

Report to:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	17 August 2023
Executive Member	Councillor Leanne Feeley – Executive Member ((Education, Achievement and Equalities)
Reporting Officer:	Jane Sowerby, Assistant Director of Education Julian Jackson, Director of Place
Subject:	EDUCATION CAPITAL PROGRAMME - UPDATE
Report Summary:	This report provides members of the Panel with an overview and updated position on the Council's Education Capital Programme and seeks approval of the recommendations to Cabinet as set out in the report.
Recommendations:	<ol style="list-style-type: none"> 1. That the Strategic Planning and Capital Monitoring Panel recommend to Executive Cabinet to APPROVE: <ol style="list-style-type: none"> i) The Section 106 contributions totalling £0.101m as detailed in paragraph 2.13 are approved to finance Education Capital Schemes. ii) A joint bid to the Football Foundation for St Thomas More sports pitch as detailed in paragraph 3.8. iii) Additional funding of £0.150m to create extra teaching spaces at Oakdale Primary from the High Needs Provision Fund as detailed in paragraph 5.4. 2. That the Strategic Planning and Capital Monitoring Panel recommend to Executive Cabinet to NOTE: <ol style="list-style-type: none"> i) The removal of (£0.074m) DFC funding from the capital programme in relation to Academy conversions as detailed in paragraph 2.9. ii) Micklehurst All Saints – Roof Replacement (£0.050m) to be returned to the unallocated School Condition fund as detailed in paragraph 4.14. iii) No further funding to be allocated to Rayner Stephens as detailed in paragraph 3.7
Corporate Plan:	The proposals contained within this report will support the delivery of the Community Strategy, through the delivery of sufficient and suitable school places to meet anticipated increased demand in 2023/24.
Policy Implications:	None
Financial Implications: (Authorised by the statutory Section 151 Officer)	This report provides an update in relation to the schemes already approved and any updates on progress. The Education Capital programme is funded entirely by Grants and contributions, which means the council has to prioritise this spending on priority schemes and emergency works. It is critical value for money considerations are at the heart of our decision making.

Section 2 of this report details the grant funding available, proposed changes to schemes and unallocated funding for each of the grant funding streams.

	Amount £m
Total Funding Available	32.456
Approved Programme Budget	28.403
Remaining Funding	4.053
Proposed Programme Changes	(0.001)
Funding Available to Allocate	4.054

Appendix 1 includes details of all current schemes, which have been previously approved.

The St Thomas More project detailed at paragraph 3.8 could have potential VAT implications which are currently being looked in to. If any risk is identified this will be updated in the next report.

Where a grant agreement is to be put in place, the amount requested for approval in this report should be the maximum amount paid. It will need to be made clear in the grant agreements that this is the case and any additional costs would need to be met by the relevant Trust.

The Council has limited resources available to fund Capital Expenditure. The current Capital Programme includes £15m of schemes which will need to be funded from Capital Receipts and existing Capital Reserves. Only limited reserves are available and should sufficient capital receipts not be achieved, or be delayed in their achievement, the Council will have to either reprofile its Capital Programme to realign expenditure with income receipts or consider alternative sources of capital financing such as borrowing, which attracts interest and Minimum Revenue Provision (MRP) that are both costs to the General Fund. The Council will have to consider if the costs of borrowing, at a point in time when they are required, represent value to the Council in delivering its strategic objectives outlined in the Corporate Plan.

Any additional priority schemes that are put forward for consideration and that are not fully grant funded will need to be evaluated, costed and subject to separate Member approval. There will be a revenue cost for any new capital schemes that are not fully funded from alternative sources and the implications of this will need to be carefully considered, given the on-going pressures on the revenue budget.

**Legal Implications:
(Authorised by the
Borough Solicitor)**

This report provides Members with an update on progress in relation the education capital projects.

As the projects are subject to their own due diligence, governance and decision making no decisions are being sought in relation the projects save the recommendations to Cabinet to approve the matters set out in recommendation 1.


Risk Management:

That the risks highlighted in Section 7 of the report are noted. The Council has a statutory duty under Section 14 of the Education Act 1996, to secure sufficient and suitable places for pupils in primary

and secondary schools in its area. Failure to deliver sufficient school capacity places the Council in breach of its statutory duties.

