

STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

URGENT ITEM

Item No.	AGENDA	Page No
6.	HAWTHORNS SCHOOL, NEW BUILD - ADDITIONAL FUNDING REQUIRED TO INCREASE SCHOOL CAPACITY To consider the report of the Director of Resources (Section 151 Officer).	1 - 10


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Agenda Item 6

DELEGATED OFFICER DECISION NOTICE

SERVICE AREA:	PLACE Strategic Property
SUBJECT MATTER:	HAWTHORNS SCHOOL, NEW BUILD – ADDITIONAL FUNDING REQUIRED TO INCREASE SCHOOL CAPACITY
DECISION:	<p>That it be determined that:</p> <ol style="list-style-type: none"> 1. Approval is given to allocate the sum of £46,162.38 for the amendments to the internal layout and fixings at the new Hawthorns SEND Academy to accommodate an additional 26 SEND pupil placements for pupils with additional learning and communication needs. The sum is made up of the Academy and council jointly funding the total costs of £83,931.60 to be split equally at £41,965.80 each with a 10% contingency allowance of £4,196.58 each. The net cost of £46,162.38 to be drawn down from the new Hawthorns scheme contingency. 2. Any expenditure against the remaining budget will be monitored through the Strategic Planning and Capital Monitoring Panel (SPCMP). 3. Approval be given to enter into a Legal agreement with the Academy to reimburse the Council for their share of the costs being £46,162.38 of the uplift with both the Academy and the Council contributing equal sums. 4. That before the end of the year a further report is received by Board/Cabinet from the assistant Director of Education to address the intentions for the Audenshaw site currently occupied by Hawthorns, which as set out in paragraph 3.10 is required to be surrendered to the Council on occupation by the Academy of the new site.
DECISION TAKER(S):	Ashley Hughes
DESIGNATION OF DECISION TAKER (S):	Director of Resources (Section 151 Officer)
DATE OF DECISION:	16/11/2023
REASON FOR DECISION:	To ensure that the Council can meet its statutory duty to provide sufficient Academy places, to provide schools with sufficient facilities for SEND provision and improve the education needs of the Authority.
ALTERNATIVE OPTIONS REJECTED (if any):	Do nothing which will mean that the Academy will be unable to offer places to additional pupils and the Council will incur additional revenue costs for out of borough specialist placements for up to 26 children.
CONSULTEES:	Hawthorns Academy Newbridge Multi-Academy Trust First Deputy Finance, Resources & Transformation

	Director of Children's Services
FINANCIAL IMPLICATIONS: (Authorised by Borough Treasurer)	<p>The Dedicated Schools Grant (DSG) deficit was £3.306m at the beginning of 2023-24 and is currently forecast to be £8.623m at the end of the 2023-24 financial year. This is due to overspends on the High Needs Block.</p> <p>The average cost of a specialist independent primary place is £0.071m per year, compared to an average cost of £0.021m for a place at Hawthorns Academy. Whilst we currently only have 5 children placed at independent primaries, 3 of those began their placement in September 2023, as maintained specialist provision in the borough is at capacity. Increasing capacity at Hawthorn's to 26 could have a full year cost avoidance of £1.300m, and every independent placement avoided would avoid costs to the council of £0.050m per year.</p> <p>The DSG has a statutory override whereby accumulated deficits are ringfenced in an unusable reserve and not a risk to the General Fund. This ringfence is applicable to 2025/26. If the ringfence is not extended, the DSG deficit will be considered to be supported by the General Fund from April 2026. As the Council is forecasting for a deficit of over £8m at the end of 2023/24, and expects this to remain broadly flat through the impact of the Delivering Better Value (DBV) programme in 2024/25, there will remain a deficit balance to mitigate of over £8m. The investment at the Academy for increased pupil places supports the Council's intentions to manage the DSG sustainably and effectively.</p> <p>The £0.046m cost of the proposal can be met within the contingency budget of the Hawthorn's Academy build scheme. There is a total contingency budget of £0.500m with a remaining budget of £0.380m following prior drawdowns on contingency.</p>
LEGAL IMPLICATIONS: (Authorised by Borough Solicitor)	<p>The Council has a legal requirement to provide sufficient Academy places to meet the requirements of children with special educational needs and disabilities and the report sets out the need to meet this requirement. Legal services will draft an appropriate letter of indemnity for the Academy to sign to evidence the financial contribution required to be paid to the Council as outlined in the report.</p> <p>There needs to be an expedient plan to address the Audenshaw site and its intended future use and funding.</p> <p>A further report is also required to address the new sites football pitches and it is understood this is in train.</p>
CONFLICT OF INTEREST:	None
DISPENSATION GRANTED BY STANDARDS COMMITTEE ATTACHED:	N/A
Sets out the ACCESS TO INFORMATION:	The background papers relating to this report can be inspected by contacting Ben Middleton, Assistant Director –

