


<b>Report To:</b>	<b>STRATEGIC PLANNING AND CAPITAL MONITORING PANEL</b>
<b>Date:</b>	28 November 2016
<b>Reporting Officer:</b>	Damien Bourke – Assistant Executive Director (Development, Growth & Investment)
<b>Subject:</b>	<b>EDUCATION CAPITAL PROGRAMME PROGRESS UPDATE</b>
<b>Report Summary:</b>	This report advises members of the Panel on the latest position with the Council's Education Capital Programme 2016/17 and seeks the recommendation of various approvals as set out in the report.
<b>Recommendations:</b>	<p>That the Panel notes the contents of the report and recommends approval of the following amendments to the Education Capital Programme to Executive Cabinet:</p> <ol style="list-style-type: none"> <li>1. The allocation of Basic Need grant funding schemes as outlined in Section 3 and <b>Appendix 1</b> of the report.</li> <li>2. The allocation of School Condition and Maintenance funding schemes as outlined in Section 4 and <b>Appendix 2</b> of the report.</li> <li>3. The reduction of £100,000 of funding for schemes within the capital programme as outlined in Section 5 of the report.</li> </ol>
<b>Links to Community Strategy:</b>	The proposals contained in this report will support the delivery of the community strategy
<b>Policy Implications:</b>	In line with current policy.
<b>Financial Implications:</b> <b>(Authorised by the section 151 Officer)</b>	<p>The report requests the reduction of £100,000 funding allocated to the projects detailed in Section 5 (Table 1). If approved a sum of £59,000 of Capital Maintenance/Condition funding will be available to support Education projects including those detailed in <b>Appendix 2</b> of the report. In addition there will be £26,000 Basic Need funding and £15,000 Priority School Building Programme (PSBP) Fixtures, Fittings and Equipment (FF&amp;E Grant) available to support Education projects.</p> <p>There is a request to allocate £195,000 of Basic Need funding to support the additional costs in relation to the Cromwell school rebuilding scheme which is detailed in Section 3. In addition the cost estimate for the Basic Need funded scheme at Hyde Community College has decreased by £2,909. A sum of £2,168,988 2016/17 Basic Need grant will remain unallocated (<b>Appendix 1</b>).</p> <p>The report also proposes a net allocation of £184,895 via School Condition and Capital Maintenance funding which is detailed in <b>Appendix 2</b>. This includes an allocation of £113,581 to the Cromwell rebuilding scheme. It should be noted that this sum is additional to the Basic Need funding allocation proposed in Section 3. The School Condition funding for 2016/17 will be fully allocated if the schemes in <b>Appendix 2</b> are approved, with the exception of a contingency sum (£92,482) to support any unexpected emergency costs during the remainder of the year.</p>

**Legal Implications:** It is a statutory requirement for the Council to set a balanced budget. It is important that the capital expenditure position is regularly monitored to ensure we are maintaining a balanced budget and to ensure that the priorities of the Council are being delivered and achieving value for money both in individual schools and across the school estate.

**Risk Management:** The proposed investment will enable the Council to address the most urgent condition needs in schools and plan for additional places where most increase in demand is projected.

**Access to Information:** The background papers can be obtained from the author of the report, Ade Alao, Head of Investment and Development, by:

 Telephone: 0161 342 2795

 e-mail: [ade.alao@tameside.gov.uk](mailto:ade.alao@tameside.gov.uk)

## 1. INTRODUCTION

- 1.1 The Council has a statutory duty, under the Education Act 2011, to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough.
- 1.2 The Council's Executive Cabinet approved the Education Capital Programme 2016/17 at its meeting on 24 March 2016 and a progress report was provided to the last meeting of the Strategic Planning and Capital Monitoring Panel on 5 September 2016.
- 1.3 This report advises members of the Panel on the latest position with the Council's Education Capital Programme 2016/17 and seeks the recommendation of various approvals as set out in the report.

## 2. FUNDING

- 2.1 The government allocates grant funding for school buildings under the following specific categories:
  - **Basic Need** – Funding allocated to support the development of new pupil places.
  - **School Condition Allocation** – Allocated for the maintenance of school buildings. The funding is part formulaic (based on pupil numbers) and part reflecting recent condition surveys conducted by the Education Funding Agency. This grant used to be known as the Capital Maintenance grant.
- 2.2 Additional commitments of £1,441,674 have previously been approved within the Council's Basic Need budget leaving an unallocated balance of £2,335,079.
- 2.3 The Council's School Condition Funding for maintained schools for the 2016/17 financial year is £1,823,699. In addition, there is £617,975 of 2015/16 Devolved Capital Maintenance available for maintained schools.

