

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	9 October 2017
Reporting Officer:	Robin Monk – Executive Director (Place)
Subject:	EDUCATION CAPITAL PROGRAMME PROGRESS UPDATE
Report Summary:	This report advises members of the Panel on the latest position with the Council's Education Capital Programme 2017/18 and seeks the recommendation of various approvals as set out in the report.
Recommendations:	<p>That the Panel notes the contents of the report and recommends approval for the following amendments to the Education Capital Programme to Executive Cabinet:</p> <ol style="list-style-type: none"> 1. The allocation of Basic Need grant funding schemes as outlined in Section 3 and Appendix 1. 2. The allocation of School Condition grant funding schemes as outlined in Section 4 and Appendix 2 and 3.
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:	Basic Need Grant
(Authorised by the section 151 Officer)	<p>The Council has £4,896,873 unallocated Basic Need grant. This report proposes an allocation of £98,259 of Basic Need grant which is detailed in Appendix 1. This is the first proposed allocation in 2017-18 and will leave an unallocated balance of £4,798,614.</p> <p>The Council's priority is a programme of works to increase secondary school places. Projects are being developed for completion in September 2018. For this reason most of the unallocated Basic Need grant will be spent in 2018-19</p> <p>School Condition Grant</p> <p>The Council had £1,678,342 unallocated School Condition Grant at the beginning of 2017-18. Schemes with a value of £1,528,795 have previously been approved in 2017-18 leaving an unallocated grant balance of £149,547.</p> <p>This report proposes a further allocation of £20,609 which will leave a residual sum of £128,938 remaining unallocated to support any further expenditure arising during the remainder of the current financial year.</p> <p>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.</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.
(Authorised by the Borough Solicitor)	

The Council has clear duties under the education legislation to ensure its schools are properly maintained and fit for purpose to ensure the best possible environment within which to study and develop. This includes ensuring allocated monies are spent appropriately where and when required to avoid a possible challenge to these duties.

There needs to be some greater oversight of the monitoring of the contracts in order to remove unnecessary delay.

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 7 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:



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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 On 3 April 2017 the Government made its funding allocation announcement for 2017/18. 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.
- 1.4 The Council received an allocation of Basic Need funding for 2017/18 of £4,883,289.
- 1.5 The current financial position for both the School Condition and Basic Need funding is set out in Section 2 of this report.
- 1.6 The Strategic Planning and Capital Monitoring Panel (SPCMP) is requested to note the contents of the report and recommend approval for the following amendments to the Education Capital Programme to Executive Cabinet:
 - a) The allocation of Basic Need grant funding schemes as outlined in Section 3 and **Appendix 1** of the report.
 - b) The allocation of School Condition grant funding schemes as outlined in Section 4 and **Appendix 2 and 3** of the report.
 - c) Establishment of an Education Capital Programme Working Group to ensure the programme is delivered in line with Council priorities.

2. FUNDING

- 2.1 The government allocates grant funding for school buildings under the following specific categories:

Basic Need

- 2.2 Funding allocated to support the development of new pupil places.
- 2.3 The Council received an allocation of Basic Need funding for 2017/18 of £4,883,289. In addition to this amount £13,584 of unallocated funding was carried forward from 2016-17.
- 2.4 Because of the pressures affecting 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.
- 2.5 It is proposed that £98,259 of this budget be allocated to schemes set out in section 3 below.
- 2.6 This will leave £4,798,614 unallocated of the remaining Basic Need funding which, in the main, is profiled to be spent during 2018/19 in order to deliver new school places by September 2018.

School Condition Allocation (SCA)

- 2.7 This grant is 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 and Skills Funding Agency. This grant used to be known as the capital maintenance grant.

- 2.8 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 broadly supported the proposed allocation.
- 2.9 An Executive Decision was taken on 23 May 2017 in respect of some urgent mechanical and electrical schemes totalling £386,275. All these schemes started on site at the start of the summer holidays and are now complete.
- 2.10 The SP&CMP recommended to Executive Cabinet on the 10 July 2017, that a number of additional schemes be approved to the value of £1,142,520.
- 2.11 A balance of £65 unallocated SCA funding from previous years and £149,482 unallocated School Condition Allocation funding for 2017-18 remains available and to be spent by the end of 2017/18 – a total of £149,547.

Devolved Formula Capital (DFC)

- 2.12 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. The funding goes directly to the school. The 2017-18 grant is £432,045.

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.
- 3.2 A summary of the position with the 2016/17 Basic Need funding, as at August 2017, is detailed in **Appendix 1** with proposed amendments.
- 3.3 The following are on-going projects which have previously been reported to SPCMP:

a) Aldwyn and Hawthorns

This scheme 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 works will commence once the parties have entered into the contract. The Borough Solicitor sealed the formal documentation which is a standard contract between the Council and the LEP on 7 September 2017, which the LEP has yet to do to enable works to commence.

a) Wildbank Primary School

SPCMP approved an outline budget of £120,000 to remodel the internal layout to create stand-alone classrooms within the main school. Further design work and surveys have identified asbestos in areas to be remodelled. This has affected the programme and final costs are now £176,107.

