


REPORT TO CABINET

6 May 2020

Subject:	Schools Capital Programme 2020/21 – 2022/23
Presenting Cabinet Member:	Councillor Joyce Underhill, Cabinet Member for Best Start in Life
Director:	Lesley Hagger, Executive Director – Children’s Services
Contribution towards Vision 2030:	
Key Decision:	Yes
Cabinet Member Approval and Date:	<p>Councillor Joyce Underhill, Cabinet Member for Best Start in Life: 2.4.20</p> <p>Councillor Wasim Ali, Cabinet Member for Resources and Core Services: 9.4.20</p>
Director Approval:	<p>Lesley Hagger, Executive Director of Children’s Services: 2.4.20</p> <p>Chris Ward, Director – Education, Skills and Employment: 2.4.20</p>
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	Exemption provisions do not apply
Ward Councillor (s) Consulted (if applicable):	Boroughwide
Scrutiny Consultation Considered?	<p>Councillor Luke Giles, Chair - Budget and Corporate Scrutiny Management Board: 9.4.20</p> <p>Councillor Rajbir Singh, Chair – Children’s Services and Education Scrutiny Board: 9.4.20</p>
Contact Officer(s):	<p>Martyn Roberts, School Place Planning and Capital Manager, Education Support Services, Education, Skills and Employment Directorate</p> <p>Email: martyn_roberts@sandwell.gov.uk</p>

DECISION RECOMMENDATIONS

That Cabinet:

- 1.1 approve the funding of Enabling Works at Bristnall Hall Academy, Bristnall Hall Lane, Oldbury B68 9PA; Q3 Academy Langley, Moat Road, Oldbury B68 8EA and West Bromwich Collegiate Academy, Kelvin Way, West Bromwich B70 7JW as part of the Schools Capital Programme 2020/21 - 2022/23 funded from the Council's balance of Basic Need resources.
- 1.2 subject to 1.1 above, approve the remaining £533,376 Basic Need funding to be retained to support the completion of construction works at all three schools once a government announcement on Basic Need funding has been made for 2021/22 and 2022/23, and a further report has been submitted to Cabinet to approve additional expenditure.
- 1.3 subject to 1.1 and 1.2, authorise the Director – Education, Skills and Employment to award a contract to Willmott Dixon Construction Limited to deliver the Enabling Works packages, in conjunction with the Executive Director - Resources, and in consultation with the Cabinet Member for Best Start in Life, subject to meeting the criteria as set out in paragraph 7.9 of the report.
- 1.4 subject to 1.1, 1.2 and 1.3, authorise the Director of Law and Governance and Monitoring Officer to enter into any legal agreements on terms agreed by the Director – Education, Skills and Employment, as required, to allow building works to be completed at each proposed site.

1 PURPOSE OF THE REPORT

- 1.1 This report seeks approval to allocate £6,909,000 from the council's Basic Need resources to fund Enabling Works at Bristnall Hall Academy, Bristnall Hall Lane, Oldbury; Q3 Academy Langley, Moat Road, Oldbury and West Bromwich Collegiate Academy, Kelvin Way, West Bromwich.
- 1.2 To further seek approval to the retention of the remaining £533,376 of Basic Need capital allocation to contribute towards the funding of future schemes, a report for which will be presented to Cabinet later this year once the DfE has made an announcement on its Basic Need capital funding allocations for 2021/22 and 2022/23.

2 IMPLICATION FOR VISION 2030

- 2.1 The recommendations in this report relate to interim works to prepare the sites at all three schools for respective major construction works: a new stand-alone classroom block at Bristnall Hall Academy; Phase 3 Q3 Academy Langley, which will see completion of the 1,500 place secondary school; Phase 2 West Bromwich Collegiate Academy, completion of the new 750 place secondary school. The activities will contribute significantly towards area 4 of the council's Vision for 2030 "Ambition 4: Raising the quality of schools "Our children benefit from the best start in life and a high-quality education throughout their school careers with outstanding support from their teachers and families".
- 2.2 The preparatory works will support the statutory provision of 990 new secondary school places by September 2021 and will assist the Authority to improve the educational chances children have in life, by ensuring there are enough good school places across the borough and contribute to enhanced local community facilities to support families who choose to settle, work and live in the Borough.

