


REPORT TO CABINET

22 July 2020

Subject:	Schools Capital Programme 2020/21-22/23
Presenting Cabinet Member:	Councillor Joyce Underhill - Cabinet Member for Best Start in Life Councillor Ali – Cabinet Member for Resources and Core Services
Director:	Lesley Hagger, Executive Director of Children’s Services Chris Ward, Director – Education, Skills and Employment Rebecca Maher – Head of Finance
Contribution towards Vision 2030:	
Key Decision:	Yes
Cabinet Member Approval and Date:	Councillor Joyce Underhill - Cabinet Member for Best Start in Life: 3 July 2020 Councillor Wasim Ali – Cabinet Member for Resources and Core Services:
Director Approval:	Lesley Hagger, Executive Director of Children’s Services: 3 July 2020 Chris Ward, Director – Education, Skills and Employment: 3 July 2020 Rebecca Maher – Head of Finance: 1 July 2020
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	No exemption applies
Ward Councillor (s) Consulted (if applicable):	It is not necessary to consult ward councillors
Scrutiny Consultation Considered?	Scrutiny Consultation has not been undertaken
Contact Officer(s):	Martyn Roberts, School Place Planning and Capital Manager, Education Support Services Email: martyn_roberts@sandwell.gov.uk

That, pending the outcome of the capital appraisal process the following actions are recommended to Cabinet:

- 1.1 approve the allocation of £9,762,376 from the Department of Education's (DfE) Basic Need allocation to fund the following proposed projects as part of the Schools Capital Programme 2020/21-2022/23:-
 - Bristnall Hall Academy, Bristnall Hall Lane, Oldbury B68 9PA (150 places)
 - Q3 Academy Langley, Moat Road, Oldbury, B68 8ED (390 places)
 - West Bromwich Collegiate Academy, Kelvin Way, West Bromwich, B70 7LE (450 places).
- 1.2 in connection with 1.1, approve the allocation of £8,192,624 from the council's School Condition balances to enable works to be completed.
- 1.3 approve a further £1.5m of the School Condition allocation to be used to support cyclical maintenance.
- 1.4 subject to 1.1, 1.2, 1.3 and 1.6, authorise the Director – Education, Skills and Employment to award a contract to Willmott Dixon Construction Limited to deliver the construction works, following a compliant procurement exercise, in conjunction with the Section 151 Officer, and in consultation with the Cabinet Member for Best Start in Life, subject to meeting the criteria as set out in paragraph 7.5 of the report.
- 1.5 subject to 1.1, 1.2, 1.3, 1.4 and 1.6, the Director of Law and Governance and Monitoring Officer enter into any legal agreements on terms agreed by the Director – Education, Skills and Employment as required, to allow building works to be completed on all proposed sites.
- 1.6 require in connection with 1.1 and 1.2 above, that the following actions are implemented to reduce any risk to the council:-
 - Maintain project programmes for each scheme within the Schools Capital Programme to ensure that effective project monitoring can be undertaken to aid the timely delivery of each project;
 - Ensure that corporate Risk Registers are maintained for all projects and ensure all risks are identified and can be adequately mitigated;

- Regular financial monitoring updates on individual projects should be provided to the Cabinet Member for Resources and Core Services, highlighting variations of spend against original estimated costs. Remaining funds should be returned to the unallocated Schools Capital Programme;
- Ensure that the Council enters into such form of legal agreements as required to allow extension works on all proposed sites;
- In connection with School Condition, ensure that repair / maintenance work for schools is undertaken following an analysis of pre-determined criteria and that records are maintained to demonstrate the priority need of each school.; and
- Post project evaluation should include specific outcomes, along with benchmarking of final costs to ensure value for money is achieved.

1 PURPOSE OF THE REPORT

- 1.1 This report seeks approval to allocate a total of £19.46m from the council's balances of Basic Need and School Condition allocations received from the Department for Education's (DfE), to fund the next phase of the Schools Capital Programme 2019/20-2021/22.
- 1.2 Planned works will enable the completion of building works at Bristnall Hall Academy, Q3 Academy Langley and West Bromwich Collegiate Academy, and ongoing cyclical maintenance at maintained schools.
- 1.3 Projects at Q3 Academy Langley and Bristnall Hall Academy are further supported by the investment of a total of £1.3m investment from each Academy sponsor.

2 IMPLICATION FOR THE VISION 2030

- 2.1 All works will contribute significantly towards ambition 4 of the council's Vision for 2030 '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" '.

