

# Report to Cabinet

**1 September 2021**

<b>Subject:</b>	Schools Capital Programme 2021-2024
<b>Cabinet Member:</b>	Cabinet Member for Best Start in Life, Councillor Simms Cabinet Member for Finance, Council Sustainability and Transformation, Councillor Crompton
<b>Director:</b>	Executive Director of Children's Services, Lesley Hagger Director of Finance, Simone Hines
<b>Key Decision:</b>	Yes
<b>Contact Officer:</b>	Martyn Roberts, School Place Planning and Capital Manager <a href="mailto:martyn_roberts@sandwell.gov.uk">martyn_roberts@sandwell.gov.uk</a>

## 1 Recommendations

Cabinet are recommended to:

- 1.1 approve a sum of £1.5m of the School Condition allocation to be used to support cyclical maintenance.
- 1.2 approve the allocation of an additional £200,000 from the council's Special Education Needs and Disability capital grant to fund extension works to The Meadows School (9-19), Dudley Road East, Oldbury B69 3BU;



- 1.3 approve the allocation of £4,575,000 from the Department of Education (DfE) Basic Need allocation to fund remodelling and refurbishment at Health Futures University Technical College, 350 High Street, West Bromwich B70 8DJ as part of the Schools Capital Programme 2021–2024; and
- 1.4 in connection with 1.3, approve the allocation of £2,035,000 from the council’s School Condition balances to enable works to be completed.
- 1.5 require in connection with 1.1, 1.2 and 1.3 above, that the following actions are implemented to reduce any risk to the council:-
- 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;
  - 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 the programme;
  - Ensure that corporate Risk Registers are maintained and reviewed for all projects, and ensure all risks are appropriately identified and assessed, with adequate mitigation;
  - That cost estimates are reviewed to ensure that any future costs can be managed within the allocated funding;
  - Ensure rigorous financial monitoring is undertaken on the Schools Capital Programme to ensure future funding needs can be met;
  - Ensure that the Council enters into such form of legal agreements as required to allow capital works on all proposed sites; and
  - Post project evaluation should include specific outcomes, to monitor the successful delivery of each project, along with benchmarking of final costs to ensure value for money is achieved; and



- Project evaluation information is reported at an appropriate level for accountability and to ensure future improvements in programme implementation.

## 2 Reasons for Recommendations

- 2.1 This report seeks approval to allocate School Condition Allocation funding for cyclical maintenance to support maintained schools. The balance will be retained for a future school replacement building programme.
- 2.2 Following Cabinet approval on 17 March 2021 (Minute No.79/21 of Cabinet refers), to allocate £850,000 from the council’s Special Education Needs and Disability capital grant to fund extension works at The Meadows School (9-19), detailed design and survey work has now been completed, and full planning consent obtained. In particular, the survey work has now established significant ground works are required to enable construction, including an alternative foundation piling solution, and safe disposal of contaminated waste, which were unknown at the time of the initial approval. Commencement of the works have now been delayed until mid-September.
- 2.3 Basic Need Allocation is for providing new places in the borough. Data shows by the academic year 2023/24 there will be a shortfall in secondary places. It is the Local Authority’s statutory duty to provide sufficient school places.

## 3 How does this deliver objectives of the Corporate Plan?

	<p><b>Best start in life for children and young people</b></p> <p>The recommendation in this report supports the desire of the council to focus resources on the specific needs and aspirations of the community. This contributes to the Council’s Vision 2030 Ambition 1 – Raising aspirations and resilience, Ambition 3 – Young people to have skills for the future, Ambition 4 – Raising the quality of schools.</p>
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## 4 Context and Key Issues

- 4.1 Obtain approval to the report recommendations so works can begin on the Schools Capital Programme 2021–24.
- 4.2 The DfE has confirmed a new allocation of £10,733,158 Basic Need capital grant funding to the Authority.
- 4.3 Cabinet Decision No.59/20(2), ‘Schools Capital Programme 2020/21-22/23’, approved the allocation of £8,192,624 from the council’s School Condition balances to enable construction works within the programme. Following the new announcement, the council now has a balance of £2,540,534 Basic Need funding to fund the Schools Capital Programme 2021/22-23/24. It is proposed to allocate an additional £2.035m from School Condition balances to enable works to be completed.
- 4.4 It is currently projected that an additional 828 places will be required in secondary schools by September 2024. The project at Health Futures University Technology College (UTC) will provide 360 of those places. The shortfall is in addition to the proposed opening of two new secondary free schools that are due to be opened by the DfE in September 2022 and 2023 respectively.
- 4.5 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, attributable to the recent rise in migration and retention rates.
- 4.6 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.
- 4.7 It is proposed to meet the estimated capital cost for the projects of £6.3m through existing available Basic Need, School Condition and SEND Capital Grant balances:



	£m
Basic Need Allocation (June 2021) less £8.2m reimbursement to School Condition	<b>2.54</b>
Cyclical Maintenance:	
School Condition balance	8.2
School Condition allocation 2021/22	5.3
Sub-Total	<b>13.5</b>
SEND Capital Grant	<b>1.5</b>
<b>Total funding</b>	<b>17.54</b>

4.8 Cabinet are requested to approve allocation of the capital funding as follows:

Project	Contractor £000's	Design £000's	F&E £000's	Total £000's
Health Futures UTC	3,500	520	157	4,177
Project Risk (10%)	398	0	0	398
<b>Total (Basic Need)</b>	<b>3,898</b>	<b>520</b>	<b>157</b>	<b>4,575</b>
The Meadows School (9-19)	200	0	0	200
<b>Total (SEND Capital)</b>	<b>200</b>	<b>0</b>	<b>0</b>	<b>200</b>
School Condition	1,275	225	0	1,500
<b>Total (School Condition)</b>	<b>1,275</b>	<b>225</b>	<b>0</b>	<b>1,500</b>
	<b>5,373</b>	<b>745</b>	<b>157</b>	<b>6,275</b>



4.9 Full financial appraisal has been undertaken by Strategic Finance for the Basic Need capital project, and the School Condition allocation, and a short appraisal for The Meadows School (9-19). The appraisal process recorded scores of 67% for Health Futures UTC, and 68% for School Condition.