We will continue to work with those schools that want to remain in partnership with the council by providing the services that they require and continuing to co-ordinate school place planning, capital investment, school improvement activity and school governance options.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The total cost to complete the construction of a new classroom block at Bristnall Hall Academy (150 places), significant works at both Q3 Academy Langley (390 places) and West Bromwich Collegiate Academy (450 places) is estimated to be in the region of £21.8m.
- 3.2 Due to competing pressures to deliver new secondary school places across the Borough, and the formulaic basis upon which these are funded through the Basic Need capital allocation from the DfE, projects to open new, or complete the expansion of existing secondary schools have had to be prioritised with the Schools Capital Programme to meet more immediate pressures. Projects for Q3 Academy Langley and West Bromwich Collegiate Academy now require completion for September 2021 in order for the Authority to keep pace with demand for additional school places for the academic year 2021/22 onwards.
- 3.3 The capital announcement by the DfE regarding Basic Need funding allocations for 2021/22 has been delayed since early summer 2019, with a two-year announcement to include 2022/23 now expected this Spring.

- 3.4 At its meeting on 28 August 2019, Cabinet approved the allocation of £1,551,000 Basic Need resources to fund the development of each of the three school projects (Minute No.99/19 refers).

There is no time limit on the balance of Basic Need resources being retained.

- 3.5 The Authority holds limited Basic Need funding and is dependent upon a positive announcement being made by the DfE on future allocations for 2021/22 and 2022/23. In the absence of sufficient resources being announced, the Authority will be faced with a significant shortfall in capital funding to deliver upon its statutory duty for school place planning.
- 3.6 In anticipation of a two-year funding announcement a package of Enabling Works is proposed to ensure that each project remains on programme to start on site this summer and ensure that an additional 480 places are available for the Year 7 intake in September 2021.
- 3.7 Through the Enabling Works package external groundworks, foundations, and erection of steel frameworks will be undertaken in readiness for the main construction works. The enabling works are being brought forward to ensure those works can safely be installed during the school summer break in July and August 2020.
- 3.8 The total cost of the Enabling Works is currently estimated to be £6.9m. The Council has a balance of £7.4m Basic Need resources to fund the works. Approval is requested to allocate the capital funding to enable the proposed projects to be included within the Schools Capital Programme 2020/21-2022/23.
- 3.9 Following a compliant procurement exercise in accordance with Minute No.99/19 of Cabinet, Willmott Dixon Construction Limited has been appointed through the Construction West Midlands framework to deliver the three projects. Willmott Dixon are currently appointed to develop the schemes to RIBA Stage 4. It is proposed to appoint Willmott Dixon to deliver the Enabling Works packages in advance of the main construction works.
- 3.10 The main programme of construction works will need to commence this summer, with the first main order placed by 31 May 2020 to ensure project completion in time for September 2021.
- 3.11 A Programme, and specific Project Risk Registers have been developed and continue to be managed, particularly in response to the current Covid19 crisis.

- 3.12 Detailed design and cost analysis for the final build solutions continue, with the identification of additional costs being investigated, e.g., abnormal costs associated with new Highway Authority and Sport England requirements at Bristnall Hall Academy, which will require to be fully factored into the proposed scheme.
- 3.13 Full details of available funding and project costs will be presented to Cabinet in the summer when approval will be sought to complete all three projects.

