the lower amounts of £1.04m for Bullers Wood (was £1.7m) and £1.220m for Langley Park School for Girls (was £2m).
- 3.7 These schemes were approved in principle, but progression of the schemes to be subject to planning permission approval and confirmation of the final costs relating to the Judicial Review and Appeal Processes arising from challenges by Langley Park School for Girls in respect of the scheme to rebuild Langley Park School for Boys. These legal costs will be charged against the contingency in the Secondary Capital Investment budget.
- 3.8 Given the current economic climate and the possibility of further Government announcements regarding grant reductions the Director of Children and Young People Services is recommending that the scheme at Bullers Wood School which now has planning permission approval be progressed.

- 3.9 The scheme at Langley Park School for Girls does not have planning permission so cannot be progressed at this stage. It is recommended that this scheme will remain a priority for any future capital funding streams to address Post-16 Basic Need capacity and suitability developments.
- 3.10 The Children and Young People Portfolio Holder and the Executive have previously agreed capital schemes at Newstead Wood, Darrick Wood (both December 2008), Hayes (January 2009), a contribution towards the Riverside School (March 2009) and Ravens Wood School (June 2009) and St Olave's School (September 2009). Details of the allocated and unallocated funding are included in **Appendix 1** of this report.
- 3.11 This report provides information on the proposed capital scheme at Bullers Wood Secondary School.
- 3.12 **Bullers Wood School**
- 3.12.1 Bullers Wood is seeking to redevelop, expand and modernise its facilities for basic need suitability and post-16 provision for the appropriate delivery of Languages and Applied courses.
- 3.12.2 Languages and Applied Learning subjects are housed in accommodation that is out of date and not fit-for-purpose. The current temporary buildings do not meet the needs of the curriculum. The school needs to develop its post-16 provision to cope with the introduction of new courses in these areas.
- 3.12.3 The indicative allocation of £1.7 million previously requested to Members would be directed towards Phase One of a two phase project to develop a new building on the school site which would become the centre for the delivery of Language courses. Initial sketches have been drawn and the Borough's Principal Tree Officer has viewed the site and given initial approval.

#### 4. FINANCIAL IMPLICATIONS

- 4.1 There was originally £13.42m available for capital investment in secondary schools. However, the Government has announced a reduction of £660,000 from the £8m targeted capital grant (included in the £13.42m) for every local authority in receipt of the grant. In addition there is no guarantee that the future years Dedicated Schools Grant (DSG) contribution will be available. The effect of the now available funding compared with the funding allocated is summarised in the table below.

Contribution from DSG		Original £000	Revised £000
b/f	2008/09	2,090	2,090
	2009/10	720	740*
	2010/11	720	750*
	2011/12	720	0
	2012/13	720	0
	Targeted Capital Grant	8,000	7,340
	S106 Funding	450	500
		<b>13,420</b>	<b>11,420</b>
	Funding allocated to date	9,200	9,200
	Bullers Wood School	1,700	1,700
	Langley Park School for Girls	2,000	-
	Contingency	520	520
		<b>13,420</b>	<b>11,420</b>

\*The contribution from the DSG has been inflated in the budget each year.

- 4.2 Members have previously been informed that as Bromley is a Revenue Support Grant 'floor' authority, the only source of funding to cover any increased costs of rebuilding Langley Park School for Boys is the £11.420m identified above.
- 4.3 The Director of Legal and Democratic Services continues to request information from the solicitors working on behalf of Langley Park School for Girls to obtain the information on the final legal costs that will be charged to the capital provision for investment in secondary schools. This covers the Council's own legal costs and the relevant legal costs relating to the Judicial Review process incurred by the Langley Park Boys' and Langley Park Girls' Schools. Based on the current estimates this expenditure can be funded from the £520,000 contingency within the total capital budget of £11.420m.

## 5. LEGAL IMPLICATIONS

- 5.1 Capital schemes proposed by schools will be subject to the Council's planning regulations.
- 5.2 Sufficient contingency will be needed until an implementable scheme for Langley Park School for Boys is costed and in place.

<b>Non-Applicable Sections:</b>	Policy Implications Personnel Implications
Background Documents: (Access via Contact Officer)	

## Analysis of Allocated/Unallocated Capital Funding For Secondary Schools

### Secondary Capital Update 7

		£m
Newstead Wood	Allocated	2,500,000
Darrick Wood	Allocated	1,700,000
Hayes General	Allocated	1,000,000
Hayes SpaLD	Allocated	500,000
Contribution towards Riverside	Allocated	500,000
Ravens Wood	Allocated	2,500,000
St Olave's	Allocated	500,000
	Sub-total Allocated	9,200,000
Bullers Wood	To be determined	1,700,000
Langley Park Girls	To be determined	0*
Contingency		520,000
		<hr/> <b>11,420,000</b> <hr/>
Funding	- Contribution from DSG 2008/9 to 2010/11	3,580,000
	- Targeted Capital Grant	7,340,000
	- Section 106 Agreement	500,000
		<hr/> <b>11,420,000</b> <hr/>

(\* The scheme at Langley Park School for Girls will remain a priority for future capital funding.)