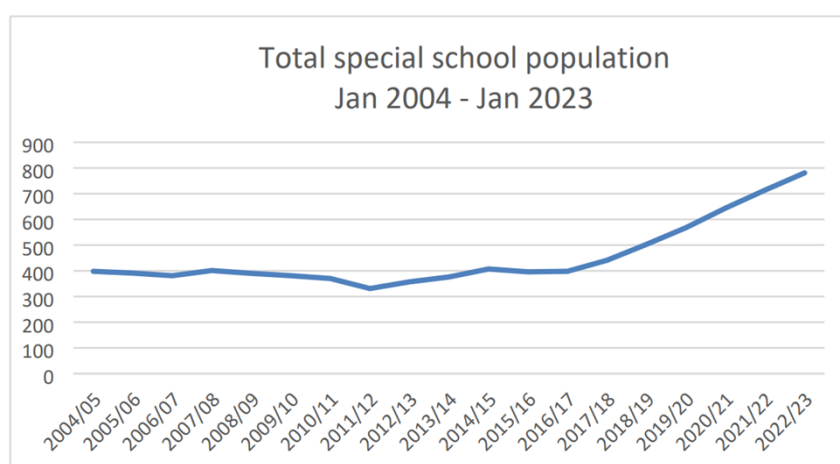
	<p>Strategic Property.</p> <p> Telephone: 0161 342 2950</p> <p> E-mail: ben.middleton@tameside.gov.uk</p>
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Signed **Dated:**
Ashley Hughes, Director of Resources (151 Officer)

BACKGROUND

- 1.1 In April 2023, Executive Cabinet approved the budget of £21.917m to build the new Hawthorns Academy in order to increase the specialist Academy places for primary aged children at Hawthorns Academy.
- 1.2 Hawthorns Academy is an outstanding primary special Academy currently located within the Audenshaw area of Tameside and caters for pupils with a range of complex special educational needs aged between 4-11 years old. The Academy is an Academy and part of the New Bridge Multi Academy Trust.
- 1.3 Following a relatively stable period of 13 years, the number of pupils in the five special schools in the borough has increased significantly over the last six years in line with the increase in the number of EHCPs as shown in the table 1 below.

Table 1



- 1.4 The Council has received High Needs Capital Allocation funding from the DfE for years 2021 – 2024 to support an increase in places to meet the needs of children with additional needs. Whilst the majority of children with EHCPs will have their needs met within mainstream settings, work to establish additional specialist SEND capacity has been underway for some time and the number of places available in borough has increased significantly as demonstrated in Table 2 below:

Special	Sep-18	Sep-22	Increase No's	Increase %
Hawthorns	106	194	88	83%
Thomas Ashton	56	92	36	64%
Cromwell	72	138	66	92%
Samuel Laycock	141	215	74	52%
Oakdale	117	148	31	26%
Tameside Pupil Referral Service	18	36	18	100%
Totals	510	823	313	61%

- 1.5 Following final budget approval at Executive Cabinet in April 2023, the construction contract has been awarded, and the new Academy building is currently under construction. The construction of the new Academy building is on programme and scheduled to be completed and ready for the start of the September 2024 Academy year intake.