4 THE CURRENT POSITION

- 4.1 An announcement for the next phase of Basic Need funding for 2021/22 was expected from the DfE in April / May 2019. The DfE did subsequently advise that an announcement could be expected late Spring this year, that would also include for a 2022/23 allocation. To date no further update has been provided when an announcement will be made. Any announcement will be too late to submit a report to Cabinet to allocate funding in order for the contractor, Willmott Dixon Construction Limited to raise orders for the initial phase of construction works: site preparation, foundations and steel frameworks. It is proposed to allocate £6.9m of the Authority's unallocated Basic Need funding to finance the Enabling Works pending an announcement by the DfE and ensure a start on site.
- 4.2 Bristnall Hall Academy and its sponsor, Ormiston Academy Trust, have agreed to expand the Academy by 150 additional school places, 30 per year group. The Academy has insufficient accommodation to admit additional pupils and a stand-alone, purpose-built classroom block is proposed to provide sufficient pupil capacity.
- 4.3 Phase 2 of Q3 Academy Langley was successfully completed and opened to pupils on time in September 2019. Phase 2 only provided partial completion of the new school (a total of 1,110 places). It was originally intended that Phase 2 would have been the final phase of build providing a completed school by September 2019. Due to the formulaic basis upon which the DfE allocate Basic Need capital funding for new school places, the Authority had insufficient resources to re-commence construction at the school given competing priorities for secondary school expansions across the Borough.
- 4.4 Phase 1 of West Bromwich Collegiate Academy opened on time to pupils in September 2019, providing 300 of the total 750 school places at the new school.

4.5 Once complete, an additional 990 new school places will be provided at the Academies. The projects need to complete for September 2021 to ensure that 480 of those places are available to meet projected demand for the Year 7 intake.

4.6 Table 1 – Profile of New Places

	2021/22	2022/23	2023/24	2024/25	2025/26	Total
Bristnall Hall Academy	30	30	30	30	30	150
Q3 Academy Langley	300	90	-	-	-	390
West Bromwich Collegiate Academy	150	150	150	-	-	450
	480	270	180	30	30	990

4.7 The extent of the Enabling Works package is detailed in paragraphs 3.7 and 3.8 above. Main construction works cannot commence until sufficient capital resources have been identified for the later phase of the programme.

4.8 Once an announcement on capital funding allocations has been made by the DfE a further report will be submitted to Cabinet this summer, advising on the level of resources available to the Authority to complete all three schemes.

4.9 Subject to approval of the report recommendations, design for the enabling works will continue to ensure that works can start in June 2020.

4.10 To fulfil the Authority's statutory duty in respect to the provision of sufficient school places in the Borough, the proposed new secondary school places that will be provided at each Academy are required for September 2021.

4.11 As our current construction partner, Willmott Dixon has confirmed that upon receipt of an order, and subject to the length of time the country remains in a lockdown, and any further measures introduced by the Government to minimise the spread of the Coronavirus, the company can proceed with the Enabling Works package to ensure no further delay to programme is experienced.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 For the new schools that opened as Q3 Academy Langley and West Bromwich Collegiate Academy, wide consultation exercises were undertaken by each Academy Trust and the Authority for the respective prospective pupil intake, and planning application process.
- 5.2 At Bristnall Hall Academy, consultation has been undertaken with the Academy sponsor, Ormiston Academy Trust, who are in agreement with the proposed expansion proposal. Prior to the Academy permanently increasing its pupil intake to Year 7 it is required to undertake a formal consultation exercise for the statutory proposal.
- 5.3 Each Academy will continue to consult with its local community, parents / carers and pupils. For the proposed scheme for Bristnall Hall Academy, a full planning application has been submitted, and the Authority will support the Academy Trust with all appropriate consultation related to the application. For Q3 Academy Langley and West Bromwich Collegiate Academy the Authority would not now expect to be undertaking detailed consultation for either the enabling packages or the main construction works.
- 5.4 In partnership with Willmott Dixon the Authority will expect to be producing a regular resident information sheet to advise on the progress with the Enabling Works to avoid traffic congestion and allay any local concerns from residents.

