

Agenda Item No: 8(g)**DERBYSHIRE COUNTY COUNCIL****CABINET****21 February 2017****Report of the Strategic Director for Children's Services****ADDITIONAL FUNDING FOR THE BENNERLEY & BREADSALL
PROJECTS – (CHILDREN'S SERVICES)****1. Purpose of Report**

To seek approval for a further allocation of £250,000 for the Children's Services projects at Bennerley, Ilkeston, and Breadsall.

2. Information and Analysis

On 27 January 2015, Cabinet approved up to £3.55m capital receipts and £1.2m borrowing for a proposal to transfer of the Erewash Key Stage 3 Pupil Referral Unit (PRU) from The Derbyshire Support Centre site on Brookside Road, Breadsall, to a building on the ex-Ilkeston Ormiston Enterprise Academy Site, (Bennerley Avenue, Ilkeston), and to transfer Breadsall Primary School into the vacated PRU building. The total cost of these projects was £4.75m.

	Expenditure £		Income £	
Breadsall DSC site	Remodel & refurbish the PRU into new primary school.	1.75m	Sale of partial site for capital receipt.	2-2.5m
Bennerley Site (ex IOEA)	Remodel & refurbish one block for PRU + 2 other services.	2.5-3m	Sale of partial site for capital receipt	1.05 m
	Total	4.25-4.75m		3.05-3.55 m

At that time, the project costs were not finalised. The overall total funding approved of £4.75m was chosen assuming that the project costs would fall into the middle of the range - £4.50m that was estimated at that time. The approved borrowing allocation was £1.2m. The current projected costs and receipts are as follows:

	Expenditure £		Income £	
Breadsall DSC site	Remodel & refurbish the PRU into new primary school.	2.2m	Sale of partial site for capital receipt.	2-2.5m
Bennerley Site (ex IOEA)	Remodel & refurbish one block for PRU + 2 other services.	2.7m	Sale of partial site for capital receipt	1.05m
	Total	4.9m		3.05-3.55m

Given that the costs of the project have come out at the top of the range originally estimated. There are a number of cost pressures, notably on the Breadsall site including the amount of asbestos in the building that is to be demolished and the cost of providing new service connections. As a consequence there is a risk that this project will require additional funding. It is therefore proposed to increase the project allocation by £150,000 to allow for the increased costs and by £100,000 to allow for the risk around capital proceeds.

3. Financial Considerations

As set out above.

4. Social Value Considerations

It is proposed that these works will be delivered by County Property and will not therefore be subject to an external procurement. This approach to project delivery has taken into account the Authority's Social Value Strategy. The choice of County Property to deliver these projects reflects the strong social value that it presents. County Property is developing its social value reporting but the benefits include contributions to Outcome 1 (strong local economy) and Outcome 2 (a skilled and confident workforce). Particular values in these areas relate to: workforce development through apprenticeships, payment of the living wage and spend with suppliers within the local economy. The social value created

by this and other projects delivered by County Property will be reported separately to Cabinet.

5. Other Considerations

In preparing this report the relevance of the following factors has been considered:- prevention of crime & disorder, equality of opportunity, environmental, health, legal & human rights, human resources, property and transport considerations.

6. Key Decision No

7. Call In

Is it necessary for the call-in period to be waived in respect of the decisions being proposed in the report? No

8. Background Papers

These are held on file in the Children's Services Development Section.

9. Officer Recommendation

That the borrowing approval for the projects at Bennerley and Breadsall be increased from £1.2m to £1.45m.

Jane Parfrement
Strategic Director for Children's Services