3 BACKGROUND AND MAIN CONSIDERATIONS

- 3.1 The DfE confirmed an allocation of £8,900,000 Basic Need capital funding to the Authority in April 2020.
- 3.2 Cabinet Decision No. 27/20(2), 'Schools Capital Programme 2020/21 – 2022/23', approved the carry forward of £533,376 of basic need balance from May 2020.
- 3.3 It is currently projected that an additional 3,300 places will be required in secondary schools by September 2025. These projects will provide 990 of 3,300 places.
- 3.4 Whilst the unprecedented growth in the birth rate experienced over recent years has started to ease, the Borough continues to receive a high demand for school places, primarily due to increased migration and retention rates.
- 3.5 The Schools Capital Programme aligns to service needs so that the council is able to meet its statutory responsibility of ensuring every child in Sandwell has access to a good school place by seeking to build on its commitment to expand successful and popular schools.
- 3.6 It is proposed to meet the estimated capital cost for the projects of £20,755,000 through existing available Basic Need and School Condition balances, and agreed sponsor contributions:

	£
Basic Need Allocation (April 2020)	8,900,000
Basic Need Balance carry forward	533,376
Re-investment of Project Contingency	329,000
School Condition balance	8,192,624
Sub-Total	17,955,000
Sponsor contributions	1,300,000
Total	19,255,000
Cyclical Maintenance:	
School Condition allocation 2020/21	1,500,000
Total funding	20,755,000

- 3.7 Cabinet are requested to approve allocation of the capital funding to enable the proposed projects to be included within the Schools Capital Programme 2020/21 – 2022/23. Full financial appraisal are being undertaken by Strategic Finance for each Basic Need capital project, and any additional action points raised as a result of the appraisals will be actioned to mitigate any risk to the council.
- 3.8 An Equality Impact Assessment (EIA) initial screening has been undertaken. The screening identified that there will no adverse impact on people or groups with protected characteristics as a result of the proposals contained within the report. A full EIA is not therefore required. However, it has revealed that as the council has a statutory duty to provide a sufficient number of school places for all children in Sandwell, all groups are potentially affected by the policy of expansion. This proposal demonstrates that this is uniformly applied in response to where pupil demand is expected although size and type of expansion is restrictive as it is dependent on the availability of government capital funding.

4 THE CURRENT POSITION

- 4.1 In March 2020 the DfE announced the Authority's School Condition allocation for 2020/21 in the sum of £2,804,593.
- 4.2 The Department further announced a Basic Need funding allocation in April 2020 of £8.9m to provide funding for projects required upto September 2022.
- 4.3 Decision No. 27/20 by Cabinet at its meeting on 6 May 2020 approved commencement of the three projects at Bristnall Hall Academy, Q3 Academy Oldbury and West Bromwich Collegiate Academy, which have now started on site, and when complete will provide 990 secondary school places for September 2021.
- 4.4 The advanced Enabling Works package has provided the Authority with the ability to complete the projects by next September, without adding any further impact upon pupil's education following the Covid 19 pandemic.

5 CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)

- 5.1 Where necessary, consultation will be undertaken by the respective Academy Trust and the Authority for the prospective pupil intake. Consultees include the Regional Schools Commissioner, local community, parents/carers and pupils.

5.2 In partnership with the main framework contractor, Willmott Dixon Construction Limited, the Authority will expect that a regular resident information sheet will be published to advise the local community on the progress with the development stage of the expansion project to avoid traffic congestion and allay any local concerns from residents.

6 ALTERNATIVE OPTIONS

6.1 There are no alternative options. Main construction works have commenced on site in accordance with Cabinet Decision No. 27/20 and if works are not completed on time there will be an insufficient number of secondary places to meet demand in September 2021.

7 STRATEGIC RESOURCE IMPLICATIONS

7.1 The estimated cost of the identified new work to be funded is £19.46 million and is allocated as follows:

Project	Contractor	Design	F&E	Total
	£000's	£000's	£000's	£000's
Bristnall Hall Academy	4,499	0	200	4,699
Q3 Academy Langley	6,915	0	680	7,595
West Bromwich Collegiate Academy	6,218	0	743	6,961
Programme Contingency (@5%)	0		0	0
Sub total	17,632	0	1,623	19,255
School Condition	1,500	0	0	1,500
Sub total	19,132	0	1,623	20,755
Less Sponsor Contributions				1,300
Total				19,455

7.2 The direct allocation of Basic Need funding received from the DfE is based on the annual School Capacity return submitted to the Department. Total Basic Need funding currently available to the Authority to fund the Schools Capital Programme is £9.7m. A balance of £9.7m of School Condition is available to support the capital works.