The central two classrooms were handed over for the start of the September 2017 term and works to remodel a series of home bays to create two further separate classrooms are nearing completion with handover imminent.

b) St John's CE Dukinfield

A two-classroom extension is required urgently to increase pupil numbers from 30 to 45 in each year group. Project development is progressing well and additional funding is now required to progress the designs to RIBA Stage 7 at a cost of £29,891.

c) Alder Community High School

Works are required to expand and remodel various areas of the school to accommodate additional pupils. This will enable the published admission number to

increase from 155 to 180 from September 2018. The cost plan anticipates a start on site in spring 2018 with works complete and ready for occupation in September 2018. SPCMP has previously approved an estimate of £25,000 for initial design fees however final costs were £29,501.

d) Copley High School

Discussions have taken place with Copley Academy around the creation of additional classrooms and remodelling the science rooms to create more appropriate science accommodation for a larger number of pupils. An initial Stage 2 feasibility study has been completed at a cost of £7,760 and further discussions are now required with the school to agree the way forward.

e) Cromwell High School

Works to rebuild the school after fire damage have now been completed and pupils and staff returned to the Dukinfield premises at the start of the September 2017 term.

4. SCHOOL CONDITION AND CAPITAL MAINTENANCE - PROGRESS UPDATE

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 Since the last meeting of SPCMP 17 schemes have been completed.
- 4.3 SP&CMP, at its meeting on 10 July 2017, agreed a contingency budget of £150,000 for urgent works. To date £75,518 has been spent from this budget leaving a balance of £74,482.
- 4.4 The works which have been progressed from the contingency budget can be found in **Appendix 3**.

New Schemes Proposed 2017/18

- 4.5 A number of small schemes are proposed to be carried out during the remainder of the 2017/18 financial year and these are described in **Appendix 2**. They are
- Buckton Vale – Safeguarding – remaining school security works £10,789
 - Stalyhill Infants – Safeguarding – improvements to fencing heights and gates £4,820
 - Gee Cross Holy Trinity – urgent asbestos removal and boiler investigation £3,000
 - Micklehurst Primary School – additional works to drainage systems - £1,200
 - Oakdale Special School – floor investigations £800
- 4.6 The total cost of the proposed new schemes amounts to £20,609.
- 4.7 Funding is proposed from the unallocated £149,547 of School Condition funding available in the Education Capital Programme 2017/18 leaving £128,938 unallocated.
- 4.8 A final review of all outstanding works will take place during this school term to ensure that schemes can be programmed in before March 2018 therefore ensuring all this year's funding is spent.
- 4.9 The school condition data, previously collected, is now out of data so new surveys are being planned to take place at the end of the calendar year. The purpose of these surveys will be to assist in the development of a robust and transparent planned maintenance programme for 2018/19 and beyond.

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. EDUCATION CAPITAL PROGRAMME WORKING GROUP

- 6.1 To ensure the Council's Education Capital Programme is delivered to meet Council priorities an Education Capital Officer group has been established.
- 6.2 This group, will meet on a monthly basis, and will include officers from education, finance, legal and capital projects.
- 6.3 A key priority, over the next few months, will be to progress a number of high value Basic Need contracts to ensure that the works can be completed, in order to deliver additional school places, by the start of September 2018.

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 A schedule of condition surveys is being planned to ensure a robust and transparent Planned Maintenance Programme is developed thereby ensuring that urgent work is identified in a timely matter in order to address health and safety issues and prevent further deterioration.
- 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 The establishment of the Education Capital Programme Working Group will assist with progressing the Basic Need contracts required in order to increase capacity in certain schools from September 2018.

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

Education Capital Programme - Basic Need Funding

Scheme	Approved as at July 2017	Proposed at October 2017	Proposed Change	Latest position
Aldwyn/Hawthorns	2,382,718	2,382,718	0	In development
Alder Community High School	25,000	29,501	+4,501	Designs to RIBA Stage 4
St John's CE two-classroom extension	100,000	129,891	+29,891	To tender RIBA stage 7
Wildbank Primary School – main scheme	120,000	176,107	+56,107	Completed September 2017
St George's CE Primary School	196,832	196,832	0	Underway by Manchester Diocese
Cromwell High School Fire Reinstatement	1,749,251	1,749,251	0	Completed September 2017
Copley High School Design costs	0	7,760	+7,760	Completed
Net Additional Scheme Allocation			98,259	
Unallocated Basic Need Funding at March 2017			13,584	
Add 2017/18 Basic Need Allocation			4,883,289	
Less Additional Scheme allocation shown above			(98,259)	
Revised unallocated Basic Need Funding at October 2017 subject to approval of the above scheme allocations			4,798,614	

