

Leader Decision

26 March 2020

Capital Investment Fund 2019/20 Quarter 4 Report

Recommendations

That the Leader:

- 1) Approves £686,000 from the Capital Investment Fund for Property Flood Resilience Schemes and add to the Capital Programme.
- 2) Approves £184,250 from Education Capital Resource for Maintained Nursery Schools Capital Funding and add to the Capital Programme.
- 3) Authorises the Strategic Director Communities to procure and enter any agreements to give effect to the proposals in 1 and 2 on terms and conditions acceptable to the Strategic Director for Resources.

1. Purpose of this report and context

1.1. As part of the 2017/18 budget, Council approved the creation of the Capital Investment Fund (CIF) to provide an approach to funding capital schemes in support of the delivery of OOP 2020. Members approved a four-stage approval process for projects seeking funding from the CIF that would be run on a quarterly basis:

- Stage 1: A service specific internal approval process, the conclusion of which is a bid to an Evaluation Panel submitted by the relevant Assistant Director;
- Stage 2: The CIF Evaluation Panel provides a technical evaluation and commentary on the proposal that results in a recommendation to Corporate Board;
- Stage 3: Corporate Board review the evaluation and support/reject the proposal going forward to Members; and
- Stage 4: For those schemes Corporate Board support, Cabinet/Council approve/reject the allocation. If approved the scheme is added to the authority's capital programme.

- 1.2. Following the additional resources allocated to the CIF in the budgets on 6 February 2018 and 7 February 2019, and approvals through the 2017/18, 2018/19 and 2019/20 financial years, the CIF now has £6.996 million available to be allocated in 2019/20.
- 1.3. Agreeing to the recommendations of this report would reduce the total remaining available CIF funding to £6.310 million.
- 1.4. Once these individual schemes have been approved, detailed planning work will profile and timetable the work and ensure sufficient organisational capacity to deliver them. The new capital strategy approved by Council in February will change the framework we use to manage effective delivery of the capital programme and will consider delivery capacity.

2. Description of the Schemes

Property Flood Resilience Schemes

- 2.1. The application for £686,000 from the CIF is in order to unlock a further £575,000 from external Flood Defence Grant funding offered by the Environment Agency which will fund Property Resilience Schemes, specifically in relation to surface water management. The total cost of the scheme is therefore £1,261,000 between 2020-2022 and focuses on protecting 117 properties in six communities identified as within the highest risk of flooding in Warwickshire.
- 2.2. The six communities at highest risk are:
 - Pailton
 - Fenny Compton
 - Welford on Avon
 - Galley Common
 - Bermuda
 - Brailes
- 2.3. The Surface Water Management Plan (SWMP) undertook an exercise to prioritise locations in Warwickshire for schemes, this is based on historic and future risk. Some of the locations ranked higher than the ones recommended for funding did not meet the required cost-benefit ratio to unlock national funding due to number of properties etc or were not considered as potential CIF bids due to the opportunity of funding via other sources such as S106 developer contributions being available.
- 2.4. The CIF panel initially scored the bid at 61.3 out of 100 as some concerns were raised around the practicalities from a legal perspective of installing flood

resilience equipment on resident properties. However, upon further discussion the Service was able to provide considerable evidence and answers which satisfied the panel's concerns. Therefore, the panel recommends that this scheme is added to the capital programme at £686,000.

Maintained Nursery Schools Capital Funding to Ensure Access for Children with SEND & Inclusion

- 2.5. The purpose of the bid is for capital funding to provide appropriate spaces, via an external structure or to make internal structural improvements to four of the six Warwickshire County Council Maintained Nursery Schools to ensure that these settings can meet the needs of children with special educational needs and disabilities (SEND). The nursery schools are:
 - Atherstone
 - Bedworth Heath
 - Warwick
 - Whitnash
- 2.6. Warwickshire County Council has statutory duties via the Early Education and Child Care statutory Guidance to secure sufficient childcare for children aged two to five years. In Warwickshire this is delivered via a mixed market, which includes 6 maintained Nursery schools who provide 520 places in areas of disadvantage. Up to 25% (104 places) of their pupil intake provides places for children with SEND and complex medical needs and those with physical disabilities.
- 2.7. Built circa 1940, the buildings for three of the six maintained nursery schools are no longer suitable for the increasingly complex cohorts of children that they support. They do not have the necessary disabled access, appropriate areas for managing children's personal hygiene and medical needs. The fourth building within this request, Atherstone Nursery School is a newer building but does not have the necessary adapted spaces to accommodate the increased level of complex need related to SEND.
- 2.8. The service has explored alternative settings to resolve these issues. However, due to reduced revenue in early years the number of special school nursery places has significantly reduced in recent years.
- 2.9. Also, the service has explored multiple alternative funding options to undertake this work, however here has been significant difficulties in nursery schools gaining access to capital funding for SEND. The funding provisionally ruled out for various reasons includes:

- Schools Capital Funding – Small allocations that would take 17.5 years to build up sufficient funds
- Early Years Sufficiency Grant – Ringfenced for private and voluntary early years settings
- Disability Access Grant – Children must be of statutory school age
- Special Provision Fund – Whilst this fund can be used for early years settings, it is to be used for specialist provision rather than ensuring universal settings are made more accessible.
- WCC Landlord budget – Works do not fall under the remit of WCC as landlord.

2.10. Although this bid was initially submitted to the CIF panel for access to the Capital Investment Fund, the proposal now put forward is that this scheme be funded from existing Education Capital Resource.

2.11. The panel felt that in order to be disability access compliant there was a strong case for this capital investment. The examples of how this investment will improve access were very strong. Also, consideration of the levels of contingency within the bid determined that these were sufficient.

2.12. More needed to be made of the environmental impact of a proposed modular unit, however the panel gave favourable scoring in that the bids were attempting to reuse existing spaces and were clearly challenging the current service provision.

2.13. The panel scored this bid 78.5 out of 100 and feel it was particularly strong in explaining the importance of making this investment, the panel therefore recommends that £184,250 is added to the capital programme.

3. Financial Implications

3.1. The available CIF balance currently sits at £6.996 million and is included in the 2020/21 Capital Programme as a carry forward from remaining 2019/20 contributions, the recommendations in this report result in a call on this pot of £0.686 million. Therefore, the remaining CIF balance is £6.310 million.

3.2. Any resource not allocated in 2019/20 will be carried forward to 2020/21 and added to the new allocations approved as part of the 2020-25 Medium Term Financial Strategy.

4. Environmental Implications

4.1. Environmental implications of these recommendations are:

- The Property Flood Resilience scheme will ensure WCC are working to reduce the impact of future increases in flood risk due to climate change, linking directly to the declaration of a climate emergency.
- The Nursery Schools investment will ensure that any modular build solution will meet a brief of having the lowest environmental impact possible.

5. Background Papers

None

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This report was circulated to the following members prior to publication:

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