

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	10 July 2017
Reporting Officer:	Damien Bourke – Assistant Executive Director (Development, Growth & Investment)
Subject:	EDUCATION CAPITAL PROGRAMME 2017/18
Report Summary:	This report seeks support and recommendation to Executive Cabinet for approval of the proposals for the Council's 2017/18 Education Capital Programme set out in this report, in line with Council priorities.
Recommendations:	<p>That the Panel:</p> <ol style="list-style-type: none"> 1. Notes the 2017/18 education capital funding allocations as follows: <ul style="list-style-type: none"> • Basic Need funding - £4,883,289 • School Condition funding - £1,678,277 • Devolved Formula Capital - £432,045 • Total - £6,993,610 2. Recommend approval to Executive Cabinet of the scheme proposal for £80,000 as set out in paragraph 3.3 to be financed from the Council's reserves. 3. For School Condition grant 2017/18: <ol style="list-style-type: none"> a) Note the previously approved schemes totalling £386,275 as set out in para 1.6 and Appendix A. b) Recommend approval to Executive Cabinet of scheme proposals amounting to £1,142,520 as set out in paragraph 4.2 and Appendix A. c) Note that £149,482 of School Condition grant for 2017/18 remains to be allocated.
Links to Community Strategy:	The proposals contained in this report will support the delivery of the community strategy
Policy Implications:	In line with current policy.
Financial Implications:	2017/18 School Condition Grant
(Authorised by the section 151 Officer)	<p>The Council was allocated £1,678,277 of School Condition funding to improve and maintain the school estate to be spent during the 2017/18 financial year.</p> <p>A sum of £386,275 has been previously approved leaving a residual sum of £1,292,002 unallocated to support any expenditure during the remainder of the current financial year.</p> <p>The report proposes an allocation of £1,142,520 of 2017/18 School Condition and Capital Maintenance funding which is detailed in Section 4.2.</p> <p>A residual sum of £149,482 of 2017/18 School Condition and</p>

Capital Maintenance funding will remain unallocated to support any further expenditure arising during the remainder of the current financial year.

The allocation of 2017/18 School Condition funding must be spent within the financial year to which it relates otherwise there is a risk that the amount will need to be returned to central government.

It is therefore essential further schemes are prioritised as a matter of urgency to ensure the remaining balance is utilised in the current financial year.

Recommendation 2 requests approval to Executive Cabinet of the scheme proposal for £80,000 as set out in paragraph 3.3 to be financed from Council reserves. The hire of mobile classrooms is deemed to be revenue expenditure which the reserves can finance. The grants received via the DfE are for capital expenditure only.

Legal Implications:
(Authorised by
Borough Solicitor)

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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.

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. Details of the risk management strategy can be found in section 6 of this report.

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

1. INTRODUCTION

- 1.1 This report seeks recommendation for approval of proposals for the Council's Education Capital Programme 2017/18 in line with Council priorities.
- 1.2 The Council's powers to provide and maintain educational facilities are set out in the Education Act 1996. The Council also has a statutory duty under Section 14 of the Education Act 1996, to secure sufficient and suitable places for pupils in its area in primary and secondary schools across the borough.
- 1.3 The Education Capital programme for 2017/18 could not be presented at the Council's Strategic Planning and Capital Monitoring Panel (SPCMP) when it last met on 13 March 2017. This was because the School Condition funding allocation announcement from central government had not been made at the time.
- 1.4 The Government subsequently made the School Condition funding allocation announcement on 3 April 2017. The Council was allocated £1,678,277 of School Condition funding to improve and maintain the school estate (building and grounds), to be spent during the 2017/18 financial year.
- 1.5 A proposed allocation of the funding available, based on condition surveys, was discussed by the Asset Management Planning Advisory Group (AMPAG) at its meeting on 20 April 2017. AMPAG supported the proposed allocation.
- 1.6 An Executive Decision was taken on 23 May 2017 in respect of some urgent mechanical and electrical schemes totalling £386,275 scheduled to take place during the summer holidays 2017. This left a residual sum of £1,292,002 unallocated in the School Condition funding available to the Council for 2017/18.
- 1.7 Department for Education rules mean that the School Condition funding must be spent within the financial year for which it is allocated and so it is vital that further schemes can be progressed as soon as possible to avoid the risk of loss of funding.

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 (SCA)** – 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.
 - **Devolved Formula Capital (DFC)** - Devolved formula capital grant is capital funding calculated on a formulaic basis for each educational establishment. It gives schools direct funding for the priority capital needs of its buildings and grounds and for investment in capital equipment including ICT and funding goes directly to the school.
- 2.2 The Council received an allocation of Basic Need funding for 2017/18 of £4,883,289. Due to the pressures around secondary school places, the majority of this funding is being retained until detailed project development has been completed in line with the Council's priorities for meeting this need.
- 2.3 Commitments of £386,275 have previously been approved from the £1,678,277 of School Condition Funding available for maintained schools for the 2017/18 financial year. This leaves an unallocated balance of £1,292,002.

3. BASIC NEED SCHEME PROPOSALS

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.

3.2 The following are on-going projects which have previously been reported to SPCMP:

a) **Aldwyn and Hawthorns** - scheme that increases capacity at Aldwyn School from a 45-pupil intake to 60 (removing mixed age classes) and includes a two-classroom extension at Hawthorns School. The scheme with an approved budget of £2,528,019 is currently awaiting a draft contract from the Tameside Investment Partnership to facilitate a start on site on the 23 July to ensure the construction works can be completed for the September 2018 term.

b) **Cromwell High School** – works to rebuild the school after fire damage are progressing well and are currently on programme to be complete and the school handed over for the start of the September 2017 term.