2. FURTHER REQUIREMENT TO INCREASE SCHOOL CAPACITY

- 2.1 The Academy has come forwards with a number of amendments, which will enable them to accommodate an additional 26 spaces for pupils (increasing the Academy's capacity from 220 to 246 pupils) and to also provide a specification, which will allow the Academy to meet the needs of pupils with more complex needs.
- 2.2 In 2017, the Hawthorns Academy was a special Academy of 80 pupils with a split of 90% with Moderate Learning Difficulties and 10% with Complex Social Communication and Language Issues.
- 2.3 The number of pupils at the Academy grew to 106 for September 2018 intake and to 194 pupils for the September 2022 intake. The number of students on the Academy roll for the current 2023 Academy year is 220. To enable the Academy to take these pupils in advance of the new building being completed, satellite sites have been established at Discovery Academy; Wild Bank Primary Academy and Samuel Laycock Academy.
- 2.4 There are only two special schools in Tameside for primary aged children with additional needs that are set out in Education Health and Care Plans. The other Academy which specialises in providing education for children with additional needs is Oakdale Primary Academy, this Academy offers support to pupils who have more complex disabilities and needs than Hawthorns. Oakdale Primary Academy has recently been expanded from 146 to 162 places to meet its demand for places and does not have any capacity to take any additional pupils.
- 2.5 Before the building was commissioned, data for future projections of the number of SEND pupils and their types of need was limited making it impossible to reliably predict.
- 2.6 When the Hawthorns Academy new build was originally commissioned due to rapidly rising numbers, the Academy had 5 classes of pupils with highly complex individuals with substantial language and communication difficulties. The patterns of admissions and the change over time were analysed with a view to future-proofing the Academy whilst being as realistic as possible about the rising number of pupils with complex needs.
- 2.7 The new Academy was designed with 12 classrooms for pupils who have highly complex needs and substantial language and communication difficulties and at that time, this would have given one or two surplus classrooms to the need to allow flexibility in the future and allow growth for an expected pupil intake.
- 2.8 The actual figures for the growth of SEND pupils and their needs have been significantly higher than was predicted. There are currently 13 classes across the current Hawthorns estate that support these more complex pupils, and this figure will rise to between 15 or 16 in 2024. This is evidenced from the number of consultations that the Council's SEN Team have already sent to the Academy for the September 2024 intake.
- 2.9 The outcome of this has meant the Academy has had to re-think their provision and can see that the internal remodelling that these amendments will create will allow an increase to the number of classrooms and will provide adaptations to allow the Academy to adequately provide for additional pupils and their needs.

3. FINANCIAL JUSTIFICATION

- 3.1 The proposed changes to the Academy layout and equipment would provide an overall cost increase of £0.084m. This figure is made up of two parts, a cost increase for additional specification and an omission for items which are no longer needed. The additional cost increase is £0.166m and the reduction is £0.082m.