## 3. BASIC NEED SCHEMES - PROGRESS UPDATE

- 3.1 The Council is reaching the end of its programme to create additional accommodation in primary schools but is at the start of the programme to increase secondary school places. The following summarises the current projects:
  - a) **Livingstone Primary** – this is a two-classroom extension to enable the school to move from an admission number of 20 up to 30 with an approved budget of £543,991. Good progress is being made and the scheme is due for completion by February half term 2017.
  - b) **Aldwyn and Hawthorns Schools** - The scheme with a budget of £2,382,718 increases capacity at Aldwyn from a 45-pupil intake to 60 (removing mixed age classes) and a 2-classroom extension at Hawthorns. Final programme and costs are subject to a value for money assessment and confirmation of contractual arrangements which remain outstanding.
  - c) **St John's CE Dukinfield** – A 2-classroom extension is required by September 2017 to increase pupil numbers from 30 to 45 by year group. £100,000 has been approved for surveys and developing fully costed proposals.
  - d) **Cromwell High School** – Negotiation on compensation for rebuilding the School following the fire incident are progressing with the loss adjusters. Additional enhancements beyond the like-for-like basis of the insurance compensation have now been identified at a cost of £195,000. Approval is requested to support this cost from the Basic Need grant.

- 3.2 A summary of the position with the 2016/17 Basic Need funding as at November 2016 is detailed in **Appendix 1**. A budget of £2,168,988 remains unallocated.
- 3.3 Scoping discussions, surveys and design work are currently underway at the following schools and detailed proposals will be presented to future meetings.
- a) **Hyde Community College** – An architect has been appointed to investigate the conversion of the former construction shed into four additional classrooms and the former sixth form areas into another four classrooms. Other options are also being considered.
  - b) **Astley Sports College** – Investigation of internal remodelling options to address issues with the availability and location of specialist accommodation for science, music, drama and food technology.
  - c) **New Charter Academy** – Feasibility study to create nine additional classrooms and specialist spaces by converting existing spaces.
  - d) **Alder Community High School** – Feasibility study for a 5-classroom extension and remodelling of the former gymnasium.
  - e) **Copley Academy** – Early discussions to identify the scope for expansion.
  - f) **All Saints Catholic College** – Early discussions to identify the scope for remodelling former 6<sup>th</sup> form to provide additional classrooms.
  - g) **St George's CE Mossley** – Early discussions with the diocese about a possible extension to two very small classrooms.
  - h) **Wildbank** – Early discussions about how to accommodate existing and future numbers through some internal remodelling.

#### **4. SCHOOL CONDITION AND CAPITAL MAINTENANCE – PROGRESS UPDATE**

- 4.1 A summary of the approved school condition and capital maintenance schemes is shown in Appendix 2 with proposed amendments.
- 4.2 The major items of cost variance are listed below:
- a) Drainage repairs at Hollingworth Primary School and the associated replacement flooring is estimated to cost and extra £10,000.
  - b) M&E Design costs have now been tendered and returned for schemes at Broadbent, Corrie, Yew Tree, Oakdale and Buckton Vale schools and all within original estimates.
  - c) Accessibility works required for disabled at the Heys Primary School and Stalyhill Infants.
  - d) Drainage problems at Gorse Hall Primary, Micklehurst Primary and Leigh Primary.
  - e) Electrical Health and Safety works required St James's CE Ashton estimated to cost £65,000.
  - f) £113,581 allowance for M&E upgrades at Cromwell School beyond works that will be compensated by insurance following fire incident.

- 4.3 DfE has recently clarified the guidance on Schools Condition grant and Councils are now expected to spend each financial year's grant within the financial year of allocation. The full amount of the £1.824m equivalent Condition grant for 2016/17 is proposed to be allocated to mitigate the risk of losing funding.

## 5 REQUESTS FOR SCHEME FUNDING TO BE REDUCED ON THE CAPITAL PROGRAMME

- 5.1 A summary of capital schemes where the funding allocation can be reduced is shown in the below.