6 ALTERNATIVE OPTIONS

- 6.1 Alternative options considered are that the council could:-
- (i) Do nothing. To do nothing is not an option as the 990 places to be provided through the completion and expansion of the school's is required to support the total 3,300 school places required by September 2025;
 - (ii) Await the DfE announcement on Basic Need funding. There is no indication as to the level of Basic Need capital funding that will be announced 2021/22 and 2022/23. However, the Authority needs to ensure the sufficient supply of 480 school places for September 2021 to keep pace with projected demand for Year 7.

Once an announcement is made by the DfE there would be insufficient time to seek approval from Cabinet to proceed with each project as individual packages, and achieve a start on site for June 2020;

- (iii) Await the opening of a Free Secondary School. The Authority faces significant pressure to provide a sufficient supply of new secondary places to meet projected demand following the unprecedented rise in the birth rate, inward migration and retention levels.

The pressure is further impacted by the extended delays experienced with the opening of two proposed free secondary schools: Chance Academy, Perrott Street, Smethwick and the CBSO / Shireland School, West Bromwich. The DfE has now rescheduled the proposed opening of Chance Academy from September 2022 to September 2023, 4 years later than originally planned. At present the CBSO School is scheduled to open at the same time.

- (iv) Delay start on site. To delay a start on site until say Autumn 2020 would result in delayed completion dates for end 2021 or early 2022 at each Academy. By September 2021 the pupil capacity for all three Academies will be at a maximum, without the option to admit the additional 480 pupils into Year 7. All three projects require completion to provide the additional places required to meet the known projected demand.

A June 2020 start on site is critical to commence the enabling works for major structural works to be completed safely during the main school summer holiday period.

7 STRATEGIC RESOURCE IMPLICATIONS

- 7.1 The total estimated cost of the Enabling Works is £6.9m. Approval is sought to allocate the following additional costs to cover the Enabling Works for each project:

	Contractor	Design	F&E	Total
	£000's	£000's	£000's	£000's
Bristnall Hall Academy	1,130	0	0	1,130
Q3 Academy Langley	3,500	0	0	3,500
West Bromwich Collegiate Academy	1,950	0	0	1,950
Sub-total				6,580
Programme Contingency (@5%)	329	0	0	329
	6,909	0	0	6,909

- 7.2 The direct allocation of Basic Need funding received from the Department for Education is based on the annual School Capacity return submitted to the Department.
- 7.3 Following Cabinet approval to fund the design stage for each project (Minute No.99/19 refers) total available resources to fund the Enabling Works amounts to £7,442,376.
- 7.4 There is no time limit on the resources being spent.
- 7.5 If expenditure against the programme contingency is required this will be reported to members as part of the quarterly monitoring report. Any unspent programme contingencies will be reported for reinvestment in future phases of the Schools Capital Programme.
- 7.6 Without the completion of the enabling works packages, and then the main construction works, there would be an immediate shortfall in supply of places to meet demand for places for the academic year 2021/22.
- 7.7 To ensure a sufficient supply of places there is a need to continue to fund expansion of secondary schools to match projected demand.
- 7.8 It is proposed to hold back the remaining £0.5m to match fund the expected Basic Need allocation for 2021/22 and 2022/23, in order to fund the main construction works for Bristnall Hall Academy, Phase 3 of Q3 Academy Langley and Phase 2 of West Bromwich Collegiate Academy.