Access to Information: Not Confidential

Background Information: The background papers relating to this report can be inspected by contacting Ben Middleton, Assistant Director Strategic Property

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1. INTRODUCTION

- 1.1 This report provides an update on the latest position with the Council's Education Capital Programme and seeks approval for various proposals 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 primary and secondary schools in its area.
- 1.3 The government allocates funding for school buildings under a number of categories and these are described in Section 2 of this report.
- 1.4 Strategic Planning and Capital Monitoring Panel (SPCMP) is requested to note the content of the report and to make recommendations to Executive Cabinet in respect of the proposed allocation of funding.

2. FUNDING AND FINANCIAL POSITION

- 2.1 The government allocates ring-fenced capital grant funding for school buildings under the following main categories.
- 2.2 **Basic Need Funding** - Creating additional places in schools to ensure there are enough places for children in our local area. Full details of existing and proposed schemes are set out in **Appendix 1**.
- 2.3 The table below provides details on the funding available for Basic Need and the total of approved schemes.

Basic Need Funding	Amount £m
Funding Brought Forward	21.557
Total Funding Available	21.557
Approved Schemes	19.675
Unallocated Funding	1.883
Proposed Changes:	0
Unallocated Funding if Proposals Approved	1.883

- 2.4 Plans will continue to be developed with schools to utilise the unallocated funds to provide additional capacity requirements in line with sufficiency assessments in both mainstream and specialist provision.
- 2.5 **School Condition Grant Funding** - Maintaining and improving the condition of school buildings. Full details of existing and proposed schemes are set out in **Appendix 1**.
- 2.6 The table below provides details on the funding available for School Condition and the total of approved schemes.

School Condition Allocation (SCA) Funding	Amount £m
Funding Brought Forward	1.041
2023/24 Allocation	1.541
Contributions from Schools	0.172

Total Funding Available	2.754
Approved Schemes	2.516
Unallocated Funding	0.238
Proposed Changes:	
Section 106 (see paragraph 2.13)	(0.101)
Micklehurst All Saints (see paragraph 4.14)	(0.050)
Unallocated Funding if Proposals Approved	0.389

- 2.7 Schools contribute towards all school condition schemes. For 2023/24 this currently amounts to £0.172m for the following schools:

School No.	School	Project	Amount £m
2025	Broadbent Fold	Asbestos Removal & Rewire	0.010
2056	St Anne's Denton	Secure Front Entrance	0.137
7009	Cromwell	Automated Gate	0.025
	Total		0.172

NOTE: Schools can use funds from their DFC or their reserves should they choose to. This decision is devolved to each school.

- 2.8 **Devolved Formula Capital (DFC) Funding** - Devolved Formula Capital is provided to schools to maintain their buildings and fund small-scale capital projects that meet their own priorities, schools arrange these works directly.
- 2.9 Two schools have converted to Academy status in the 2023/24 financial year. As a result of this any DFC funding held by the authority must be transferred as part of the academy conversion. A total of £0.074m needs to be removed from the capital programme to reflect the transfer of funding.

Devolved Formula Capital (DFC) Funding	Amount £m
Funding Brought Forward	0.874
2023/24 Allocation	0.321
Total Funding Available	1.196
Academy Conversions Funding Transfer	(0.074)
Remaining Funding for Schools Capital Projects	1.121

- 2.10 **High Needs Provision Capital Allocation (HNPCA) funding** - is provided to support the provision of new places and improve existing provision for children and young people with special educational needs and disabilities (SEND), this is not time limited. Full details of existing and proposed schemes are set out in **Appendix 1**.
- 2.11 The table below provides details on HNPCA funding available and the total of the approved schemes.

High Needs Provision Funding	Amount £m
Funding Brought Forward	4.623
2023/24 Allocation	3.522
Total Funding Available	8.144
Approved Schemes	6.212
Unallocated Funding	1.932

Proposed Changes:	
Oakdale School (See paragraph 5.4)	0.150
Unallocated Funding if proposals approved	1.782

- 2.12 **Section 106 Developer Contributions** - Additional income intended to contribute towards the provision of additional school places is sometimes provided by developers as part of the planning conditions for new housing developments. These are known as Section 106 agreements. When housing estates are completed the payments become due and the Council is in receipt of several payments which have not as yet, been formally allocated to specific schemes. The current known funding available is £0.232m.
- 2.13 The following table proposes to allocate Section 106 monies from the £0.232m received from developers to current schemes in year.