- 3.2 A breakdown of these cost can be seen in **Appendix 1**.
- 3.3 The Academy have agreed to pay for 50% of the costs towards the amendments. The total sum which the Council and the Academy will each contribute towards the costs of the amendments is £0.042m.
- 3.4 The Academy will provide the Council with their approvals, signed governance and a commitment to pay the Council upon the signing of the change orders and the contractor varying the build before the change orders are awarded.
- 3.5 It is prudent to cost for a sum of 10% of expected costs for overruns, delays and unforeseen items on design and build budgets. Once the change orders are signed and costs locked in with the construction partner, an unused allocation can be returned to the retained contingency delegated to the Section 151 Officer.I.
- 3.6 The total cost of the amendments and contingency combined for the Council is £46,162.38.
- 3.7 The current estimate for finding an out of borough placement for a child that could not be placed at Hawthorns to the council is between £0.018m and £0.097m per placement per annum with an average cost of £0.057m. For primary age pupils, independent places cost on average £0.071m per annum. The proposed outlay of £0.046m on the capital scheme, as is being requested for this project, will help the Council avoid up to £1.300m in revenue cost to the Dedicated Schools Grant (DSG) over a full financial year as a result of the 26 additional places. Every independent primary place avoided will provide an average cost avoidance of £0.050m and the 10 places that Childrens Services are already consulting on would provide a cost avoidance to the Council of up to £0.500m per year. Additional costs that may arise from the use of the independent sector include transport and associated passenger assistance, which are borne by the General Fund.
- 3.8 Apart from Oakdale Primary Academy which is at capacity, there are no other primary schools in the borough that can take children with additional needs as set out in Education Health and Care Plans.
- 3.9 The current number on roll at Hawthorns is 220. The SEND team are currently consulting with the Academy for a further 10 children for September (230 places in total). The Draft SEND Sufficiency Strategy suggests the borough needs c42 more special Academy places for primary ASC and this takes into account the direction of travel away from specialist places which would mean the Council are still looking to increase places further, even after the 26 additional places that will be created as a result of this proposal. The impact of reduced plans by establishing a stronger graduated approach is a longer-term impact (by 2028) and it is not anticipated to see an impact on special Academy places in the current academic year nor fully by September 2024.
- 3.10 In respect of the old Hawthorns Academy site, the April 2023 Executive report noted that a further report will follow in relation to the use/occupation of the former Hawthorns Academy on Lumb Lane, and the proposed funding for these additional places is made strictly on the basis that the "old" Hawthorns site on Lumb Lane is returned to the Council for it to be considered across all the Council's sufficiency needs.
- 3.11 Prior to any financial commitment to be made by the Council in respect of these additional costs, a legal indemnity will be provided by the Academy confirming their commitment to reimburse the Council for 50% of the costs.

4. CONTINGENCY OVERVIEW

- 4.1 The new Hawthorns Academy project report to Executive Cabinet April 2023 approved: to agree that any variations to the project that involve an increased cost for the scheme implication will be approved by the S151 officer in the first instance and the S151 will be the Council's authorised officer for executing any project variations.
- 4.2 The proposed increased costs, if approved, will still contain the overall expenditure within the approved budget, table 3 below sets out the contingency sum and expenditure to date and provisional expenditure for the amendment. A contingency sum of £0.500m was approved as part of the scheme costs by Executive Cabinet in April 2023 to capture any additional costs.

Table 3 – Contingency	
Item	£m
Approved Balance	0.500
Insurance premium	0.120
Contingency Balance	0.380
Academy Change Order request	0.046
Contingency Balance carried forward	0.334

5. RISK MANAGEMENT

- 5.1 As the build is progressing on time and fixtures and fittings are scheduled to commence there is a risk that the build works may have reached a point in that it is not possible to incorporate the amendments without delaying the build.

6. OPTION APPRAISAL

- 6.1 It is recommended the changes provided in Appendix 1 are approved for the sum of £0.046m, which is to be funded from the £0.500m contingency sum already allocated to the scheme.
- 6.2 The alternative option is to do nothing which would produce a significant revenue increase to the revenue budget in future years.

7. RECOMMENDATION

- 7.1 As set out at the front of this report.

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Summary of Proposed Hawthorns Changes July 2023