- 7.9 A procurement exercise(s) has been carried out through the Construction West Midlands framework to identify the most suitable and value for money supplier / suppliers for the projects. The procurement approach has followed the council's Procurement and Contract Procedure Rules to ensure that UK and EU legislation is adhered to, and value for money is achieved. In order to ensure a streamlined process, this report requests delegated authority to the relevant Chief Officer, the Director – Education, Skills and Employment to award the Enabling Works package to Willmott Dixon Construction Limited, in conjunction with the Section 151 Officer, and in consultation with the Cabinet Member for Best Start in Life.
- 7.10 Subject to further Cabinet approval to fund the remaining works, a separate procurement exercise(s) will be carried out to identify the most suitable and value for money supplier / suppliers for the projects if they are not procured through the Construction West Midlands framework.
- 7.11 Where the outcome of the procurement exercise identifies that the value of the contract is more than that specified in this report then a further report will be submitted to Cabinet to award the contract.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 In accordance with the Education Act 1996 the council has a statutory duty to ensure there are sufficient schools available for the children of Sandwell. Any school organisation changes arising out of the development of the projects will be subject to the relevant statutory processes.
- 8.2 The council shall ensure that any procurement of contracts necessary for this proposal are undertaken in accordance with the public procurement rules, the Council's Procurement and Contract Procedure Rules and Standing Order Regulations.
- 8.3 The Council holds the freehold interest in all three Academy sites.

Bristnall Hall Academy occupies its site under a long leasehold interest granted by the council. For the new Academy's, Q3 Langley and West Bromwich Collegiate, each school will be granted a similar long leasehold interest upon final completion of each development. Separate agreements will be entered into with each Academy Trust to provide the Authority, constructor and sub-contractors free access / egress to complete the new school developments.

9 **EQUALITY IMPACT ASSESSMENT**

- 9.1 An Equality Impact Assessment (EIA) initial screening has been undertaken. The screening identified that there will be no adverse impact on people or groups with protected characteristics because of the proposals contained within the report. A full EIA is not therefore

10 **DATA PROTECTION IMPACT ASSESSMENT**

- 10.1 A data protection impact assessment is not required for this proposal – all material is maintained in accordance with the council's data protection policy.

11 **CRIME AND DISORDER AND RISK ASSESSMENT**

- 11.1 Corporate Risk Management Strategy (CRMS) has been complied with – to identify and assess the significant risks associated with this decision / project. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks.

Based on the information provided, it is the officers' opinion that for the significant risks that have been identified, arrangements are in place to manage and mitigate these effectively.

If this report is not agreed, then the council will risk having an insufficient level of school places which is contrary to the council's statutory responsibility. If there is an insufficiency of school places this will have a detrimental impact on children's future access to school places within Sandwell and the council's reputation will be detrimentally affected.

- 11.2 The council's strategic risk register currently includes a red risk around school place planning: SR040 - if the Local Authority is unable to exert sufficient strategic control over school place planning and the direction of capital investment, then it will be unable to deliver on its statutory duties. The recommendations above if approved, will assist in the continued mitigation of this risk.

An appropriate project management structure is in place, and the School Organisation Programme Board meets on a regular basis.

Plans are in place to mitigate key programme risks:

- The financial downturn and competing capital pressures:
 - Projects rely heavily on DfE allocations and are not reliant on capital receipts;

- Government policy changes could reduce future capital allocations:
 - Phased programme approvals, avoiding unfinanced commitments; and
- Failure to accurately anticipate the changing pattern of demand for school places:
 - Pupil place planning strategy in place;
 - School Organisation Programme Board to drive the delivery of Sandwell's pupil place planning strategy.

11.3 If the report is approved any potential risks will relate specifically to funding the future development of the sites. To mitigate any associated risks the projects will continue to be developed through RIBA Stage 4 to confirm target prices for each project and inform the next full report to Cabinet.

11.4 Project documentation has been prepared, including project plans and project risk registers, to ensure effective management. The projects are subject to risk analysis and project risk monitoring.

12 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

12.1 Each Academy has already developed strong links with its local community, and where possible, opened up their facilities for use.

12.2 The opportunity to bring forward an Enabling Works package will add further opportunity to extend use of the site by the local community.

13 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

13.1 The freehold interest in the two areas of land at Bristnall Hall Lane and Moat Road, Oldbury is held by Sandwell Land and Property Limited, with the grant of a lease to the Authority for education purposes. The Authority holds the freehold interest in the land at Kelvin Way, West Bromwich.