Planning Reference	Amount £m	Fund	Scheme
13/01045/OUT	0.058	School Condition	Contribution towards the gable end and roof works at Gee Cross Holy Trinity.
11/00915/FUL & 19/00601/FUL	0.043	School Condition	Contribution towards the roof replacement at Micklehurst All Saints.
Total School Condition S106 Receipts	0.101		

3. BASIC NEED FUNDED SCHEMES

- 3.1 **Appendix 1** provides a financial update with details of current Basic Need funded projects, including proposed changes to scheme funding.
- 3.2 The current focus of the Council's Basic Need programme is to create additional places in secondary and special schools where forecasts have indicated a need.
- 3.3 The following paragraphs update the Panel on the position with the current Basic Need works.
- 3.4 **Alder High School: Secure front entrance.**
RAG STATUS: RED
Updated costs have been requested for the completion of the secure front entrance and, the costs are anticipated to be less than £0.500m and it is proposed to deal with this by way of a Licence for Alterations and the governance by way of an officer delegated decision. This will include the new reception, major building alterations undertaken and the proposed new secure entrance.
Budget Remaining: £0.570m approved.
Remaining Issues: Works will be undertaken during this financial year 2023/24, if approval is granted.
- 3.5 **All Saints Catholic College: Works to sports and other facilities to support additional places.**
RAG STATUS: GREEN
The works are being overseen by the Shrewsbury Diocese. Phase 1 and 2 of the works are complete. Phase 3 is scheduled to be complete by the end of 2022/23 school year with work taking place over the summer holidays to ensure the impact of the work is minimised to existing students. The work will improve the toilet and food technology facilities in the

spring/summer terms, with work to be undertaken over the summer holidays. The school have now tendered for the remaining work and have received costs of £0.226m for the toilet refurbishment and £0.200m for the food technology facilities. The school are currently awaiting full costs for a sheltered seating area and need to seek further advice from Planning for the MUGA due to groundworks. Once this is received the grant agreement can be drafted. Conversations have taken place with the school to ensure that all outstanding work is completed in this financial year as far as is practicable.

Budget: £1.990m approved.

Remaining Issues: Grant agreement to be drafted and works to be completed.

3.6 **Hawthorns Primary Academy: New school building.**

RAG STATUS: AMBER

On 26 April 2023, Executive Cabinet considered a report on the new building for Hawthorns School. The report provided members with a progress update on the Hawthorns SEND school scheme including the latest design solution, cost plan, programme, value for money assessment and grant funding bid submission to the Football Foundation. This report sought approval to progress the scheme including the development of standard BSF Design and Build Contract with the LEP now all the final construction costs are known for the school building.

Budget: £22.762m approved.

Remaining Issues: None

3.7 **Rayner Stephens Academy: Remodelling of Food Technology and Science Rooms.**

RAG STATUS: GREEN

The school are currently progressing with plans to relocate Science labs into the main school building from temporary accommodation and remodelling design technology. The scheme has been tendered and costs had risen to £2.3m. This was value engineered to £1.8m but there is still a significant shortfall. The Trust have requested further funding to support the increased costs. This is a Basic Need project and as the school has not taken additional pupils, it is recommended that no further funding is allocated to this project and the budget for the project remains at £1.300m. Conversations have taken place with the school to ensure that all outstanding work is completed in this financial year as far as is practicable. Two separate grant agreements have now been signed and sealed for the cost of the work to the Food Technology rooms (£0.107m) and science labs (£0.077m). Ongoing monitoring of the project will be through the grant agreement and reported to the Strategic Planning and Capital Monitoring Panel.

Budget: £1.300m approved.

Remaining Issues: None.

3.8 **St Thomas More: Contribution to provide Artificial Sports Pitch.**

RAG STATUS: GREEN

The school are currently progressing with a sporting facilities bid with the Football Foundation to obtain further funding towards the project. It is recommended that a joint bid is entered to the Football Foundation between the Council and the school as the LA has a joint ownership interest. The allocation from the Council will be used by the school as part of the match funding for this bid. The funds will not be released to the school until there is an approved grant from the Football Foundation.

Budget: £0.120m approved.

Remaining Issues: None.

4. **SCHOOL CONDITION FUNDED SCHEMES**

4.1 Appendix 1 provides a financial update with details of current School Condition Allocation (SCA) funded projects, including proposed changes to scheme funding.

4.2 In order to develop an informed asset management plan for schools that remain under the

Council's responsibility, condition surveys of existing school premises were undertaken by an independent surveyor appointed by the Council during 2019. The intention to create a transparent and targeted schedule of works required to school buildings.