**Table 1. Scheme Funding to be Reduced on the Capital Programme at November 2016**

<b>Scheme and Reasons for Proposed Reduction in Funding</b>	<b>£</b>
EDUC 102 and 150 Holden Clough seed challenge scheme. Additional access path agreed as part of the new school scheme in 2014. The amounts would normally form part of a S151 letter but no expenditure has been claimed to date from the Council. Suggest remove from the programme and reinstate from the contingency if required at a future date.	-22,000
EDUC 143 Holden Clough internal remodelling. Some remodelling took place at the old school in order to move the nursery into the main school for two terms (The nursery was in the way of the new building works.). This work was completed in 2015 at a lower cost than the budget for the works.	-12,000
EDUC 61 Holden Clough – Fixed furniture and equipment for the new school. The new school is now fully furnished and equipped and the balance of the budget needs removing from the current programme.	-15,000
EDUC 30 Broadoak Seed Challenge Scheme – canopies and shutters were agreed as part of the school scheme in 2014. The amounts would normally form part of a S151 letter but no expenditure has been claimed from the Council. Suggest remove from the programme and reinstate from the contingency if required at a future date.	-25,000
EDUC 78 SEN Review – The remaining budget from a review dating back to 2014	-26,000
<b>TOTAL</b>	<b>-100,000</b>
<b>Summary Of Scheme Reductions</b>	
Subtotal of schemes supported by PSBP FF&E grant funding where it is proposed the funding is made available for allocation to other Education schemes.	15,000
Subtotal of schemes supported by Basic Need grant funding where it is proposed the funding is made available for allocation to other Education schemes.	26,000
Subtotal of schemes supported by Capital Maintenance grant funding where it is proposed the funding is made available for allocation to other Education schemes.	59,000

## **6. PROCUREMENT AND VALUE ADDED**

- 6.1 In accordance with Council policy, most capital projects are procured through the Tameside Investment Partnership (TIP) subject to a price for un-costed risks being agreed prior to the contract being let or work agreed. Where the risk of price increase is taken on by the TIP, rather than being retained by the Council, it is reflected in the cost of the associated works. Alterations to PFI schools are procured through the PFI contracts.
- 6.2 In addition to a fixed price and scope being provided, the TIP has a responsibility to confirm to the Council that value for money is being delivered, either through tendering or benchmarking using independent review on the larger projects. The TIP has also committed to delivering added value in the form of using local supply chains, and providing apprenticeships and work experience opportunities.
- 6.3 Some smaller schemes are procured directly through the Council's Engineering Design and Delivery Team or the Tameside Works First initiative for local businesses.
- 6.4 Work at voluntary aided schools is generally procured directly by the relevant diocese, as they own the buildings and not the Council.

## **7. RISK MANAGEMENT**

- 7.1 The Council has a statutory duty under the Education Act 2011, to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough. It also has the responsibility for the maintenance of community and voluntary aided school buildings, even though it does not own voluntary aided school buildings.
- 7.2 The risk of managing the condition and suitability of community and voluntary aided school buildings has been mitigated by successful bidding for additional capital resources in the past. However, current budgetary constraints are likely to present a challenge to maintaining this position over the coming few years.
- 7.3 Recent condition surveys of a number of schools have indicated that urgent work is required to be carried out in order to address health and safety issues and prevent further deterioration. The most urgent investment schemes are proposed to address this.
- 7.4 In order to avoid disrupting education delivery, generally the most intrusive work is best carried out over the summer break, which means that plans for new projects need to take place in the summer.
- 7.5 Inflation in the building industry is also a more significant risk than previously experienced and larger schemes will be most affected. Early scoping and pricing of the works will mitigate against this and enable projects to be delivered in a timely and cost effective manner.
- 7.6 Further plans need to be developed over the next few months to consider options for the increase in capacity required in high schools to accommodate the additional pupils moving through into the secondary sector.

## **8. CONCLUSION**

- 8.1 There has been significant capital investment in schools over the recent past to support the Council's delivery of its statutory responsibilities connected with the provision of sufficient and suitable places.
- 8.2 The work identified will enable the Council to meet its statutory duties.