3.3 The following scheme is proposed for recommendation for approval to be financed by the Council's Executive Cabinet from Council reserves. The hire of mobile classrooms is deemed to be revenue expenditure which the earmarked Council reserve can finance. The grants received via the DfE are for capital expenditure only.

a) **Aldwyn Primary School Mobile Classroom (£80,000)** - The hire of modular classroom accommodation to house additional pupils for 12 months from September 2017. This is a budget estimate subject to tender.

3.4 The Council's previously approved priorities for the creation of additional secondary school places from Basic Need funding resources are:

a) **Alder Community High School additional accommodation** - Project development work is on-going up to RIBA Stage 4.

b) **Astley Community High School** - Project development work is on-going up to RIBA Stage 4.

c) **Hyde Community College** - Project development work is on-going up to RIBA Stage 4.

d) **Mossley Hollins** - Discussions are on-going with the school to reach agreement on the most appropriate options for increasing capacity.

e) **Denton Community College** - Discussions are on-going with the school to reach agreement on the most appropriate options for increasing capacity.

3.5 Scheme proposals for the creation of additional secondary school places will be presented for approval once agreement has been reached with the schools and project development works completed.

4. SCHOOL CONDITION FUNDING SCHEME PROPOSALS

4.1 A summary of the previously approved school condition schemes is shown in **Appendix A** with proposed additional schemes.

4.2 The following additional schemes are proposed for recommendation for approval by the Council's Executive Cabinet:

a) **Hollingworth Primary School Flat Roof Replacement (£200,000)** – The scheme involves the complete replacement of failed flat roofs and associated works. This is a budget estimate subject to tender.

b) **Hollingworth Primary School Kitchen and Dining Block (£60,900)** - A contribution of £60,900 has previously been approved from the Basic Need budget

however due to funding eligibility, this contribution needs to be funded from the School Condition and Capital Maintenance budget.

- c) **St Anne's Primary School Denton Roof Replacement Phase 1 (£200,000)** – The scheme is the first phase of a comprehensive roof replacement programme including associated works that is required at the school. This is a budget estimate subject to tender.
- d) **Milton St John's CE School Roof Repairs (£27,237)** - The scheme is for the partial re-covering of the roof to the Early Years block which is leaking and causing health and safety problems.
- e) **Corrie Primary School Fencing (£13,141)** – The scheme provides new fencing and associated works to include a small area of additional land within the school boundary. The additional land is being provided so that the school meets DfE's minimum area guideline for playing field land.
- f) **Greswell Primary School Window Replacement Phase 2 (£79,497)** – The scheme is the second phase of works to replace fire escapes and windows in the KS2 building. A third and final phase of the works will be required in summer 2018 subject to funding and approval.
- g) **Stalyhill Infants School Additional Toilet Facilities (£84,313)** - The scheme provides additional toilet facilities including associated works. This will ensure that the school meets minimum DfE standards for the provision of toilet facilities.
- h) **Yew Tree Primary School Boiler Replacement (£122,432)** – The scheme involves the replacement of the school's main boiler which has reached the end of its serviceable life. Further works will be required in summer 2018 to replace the heat emitters subject to funding and approval.
- i) **St James' CE Primary School Fire Alarm (£30,000)** – Replacement of the school's fire alarm system. This is a budget estimate subject to tender.
- j) **St Stephen's CE Audenshaw Disabled Adaptation (£25,000)** – Provision of changing bed in an appropriate location to support the needs of a child with additional medical needs from September 2017 term.
- k) **Asbestos survey (£50,000)**
- l) **Stock condition survey (£100,000)**
- m) **Contingency (£150,000)**

4.3 The additional scheme proposals amount to a total of £1,142,520. This leaves £149,482 of unallocated School Condition funding available in the Education Capital Programme 2017/18.

5. PROCUREMENT AND VALUE ADDED

- 5.1 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.
- 5.2 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.

- 5.3 Some smaller schemes are procured directly through the Council's Engineering Design and Delivery Team or the Tameside Works First initiative for local businesses.
- 5.4 Work at voluntary aided schools is generally procured directly by the relevant diocese, as they own the buildings and not the Council.

6. RISK MANAGEMENT

- 6.1 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.
- 6.2 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.
- 6.3 Previous 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.
- 6.4 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.
- 6.5 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.
- 6.6 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.

7. CONCLUSION

- 7.1 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.
- 7.2 The work identified will enable the Council to meet its statutory duties.

8. RECOMMENDATIONS

- 8.1 As set out at the front of the report.

APPENDIX A – SCHOOL CONDITION FUNDING SCHEME PROPOSALS

Scheme	Proposed July 2017 (£)	Comments
Buckton Vale boiler replacement	61,557*	Summer 2017
Broadbent Fold boilers and fan convector replacement	96,731*	Summer 2017
Corrie boiler replacement	125,940*	Summer 2017
Hurst Knoll M & E works	17,971*	Summer 2017
Oakdale boiler replacement	84,076*	Summer 2017
Hollingworth flat roof replacement	200,000	Summer and Autumn 2017
Hollingworth kitchen and dining block	60,900	EFA
St Anne's roof replacement	200,000	Summer and Autumn 2017
Milton St John roof repairs	27,237	Summer 2017
Corrie fencing and groundworks	13,141	Summer 2017
Greswell replacement windows Phase 2	79,497	Summer 2017
Stalyhill additional toilet facilities	84,313	Summer 2017
Yew Tree boiler replacement	122,432	Summer 2017
St James fire alarms	30,000	Summer 2017
St Stephen's disabled adaptation	25,000	Summer 2017
Asbestos survey	50,000	Autumn 2017
Stock condition survey	100,000	
Contingency	150,000	
Total	£1,142,520	
Unallocated School Condition Funding at July 2017 - subject to approval of the above scheme proposals	£149,482	

*Executive Decision of 23 May 2017