School Condition funding continues to be allocated on a yearly basis and is based on the number of maintained schools the council remains responsible for. School Condition allocation for 2020/21 has been confirmed as £2,804,593. The resources are not ring fenced and there is no time limit to expend.

Over recent years capital funding allocations by Central Government have primarily focussed upon the provision of new school places through Basic Need, but limited in respect to condition spend for the existing school estate. The government announced after the second round of its Priority Schools Building Programme in 2014, that it could not confirm whether there would be a further round of the programme. A third round hasn't been held, but neither has a replacement condition programme.

A proportion of the annual School Condition funding has been retained each year in order that the Authority can plan to rebuild those schools in worst condition. There are a number of schools identified as a high priority for upgrade due to poor condition. However, to assist cashflow for Basic Need priorities, and until the next Basic Need capital announcement, it is proposed to re-direct School Condition balances to support construction of the three major expansion projects subject to this report.

Through the use of the DfE's current methodology for Basic Need allocations, it is anticipated that in excess of £10m will be granted to the Authority in the next capital announcement to support continuing provision of new school places. The Government has not confirmed when the next annual announcement will be made. Once that announcement is received, the £8.192m School Condition balance will be reinstated.

7.3 A total available budget of £19.46 million is therefore available, and made up as follows:

	£000's
* Unallocated / Re-investment of Basic Need resources	9,762
School Condition Balances	9,698
	19,460

7.4 To ensure a sufficient supply of places there is a need to continue to fund expansion of secondary schools to match projected demand.

- 7.5 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 main construction contract to Willmott Dixon Construction Limited, in conjunction with the Section 151 Officer, and in consultation with the Cabinet Member for Best Start in Life.

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 project 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 **Bristnall Hall Academy**
As part of its academy conversion in 2012 the Trust were granted an under-lease. An agreement will be entered into to provide the Authority, constructors and sub-contractures free access/egress to complete the new development.

Q3 Academy Langley and West Bromwich Collegiate Academy will be granted a lease as per Free School regulations at the end of the 12 month defect period for the completed buildings.

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 as a result of the proposals contained within the report. A full EIA is not therefore required.

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 The 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.

The council's strategic risk register currently includes a red risk around school place planning: SR040 - If the LA 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.
- Failure to complete on time;
 - temporary arrangements within existing building in agreement with the schools
 - Project programme and School Organisation Programme Board to drive completion.

11.2 Project documentation has been prepared, including a project plan and project risk register, to ensure effective management. The project is subject to risk analysis and project risk monitoring.

12 SUSTAINABILITY OF PROPOSALS

12.1 Following completion of the school developments each Academy Trust will become directly responsible for all costs associated with the general upkeep, maintenance and outgoings for the new school developments.

12.2 The capital funding will form part of the Authority's approved Schools Capital Programme using its Basic Need allocation received from the DfE.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 The major project proposals will build upon established Academy provision, where strong links at popular and oversubscribed schools have been developed with the local community, opening up facilities for use, and building upon successful engagement activities established within the Multi Academy Trust.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 The freehold interest in each site is to be held either by Sandwell Land and Property Limited or Sandwell Metropolitan Borough Council, with the grant of a leaseback to the Authority for education purposes.

14.2 For Academy sites the proposed works fall within established and proposed Under-Leasehold arrangements. Separate, additional provision will be made for free access / egress to complete the new school developments.

14.3 There will be no overall impact on the council's Asset Management Plan or register as the council will retain a long leasehold interest in the land.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

- 15.1 This report seeks Cabinet approval to allocate in total, £17.96m from Basic Need and School Condition balances to support construction works at:
- Bristnall Hall Academy
 - Q3 Academy Langley
 - West Bromwich Collegiate Academy
- 15.2 In light of the coronavirus pandemic the government has cancelled a range of annual returns submitted by Local Authorities, including the annual School Capacity return. The return is used to inform future capital planning and Basic Need funding allocations. For cashflow purposes it is proposed to temporarily re-direct existing School Condition balances to support these Basic Need works, and then reimburse the School Condition balance upon the next Basic Need funding allocation. The Authority is working with the DfE to project what level of funding can be expected in the next allocation round.
- 15.3 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 has turned to solutions to provide those additional places, including expansion of existing secondary schools.
- 15.4 School Condition:
Following confirmation of School Condition funding for maintained schools Cabinet are recommended to approve the allocation of £1.5m School Condition to fund lifecycle works for maintained schools through the School Repair Account.

16 BACKGROUND PAPERS

- 16.1 None

17 **APPENDICES:**
None

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Executive Director of Children's Services

Chris Ward
Director – Education, Skills and Employment

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