## **9. RECOMMENDATIONS**

9.1 As set out at the front of the report.

# APPENDIX 1

## BASIC NEED FUNDING

<b>Education Capital Programme – Basic Need Funding as at November 2016</b>			
Variance	Approval as at 5 September 2016 £	Proposed - November 2016 £	Latest position
Discovery Academy	7,736,001	7,736,001	Completed
Livingstone Primary	213,769	213,769	On site
Aldwyn/ Hawthorns	2,528,019	2,528,019	Awaiting start
Milton St John's CE Primary	60,491	60,491	Completed
Astley High School	40,144	40,144	Completed
Inspire Academy	39,477	39,477	Completed
BSF ICT	16,000	16,000	Completed
Broadoak Primary	100,000	100,000	Completed
St John's CE Dukinfield	100,000	100,000	Underway
Furniture for new classrooms	20,000	20,000	Underway
Hyde Community College	9,587	6,678	Completed
New Charter Academy	22,155	22,155	Completed
Cromwell enhancements	0	195,000	Awaiting start
<b>Total</b>	<b>10,885,643</b>	<b>11,077,734</b>	
<b>Net Additional Scheme Allocation</b>		<b>+192,091</b>	
<b>Scheme Resourcing</b>			
<b>Unallocated Basic Need Funding - September 2016</b>			<b>2,335,079</b>
<b>Increase to unallocated balance - subject to approval of scheme revisions in Section 5 Table 1</b>			<b>26,000</b>
<b>Revised Unallocated Basic Need Funding</b>			<b>2,361,079</b>
<b>Net Additional Allocations to Schemes as Proposed Above</b>			<b>-192,091</b>
<b>Revised Unallocated Basic Need Funding at November 2016 subject to approval of above scheme allocations</b>			<b>2,168,988</b>



## APPENDIX 2

### SCHOOL CONDITION AND CAPITAL MAINTENANCE FUNDING

Scheme	Approval to 05/09/16 £	Proposed At 28/11/16 £	Proposed Amendment £
St Anne's Denton kitchen	6,000	6,000	0
Broadbottom kitchen	11,000	11,000	0
Wildbank heating and lighting	32,000	32,000	0
Gorse Hall power and fire alarm	14,000	14,000	0
Milton St John's propping	23,474	23,474	0
Gorse Hall asbestos	9,721	9,721	0
Fairfield Road access road	19,290	19,290	0
St Anne's Denton head's office	41,439	41,439	0
St Anne's Denton electricity	7,225	7,225	0
Broadbottom drainage	13,750	13,750	0
Greenside switchgear and boilers	427,779	427,779	0
Gorse Hall small power	188,884	188,884	0
Livingstone heating	193,127	193,127	0
Dowson heating	6,248	6,248	0
Stalyhill Infants heating	68,742	68,742	0
Arlies convectors	180,000	180,000	0
Waterloo boilers	118,512	118,512	0
Hurst Knoll convectors	29,599	29,599	0
Hollingworth drainage	12,000	22,000	+10,000
Milton St John drainage	5,000	5,000	0
The Heys floors	40,000	40,000	0
Rosehill floors	25,000	25,000	0
Arlies mobile class roof	31,000	31,000	0
St Anne's Denton flat roofs	100,000	100,000	0
Micklehurst water tower	21,494	21,494	0
Greswell wall and windows	50,000	50,000	0
Longdendale science labs	65,000	65,000	0

Contingency	92,482	92,482	0
Broadbent Fold M&E Design	15,000	10,738	-4,262
Corrie M&E Design	15,000	8,321	-6,679
Yew Tree M&E Design	20,000	13,012	-6,988
Oakdale M&E Design	15,000	5,863	-9,137
Buckton Vale M&E Design	15,000	6,880	-8,120
Buckton Vale safeguarding and access	30,000	30,000	0
Waterloo safeguarding and access	10,000	10,000	0
Canon Burrows safeguarding and access	15,000	15,000	0
Gorse Hall drainage	0	10,000	+10,000
Micklehurst drainage	0	10,000	+10,000
Leigh drainage	0	1,500	+1,500
Heys toilet adaptations	0	5,000	+5,000
Stalyhill toilet adaptation	0	5,000	+5,000
St James Ashton H&S	0	65,000	+65,000
Cromwell M&E upgrade	0	113,581	+113,581
<b>Total</b>	<b>1,967,766</b>	<b>2,152,661</b>	<b>+184,895</b>
<b>Scheme Resourcing</b>			
<b>Unallocated Capital Maintenance &amp; Condition Funding - September 2016</b>			<b>125,895</b>
<b>Increase to unallocated balance - subject to approval of scheme revisions in Section 5 Table 1</b>			<b>59,000</b>
<b>Revised Unallocated Capital Maintenance &amp; Condition Funding</b>			<b>184,895</b>
<b>Net Additional Scheme Allocations as Proposed Above</b>			<b>-184,895</b>
<b>Revised Unallocated Capital Maintenance &amp; Condition Funding - November 2016 - Subject to approval of above scheme allocations</b>			<b>0</b>