

Committee: **Lead Member for Learning and School Effectiveness**
Date: **15 December 2011**
Title of Report: **Capital Loans to Schools**
By: **Director of Children's Services**
Purpose of Report: **To consider a loan application from Little Common school to fund the purchase of new play equipment**

Recommendation: The Lead Member is recommended to approve the loan application on the condition that funding is used to complete agreed Health and Safety works

1. Financial Appraisal

1.1 Total loan request is £36,000 against the total purchase price of the equipment of £39,072. The loan period would be 3 years with an estimated annual charge of £12,533. The current and projected financial position at Little Common School could support the annual repayments.

2. Supporting information

2.1 Little Common School has applied for a capital loan (Appendix 1) in the current financial year to purchase play equipment following the removal of their previous equipment which was declared unsafe.

2.2 In their loan application, the school predicts that they are likely to have a £50,000 underspend as of March 2012 but would prefer to keep this as contingency for any potential staff sickness during the winter and if that was not needed then go on to list other priorities- some of which are Health and Safety concerns.

2.3 Capital Strategy Team does not feel able to support the loan application as specified. In their opinion the school should complete the other identified works in relation to Health and Safety issues before they consider purchasing new play equipment. Health and Safety works are estimated at £40-45,000.

2.4 The finance team have reviewed the budget position with the finance manager at the school and consider that the school may need a capital loan to complete the Health and Safety works if their budget surplus is spent on staffing during the winter and that consideration for a loan for play equipment should be deferred until the usual 2012/13 process in January 2012.

2.5 It is our understanding that a combination of the loan and underspend will be sufficient to fund both projects, but it is recommended that Health and Safety issues received priority consideration.

3. Conclusion and Reason for Recommendations

3.1 It is recognised that the school will require some financial assistance to address these matters and the loss of facilities.

3.2 It is recommended that a loan is approved on condition that it is used to complete agreed Health and Safety works as a priority. Any remaining funds from the loan can be added to the school's underspend at the end of the financial year to finance the replacement of playground equipment.

MATT DUNKLEY
Director of Children's Services

Contact Officer: Terry Burton, Team Leader, School Funding Team
Tel: 01273 481521

Local Members: Councillor Gadd

Background Documents: Capital Loan Application from Little Common School

Little Common School



APPLICATION FOR CAPITAL LOAN

The Governors of Little Common School have agreed to request a capital loan for the purchase of some adventure play equipment for the school playground.

Earlier this year, a safety check was carried out on the playground equipment and it was all found to be unsafe; it has since been removed and the only play equipment the children have at present is a climbing net on which only a small number of children can safely play at one time.

The school has looked at a number of possibilities and has chosen a reputable company, Playdale Playgrounds Ltd, who have given a quote to provide a new and exciting play area, with safety surfacing. The pupils on the school council looked at the suggested layouts and have chosen the one they would like, which will cost £39,072 including installation.

The equipment comes with a 20 year guarantee on the timber content and a 25 year guarantee on the structural stainless steel, and there would be only minor maintenance work such as renewing the paintwork.

A number of fund raising initiatives have been undertaken throughout the year, and the sum raised so far is £2,869. The governors realise that the children and families who have worked for that fund deserve to see the fruits of their labours, but that it would take many years to collect enough money to fund the project completely.

Little Common is a primary school with 634 pupils on roll. Since the removal of the condemned play equipment, the children have had less to stimulate their play and playtimes have become less enjoyable for the majority of them as a result. This has affected the role of the supervisory staff, especially at lunch times when the whole school is outside at the same time.

For many of our pupils, the installation of an exciting and challenging adventure playground would significantly increase the amount of exercise they would have each day and improve their physical competence and their general wellbeing, as well as offering an opportunity for team building and other collaborative skills.

The 3-year budget plan for the school indicates that there should be a carry-forward of £50,000 in March 2012. However, the governors would prefer not to use this money to pay for the playground project. The £50,000 has been put aside as a contingency fund, which may be needed to pay for additional supply teacher costs if there is a lot of sickness during the winter months. If it is not used for this purpose, the following items of expenditure are required urgently:

- Replacement windows in the year 3 and 4 classrooms, where the metal-framed sash windows installed in the early 1990s are now extremely difficult to open and shut, and are a health and safety hazard to both staff and children;
- The heating system needs a thorough overhaul to improve its efficiency;
- Improved security is needed on the doors into the school, as there are too many entrances to the building with open access;
- Numerous upgrades and improvements are needed in the ICT department, where equipment needs to be replaced or updated.

The governors are requesting a loan of £36,000. If they can borrow this amount, spread over the next three years, the governors believe that they can make better use of the school's budget, while providing for more of the school's immediate needs. The amounts of the projected repayments have been included in the 3 year budget plan, which shows that the payments can be met within a three year period.