Number	Description of Change	Reason	Additional Costs £	Cost Omitted £
1	The existing 4 early years classrooms have been added to the ADS wing, therefore provision for access control and ironmongery at external doors, acoustic ceilings, acoustic panels, blinds (windows and door vision panels/joinery package), need to be amended. Pocket doors have been removed. FF&E to be amended to suit ADS classrooms. Teaching walls are not required in ADS classrooms (16 No total)	School Change Due to Students Needs	£ 29,188.95	-£ 28,511.80
2	Soft play and Physiotherapy room merged into 1 room: dividing wall to be removed, access control in both doors, required padding to 3 perimeter walls, vinyl on floor and loose laid matting to floor. FF&E to be updated. Sink won't be needed. All MEP provision needs to be amended.	School Change Due to Students Needs	£ 13,908.41	£ -
3	3 EYFS classrooms to be located in the MLD wing: 8 No toilet pans to be EYFS	School Change Due to Students Needs	£ 10,290.98	£ -
4	Drama/music room to be a MLD room: vinyl in lieu of carpet, teaching wall to be added, FF&E and small power and data to suit classroom type	School Change Due to Students Needs	£ 12,661.02	£ -
5	Art room to be a sensory room (multiuse space as proposed name): carpet in lieu of vinyl, blinds (windows and door screen-joinery), FF&E provision to be amended (kitchenette is staying). Acoustic properties and MEP to remain the same.	School Change Due to Students Needs	£ 12,972.87	-£ 1,187.99
6	Hygiene room 103: Change sluice sink and move to the Laundry room. IPS is reduced and 1 pop up is removed. MEP to be updated	School Change Due to Students Needs	£ 2,370.04	-£ 2,375.98
7	Hygiene room 146 to be 2 different toilets now: 1 extra door, 1 extra wall/sanitary schedule to change/ lock suiting, all services to be amended, update sanitary and FF&E provision	School Change Due to Students Needs	£ 11,101.78	£ -
8	Rearrangement of the offices area at the MLD wing: 1 rooms instead of 2 now affecting wall arrangement, 1 wall, 1 door and 1 glass screen to be removed, amended lock suiting, M&E & FF&E update to suit new layout	School Change Due to Students Needs	£ 1,746.35	-£ 2,969.98
9	Offices next to entrance / hygiene room to be removed: 4 rooms instead of 5. This will affect all wall arrangement, 1 door to be removed, updated finishes due to removal of hygiene room now part of an office, updated lock suiting, remove sanitary provisions. MEP and FF&E provision to be updated	School Change Due to Students Needs	£ 1,559.24	-£ 4,157.97
10	Courtyard redesign, including: a. All external areas to be astroturf, which implies removal of tarmac and rubber crumb areas, amendment of external drainage b. Remove all fabric canopies (5 No) and addition of timber canopies on the EFYS on the MLD wing (30 ml. approx.) c. 4 external sockets to be added. d. Fencing update: all internal fencing within the courtyard to be bow top, with exception of the perimeter one that will be secure fencing. e. All benches to be removed Green areas to be removed. Note: if client want to remove the trees will need to be assess by the ecologist/BREEAM assesor first	School review of the external designs	£ 19,958.26	-£ 35,639.75
11	Playground area fencing next to dry pond to be secure fencing in lieu of bow top	School review of the external designs	£ 6,860.65	£ -
12	OMITTED			
13	Add an extra sink on life skill kitchen, MEP to be amended	School Change Due to Students Needs	£ 1,434.50	£ -
14	OMITTED			
15	OMITTED			
16	2 dishwashers to add, one in the staff room and another in family room, MEP to be amended	School Change	£ 2,681.89	£ -

17	Removal of kitchenette in the training room; MEP design to be amended	School change no longer required	£ 187.11	-£ 1,187.99
18	Removal of the pocket doors between EYFS classrooms (2 No)	School change no longer required	£ 2,806.63	-£ 2,375.98
19	Additional access control to family room & Kitchen	School review of the external designs	£ 2,806.63	£ -
20	Amendments on intruder's alarm zoning (adding extra panels on kitchen and family room, others changes related to zoning map)	School review of the external designs	£ 15,904.24	£ -
21	Vehicular and pedestrian gates will now be manual locked and No intercom is required. Barrier to be also manual and placed after the entrance car parking	School review of access design	£ 1,247.39	-£ 3,563.97
22	OMITTED			
23	PA system, additional provision and design following latest request.	School review of PA design	£ 16,216.08	£ -
24	OMITTED			
25	OMITTED			
26	OMITTED			
27	OMITTED			

SUB-TOTALS =

£ 165,903.02 -£ 81,971.42

TOTALS =

£ 83,931.60