APPENDIX 2

SCHOOL CONDITION AND CAPITAL MAINTENANCE FUNDING

Scheme	Approval at July 2017	Proposed September 2017	Proposed Change in Funding	Latest Position
Arlies convectors	121,036	121,036	0	Completed Whit 2017
Broadbent Fold boilers and fan convector replacement	96,731*	96,731	0	Completed summer 2017
Broadbottom CE remedial works	4,895	4,895	0	Completed summer 2017
Buckton Vale boiler replacement	61,558*	61,558	0	Completed summer 2017
Buckton Vale safeguarding and access Phase 1	37,500	37,500	0	Completed Summer 2017
Canon Burrows access	15,000	15,000	0	In development by Manchester Diocese
Corrie Primary Denton Emergency M&E work	20,000	20,000	0	Completed
Corrie Primary boiler replacement	125,941*	125,941	0	Completed summer 2017
Corrie fencing and groundworks	13,141	13,141	0	Autumn 2017
Gorse Hall drainage	10,000	10,000	0	Further investigations ongoing
Greswell Primary replacement windows Phase 1	50,000	50,000	0	21,800 expended to date rest Summer 2018
Greswell Primary replacement windows Phase 2	79,497	79,497	0	Completed summer 2017
Heys Primary floors	48,731	48,731	0	Completed Whit 2017
Heys toilet adaptations	5,000	5,000	0	Completed February half term 2017
Hollingworth Kitchen	60,900	60,900	0	In procurement by EFA
Hollingworth drainage	22,000	22,000	0	Ongoing
Hollingworth Primary flat roof replacement	200,000	200,000	0	Summer and Autumn 2017
Hurst Knoll convectors	54,076*	54,076	0	Completed summer 2017
Micklehurst drainage	10,000	10,000	0	Further investigations ongoing
Milton St John's drainage (field drains and run off)	19,600	19,600	0	In development
Milton St John's	27,237	27,237	0	Completed summer

Early Years roof repairs				2017
Oakdale boiler replacement	84,076*	84,076	0	Completed summer 2017
St Anne's Primary roof replacement	300,000	300,000	0	Spring 2018
St James' CE Ashton H&S electrical works	65,000	65,000	0	Completed summer 2017
St James' CE Ashton fire alarm	30,000	30,000	0	Completed summer 2017
St Stephen's CE Aud Changing Bed	25,000	25,000	0	September 2017
Stalyhill Infant toilet adaptation	10,000	10,000	0	Completed Easter 2017
Stalyhill safeguarding and access issues Phase 1	10,000	10,000	0	Completed summer 2017
Stalyhill Infant Toilet Block - surveys	4,313	4,313	0	Autumn 2017
Stalyhill Infant Toilet Block main scheme estimate	80,000	80,000	0	Summer 2018
Yew Tree boiler replacement	122,432	122,432	0	Completed summer 2017
Asbestos Surveys	50,000	50,000	0	
Condition Surveys	100,000	100,000	0	
Buckton Vale works to Moorgate Drive elevation – Phase 2	0	10,789	+10,789	October half term 2017
Stalyhill safeguarding Phase 2	0	4,820	+4,820	Autumn 2017
Micklehurst Drainage Phase 2	0	1,200	+1200	Autumn 2017
Gee Cross Holy Trinity – boiler survey and asbestos removal	0	3,000	+3,000	Autumn 2017
Oakdale – floor investigations	0	800	+800	October half term
TOTAL NEW SCHEMES			20,609	
Unallocated Capital Maintenance & Condition Funding as at September 2017			128,938	

*Executive Decision Notice 23 May 2017 reported to SP&CM Panel 10 July 2017

APPENDIX 3

SCHOOL CONDITION AND CAPITAL MAINTENANCE CONTINGENCY

Contingency Budget	150,000	150,000	0	
Broadbottom heating investigation	0	550	+550	
Broadbottom CE – changing bed and disabled toilet works	0	20,000	+20,000	Completion September 2017
Hollingworth – emergency kitchen transfer to C Centre	0	2,500	+2,500	Ongoing
Hyde Community College – air con units	0	£12,269	+12,269	Completed
Lyndhurst Primary – fees to investigate cladding problem	0	24,174	+ 24,174	Completed September 2017
Livingstone Primary – Retaining wall rebuild/repair and camera survey	0	11,775	+11,775	Retaining walls rebuilt summer 2017
Structural Engineers Fees	0	4,250	+4,250	Ongoing
Contingency Expended			+75,518	
Remaining Contingency			74,482	