



Leicester
City Council

WARDS AFFECTED
Hamilton & Humberstone

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet

24 October 2005

HOPE HAMILTON C OF E PRIMARY SCHOOL

Report of the Deputy Chief Executive

1. Purpose of the Report

The purpose of this report is to inform Members of the cost of LEA liabilities incurred for the construction of a new primary school in Hamilton.

2. Summary

The Council secured funding for the new voluntary aided school (formerly known as St Mary's C of E Primary School) on behalf of the Diocese of Leicester through the 2001 Capital Bidding Round to the DfES. The school provides new school places for children living in the new housing developments at Hamilton.

The Church of England acquired the school site for a nominal sum from the Hamilton Trustees in lieu of a Section 106 contribution. Although responsibility for the majority of expenditure for VA schools falls on the governing body and is covered in this case by grant, the Local Education Authority has liabilities on Voluntary aided School Sites for school playing fields and associated works.

It is proposed to meet the Council's liability from the Basic Need Credit Approval allocation already included in the Department's Capital Programme. It will be possible to reprofile this expenditure within the constraints of the Government's Credit Approval.

3. Recommendations

Cabinet is recommended to agree that the LEA Liabilities of £376,869 be met from the Authority's Basic Need Credit Approval allocation for the Hamilton Area.

4. Headline Financial and Legal Implications

The report indicates that the Authority had no control over the additional costs, and that they were unavoidable. There is no indication from the report that the Authority was not kept fully informed of the extra expenditure

therefore there are no legal implications arising from this report. (Kamal Adatia, Barrister - Legal Services Ext. 7044)

There are no existing commitments against the £3.6 million Basic Need allocation. Use of this allocation for the costs referred to above will reduce the funding available for the proposed review of school places in the Hamilton area. Payment of these amounts is a statutory liability of the LEA. There are no other sources of external financing available to meet these costs. (Barrie Woodcock, ext. 7750)

- 5. Report Author/Officer to contact:**
John Garratt, Head of Planning & Property,
Ext. 7766, email: john.garratt@leicester.gov.uk

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet):

HOPE HAMILTON C OF E PRIMARY SCHOOL

SUPPORTING INFORMATION

1. Report

- 1.1 The Local Education Authority has liabilities at Voluntary Aided Schools. Liabilities are outlined in the document 'Funding for Premises-related work at Voluntary Aided (VA) Schools in England 2002' and relate primarily to the cost of works to school playing fields.
- 1.2 The initial cost of these liabilities was £250,000. However, in order to meet certain planning requirements of the City Council, and to avoid disturbing protected species which is a legal requirement that the Council has to comply with it was necessary to reposition the school. This resulted in substantial additional costs for retaining walls and other works associated with the playing fields. The Council has incurred costs of £376,869 to meet its liabilities even though we had little or no control over this matter. It should be noted that even if the Council had undertaken to provide the school rather than the Diocese, we would have incurred a similar additional cost.
- 1.3 The Department has written to the DfES to make a case for the costs to be considered as exceptional and asked whether the government would be prepared to issue a grant or authority for revenue supported borrowing. Although the DfES is sympathetic and understand our position, they have confirmed that they are unable to provide further financial assistance.
- 1.4 The Department was successful in securing £4,254,723 of Basic Need Credit Approval (Annual Capital Guidelines) allocated in the years 2003/04 to 2005/06 from the DfES for new school places in Hamilton. Of this, £615,770 has already been committed at Kestrels' Field Primary School (£315,770) and Hamilton Community College (£300,000), leaving a balance of £3,638,953.
- 1.5 If the Council's contribution of £376,869 is met from the Basic Need Allocation, this will still leave a balance of £3,262,084 for additional school places in Hamilton. In addition a substantial contribution towards the cost of

new school places have been agreed by Members in lieu of Section 106 funding for the Manor Farm development. These contributions are not in the public domain. Preliminary discussions with local schools and stakeholders indicate that this remaining funding should be used for extensions to existing schools.

2. Financial Implications

There are no existing commitments against the £3.6 million Basic Need allocation. Use of this allocation for the costs referred to above will reduce the funding available for the proposed review of school places in the Hamilton area. Payment of these amounts is a statutory liability of the LEA. There are no other sources of external financing available to meet these costs. (Barrie Woodcock, ext. 7750)

3. Legal Implications

The report indicates that the Authority had no control over the additional costs, and that they were unavoidable. There is no indication from the report that the Authority was not kept fully informed of the extra expenditure therefore there are no legal implications arising from this report. (Kamal Adataia Ext. 7044)

4. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within this report
Raising Standards	NO	
Equal Opportunities	NO	
Policy	NO	
Sustainable and Environmental	NO	
Crime and Disorder	NO	
Human Rights Act	NO	
Elderly/People on Low Income	NO	

RISK ASSESSMENT MATRIX			
Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
1			There are no risks from the above report.

L – Low
M - Medium
H – High

L - Low
M - Medium
H – High

5. Background Papers – Local Government Act 1972

None.

6. Consultation

Paul Skuce, DfES Voluntary Aided Schools Team, Darlington,
Kamal Adatia, Barrister Legal Services, Resources Access & Diversity
Barrie Woodcock, Acting Head of Finance, Education and Life Long Learning.
Circulated to Corporate Directors Board - 5 October 2005.

7. Report Author/Officer to Contact

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