The short appraisal for The Meadows School (9-19) concluded that the additional funding of £200,000 be approved, and the project does not present a major risk to the Council's resources.

Copies of the reports can be found at Appendix 1. Some risks have been identified as a result of the appraisals and action points recommended to mitigate these risks.

4.10 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. 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.

#### 4.11 **The current position**

4.12 In late April the DfE announced the Authority's School Condition allocation for 2021/22 in the sum of £5,346,162.00.

4.13 Urban Design and Building Services has a schedule of proposed works for maintenance of maintained schools in the borough. The list is included in Appendix 1, 'Strategic Investment Capital Appraisal'.

4.14 Detailed site investigations, a building design, and full planning consent has been obtained for extension works at The Meadows School (9-19). Works were scheduled to commence early June 2021. The new classrooms are required to support the admission of an additional 18 pupils at the school from September 2021.



A contract for the works has not been awarded due to the additional abnormal project costs that will now be incurred as referenced in paragraph 2.4 above. Approval is required to allocate additional SEND capital grant funding to fund the scheme.

- 4.15 The DfE has approved the Multi Academy Trust (MAT), Shireland Collegiate Academy Trust to become the sponsor of the Health Futures UTC. As part of the UTC joining the MAT the age range will increase from 14–18 years to 11–18 years. The age range increase will provide an additional 360 places statutory school places in West Bromwich. Works are required to remodel the UTC to accommodate the increased pupil intake.
- 4.16 Secondary feasibility work on future schemes will need to continue upon approval of the recommendations to ensure a sufficient supply of school places are provided to meet projected demand in future years.

#### 4.17 **Consultation (Customers and other Stakeholders)**

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

### 5 **Alternative Options**

- 5.1 There are either no alternative options, or options have already been discounted through project development:

- The terms of the School Condition Allocation mean funds have to be spent on maintained school's cyclical maintenance.

Within the maintained schools sector, it is the primary school building stock that will also require a programme of replacement to commence shortly. The deteriorating condition of school buildings will otherwise continue to be a drain on the School Repair Account.



- Early feasibility at The Meadows School identified the proposed location for the extension works as the most suitable and appropriate. The Authority does not have an alternative secondary special school to admit the additional pupils to, that could meet their individual special needs.
- Health Futures UTC – the alternative option would be the Shireland Collegiate Academy Trust sponsored secondary free school proposed for West Bromwich Town Centre in partnership with the City of Birmingham Symphony Orchestra that has already been approved by the DfE and will provide 750 additional secondary school places required in the town.

## 6 Implications

<p><b>Resources:</b></p>	<p><b>Financial implications:</b></p> <p>The direct allocation of Basic Need funding received from the DfE is based on the annual School Capacity return submitted to the Department.</p> <p>Total Basic Need funding currently available to the Authority to fund the Schools Capital Programme is £2.54m.</p> <p>A balance of £13.5m of School Condition is available to support the capital works.</p> <p>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 2021/22 has been confirmed as £5.3m. The resources are not ring fenced and there is no time limit to expend.</p> <p>Over recent years capital funding allocations by Central Government have primarily focussed upon</p>
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	<p>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. The programme has now been replaced with the School Rebuilding Programme, targeting the worst 500 school buildings nationally.</p> <p>Strategic Finance have confirmed that there are sufficient resources within the SEND capital grant allocated by central government to fund the additional costs for the project at The Meadows School (9-19).</p> <p>Staffing implications: none</p> <p>Land implications: no change to LA's land holding. Programmed works will add value to LA asset.</p> <p>Building implications: improvement and or replacement of existing school buildings.</p>
<p><b>Legal and Governance:</b></p>	<p>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.</p> <p>The council shall ensure that any procurement of contracts necessary for this proposal are undertaken in accordance with the Public Contracts Regulations 2015 and the Council's Procurement and Contract Procedure Rules.</p>



<p><b>Risk:</b></p>	<p>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.</p> <p>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.</p> <p>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.</p> <p>The council's directorate risk register currently includes an amber risk in respect of school place planning. The recommendations above if approved, will assist in the continued mitigation of this risk.</p> <p>In addition, improvements to the conditions of school buildings may assist in mitigating some of the risks arising from insured perils (such as storms, floods, fire etc) and therefore mitigate the financial costs associated with such events.</p> <p>Project Risk Registers will continue to be prepared and managed during the lifetime of the projects to ensure that time, cost and quality are continually monitored to mitigate any risk to the council once projects are finalised. There are currently no significant risks identified.</p>
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<b>Equality:</b>	An Equality Impact Assessment initial screening has been undertaken and a full Equality Impact Assessment is not required for this report.
<b>Health and Wellbeing:</b>	<p>These project proposals will build upon established Academy provision, where strong links at popular and oversubscribed schools have been developed.</p> <p>There will be a positive impact for young people because it'll provide school places at good and outstanding schools.</p>
<b>Social Value</b>	In supporting the provision of sufficient school places for children and young people, the new and refurbished facilities at Health Futures UTC, The Meadows School (9-19) and existing maintained schools will enhance and improve the teaching environments for all.

## 7. Appendices

7.1 Appraisal Report.

## 8. Background Papers

None.