13.2 The council has granted Ormiston Academy Trust an under-leasehold interest in the land at Bristnall Hall Lane.

13.3 An under-lease will be granted to Q3 Academies Trust for the land at Moat Road, and a long lease will be entered into with Shireland Collegiate Academy Trust for the site at Kelvin Way.

13.4 Separate provision will be made for free access / egress to undertake each Enabling Works package and complete the new school developments.

14 SUSTAINABILITY OF PROPOSALS

- 14.1 The Authority has successfully completed the initial phases of construction at Q3 Academy Langley and West Bromwich Collegiate Academy which have provided a total of 1,410 new secondary school places.
- 14.1 Both schools have already become a school of choice for parents / carers, taking additional pupils above their initial admission number in the first year of opening, and were oversubscribed for Year 7 intake in September 2019.
- 14.2 Each school project has been delivered within budget, on programme and exceeded the Academy sponsors' expectations.
- 14.3 Quality of school design has been maintained, Q3 Academy Langley provides an excellent example for the quality of a finished building. Post-handover there have been minimal defects requiring rectification after each phase.
- 14.4 Design principles and delivery methods used at each Academy has provided clear and robust benchmarks for completion of the Enabling Works packages and the main works.
- 14.5 Funding for the Enabling Works will form part of the Authority's approved Schools Capital Programme using its Basic Need allocation received from the DfE.
- 14.6 Following final completion of the school developments the Academy Trusts will become directly responsible for all costs associated with the general upkeep, maintenance and outgoings for the new school sites.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 15.1 The Authority has identified that by 2025/26 an additional 3,300 secondary school places are required to keep pace with demand.
- 15.2 The Schools Capital Programme has already delivered 2,385 permanent new secondary places since 2016/17.
- 15.3 The delayed DfE announcement from late Spring 2019 regarding Basic Need capital funding allocations for 2021/22 has created both financial and planning pressures for delivery of new places for September 2021.

- 15.4 An announcement from the DfE due late Spring 2020, which may now be delayed further, will indicate the level of Basic Need funding for both 2021/22 and 2022/23, however the late announcement is already placing immediate pressure to commence major capital works for completion September 2021.
- 15.5 This report seeks member approval to allocate £6.9m Basic Need Capital funding in order that than an Enabling Works package can be awarded for each of the three major projects to expand Bristnall Hall Academy, and complete the newly opened schools, Q3 Academy Langley, and West Bromwich Collegiate Academy. Upon completion the projects will provide a total of 990 new school places to meet projected and known demand in September 2021. Approval is also sought to retain the remaining £0.5m capital resources to fund completion of the projects.
- 15.6 A delay in proceeding with the Enabling Works packages, and then the main works contracts would result in a shortfall of places for September 2021. Each project would be at risk of incurring additional capital cost due to the delay, and delayed programmes with main elements of the construction works requiring re-sequencing. A further opportunity would be missed to expand Q3 Academy Langley to 11-16 year provision, rather than 11-18. The expansion from September 2021 of the school's Year 7 intake from 240 to 300 places will provide 60 additional school places each year, and significantly assist the Authority's place planning strategy.
- 15.7 As to alternative options it is currently projected that up to 2025 at least an additional 32 forms of entry will be required in the secondary school sector across the Borough. Focus for the Schools Capital Programme will continue to seek solutions to provide those additional places, including expansion of existing secondary schools. Two new secondary free schools proposed by the DfE, Chance Academy, Perrott Street, Smethwick, and the CBSO School, West Bromwich Town Centre will provide a further 1,650 new places to meet projected demand.

16 **BACKGROUND PAPERS**

16.1 None

17 **APPENDICES:**

17.1 None

Lesley Hagger - Executive Director – Children's Services

Chris Ward - Director – Education, Skills and Employment