



Children's Centres

Implementation Plan Update 4

Issued 10th June 2004

SURE START CHILDREN'S CENTRES: CAPITAL APPROVAL PROCESS AND FUNDING

Please find enclosed guidance on the process for approving the release of children centre capital as promised in Children Centres Update 3.

The strategic proposals you submitted last October provided an overview of your individual centres and capital proposals. To ensure we deliver children centres on time, over the next few months we need you to submit full details of how you propose to use your children centre capital including information on each project, timescales for delivery and costings.

Approving Capital Projects

The information on your capital projects should be submitted to the Unit via our new web-based children's centres database, which will start to go-live from the end of June 2004. We are launching the capital section of this database first, within which you will need to enter information about each capital project that makes up your children centre capital portfolio. When fully functional this web-based database is designed to act as a project management tool for both Local Authorities and the Unit. We will transfer the information from your implementation plans on to the database and you will be able to use it to monitor the progress of your children's centres.

We will shortly be writing to you to fully explain the use of the database and provide you with your logging in details. Each Local Authority will only be able to view and input information about its own children centre projects. It will be your responsibility to keep information on your projects up-to-date.

In the meantime, the guidance enclosed provides details of the information we require and the process you need to follow to have capital funding approved. As we indicated in Update 3 the level of information required is proportional to the level of children centre capital being invested in the project.

Capital project information will only be assessed and recommended for a decision when:-

1. The Unit has given approval to proceed for the children's centre to which the capital project relates.
2. All necessary information has been provided on the web-based database.

Paying of Capital Funds

Children's centre capital payments will be made quarterly. The first payment will be made in June 2004 and will be in addition to the first instalment of the General Sure Start Grant. Payments thereafter will be based on profiled expenditure, with reconciliation for actual expenditure in the previous quarter. For Local Authorities where we have approved implementation plans we plan to make the first payment based on financial information contained within them. As we cannot make payments too far in advance of need, for Local Authorities without approved plans the first payment will be based on the latest 04/05 budget information we have from your authority (either implementation plans or strategic proposals). In these cases the payment will be equivalent to 5-10% of that 04/05 budget.

You will need to input into the web-based database details of your expected capital expenditure until March 2006, and any relating to retention fees in 06/07. After the first quarter, you will need to complete a claim form to draw down subsequent capital funding. This form is in addition to the quarterly financial statement required to release other elements of the General Sure Start Grant. This form will shortly be available via the web-based database.

You should note that the claim form requires you to up-date capital expenditure profiles each quarter, confirm expenditure in the previous quarter and forecast for remaining quarters. Variances greater than 10% against your forecast amounts will be reviewed and you will need to provide explanations for any such significant variances. The claim form does not allow you to claim funding for projects that are not yet approved. You should also note that you must be given approval to proceed with the development of each individual children's centre before you commit any capital expenditure.

Next Steps

The attached guidance sets out the process to follow to obtain approval of children's centre capital funding. We appreciate that you may not have full capital information for all projects, but please continue with the development of individual centres implementation plans, and complete and submit as much capital information that you can for each project as soon as possible. You should also press on with completing the rest of your implementation plans.

Further information on developing Sure Start capital projects is available on our website <http://www.surestart.gov.uk/surestartservices/capital/>.

Your regional contact will be able to help with any questions you have about this letter or the enclosed guidance, please let them know of any barriers or difficulties.