4.3 The budget available is insufficient to meet the demands placed upon it and the surveyors were asked to identify priorities of the works required within each school and across the portfolio of schools, these priorities are continued to be programmed in to be undertaken.

4.4 In addition to the works identified in the condition survey, there are other calls on the SCA budget. This is the only central source of grant money to spend on schools (other than Basic Need, which is purely to create new school places). It has been custom and practice to address health and safety items and support disabled access by using the School Condition Allocation funding.

4.5 **Contingency**

A contingency allocation of £0.150m is allocated for the financial year 2023/24. This is to cover unforeseen and emergency works that may arise during the year.

4.6 An allocation of £0.045m for TMBC project management costs in relation to SCA schemes was approved at March 2023 Panel and Cabinet for 2023/24. This will be allocated against relevant schemes throughout the year.

4.7 The following paragraphs describe those schemes with significant variations from the original estimates or update the Panel on progress on schemes already within the programme.

4.8 **Russell Scott Primary: Funding for emergency works pending the rebuild of the new school.**

RAG STATUS: RED

Programme: Due to health and safety reasons, the temporary herras fence line between the playing field and the playground, which was in poor condition and past viable repair has now been replaced by a permanent fence line. The cost of these works was £6k.

Budget remaining £0.042m approved.

Remaining Issues: None.

4.9 **Gee Cross Holy Trinity CE Primary: Gable end/roof works.**

RAG STATUS: COMPLETED

Budget: £0.280m approved.

All works were completed over the whit half term. As detailed in paragraph 2.13, Section 106 monies have been identified to offset costs of the project, which has allowed £0.058m to be returned to the condition pot.

Remaining Issues: None.

4.10 **St Anne's Denton: Secure entrance extension.**

RAG STATUS: RED

A further meeting has taken place with school to discuss whether they would prefer to increase their contribution and gain the extra offices and toilet areas which were incorporated in the original project or whether they accept that a redesign for a secure entrance only would be undertaken. The school has confirmed that they do not have any additional resources to contribute but would prefer that the existing scheme was approved.

Budget: £0.510m approved.

Remaining Issues: The LEP has been asked to refresh the costs of the original project.

4.11 **Stalyhill Junior School: Boiler replacement and decarbonisation measures.**

RAG STATUS: GREEN

Due to supplier issues, the works were slightly delayed and will be completed by end of July 23.

Budget: £0.176m approved (included within the Place Capital Programme).

Remaining Issues: None.

4.12 **Oakdale Primary School: Fire stopping and Fire alarm systems.**

RAG STATUS: GREEN

Due to the different packages of works that are being undertaken during the summer break at Oakdale, these works have been programmed into 2 specific schemes. The fire alarm will be completed by September 2023. Fire stopping works will be completed during the remainder of 2023/24, in order to minimise disruption to school.

Budget: £0.450m approved.

Remaining Issues: None.

4.13 **Broadbent Fold Primary School: Electrical rewire and Asbestos removal.**

RAG STATUS: GREEN

All asbestos removal work has now been completed.

The electrical rewire works will be commence during the summer break with remaining elements undertaken by October 2023.

Budget: £0.550m approved.

Remaining Issues: None.

4.14 **Micklehurst Primary: Replacement roof.**

RAG STATUS: GREEN

Programme: Tenders have now been received and it is requested that Panel recommends to Executive Cabinet that £0.050m is returned to the unallocated School condition pot.

Budget: £0.350m approved. As detailed in paragraph 2.13, Section 106 monies have been identified to offset costs of the project which has allowed £0.043m to be returned to the condition pot.

Remaining Issues: None.

4.15 **Cromwell High: Automated security gate.**

RAG STATUS: GREEN

All works will be undertaken during the summer break and complete by beginning of September 2023.

Budget: £0.100m approved.

Remaining Issues: None.

4.16 **Asbestos Management Surveys.**

RAG STATUS: GREEN

Asbestos surveys will be undertaken as and when required within the immediate area as part of any potential condition projects at schools.

Budget: £0.041m approved.

Remaining Issues: None.

4.17 **Condition Surveys.**

RAG STATUS: GREEN

Over the next 5 years, schools which continue to fall under the Councils responsibility, will have an updated condition survey undertaken to enable the council to continually assess their condition. A minimum of 20% will be completed during summer 2023.

Budget: £0.044m approved.

Remaining Issues: None.

4.18 **Structural Engineers' Fees.**

RAG STATUS: GREEN

As and when required.

Budget: £4,550 approved.

Remaining Issues: None.

5. HIGH NEEDS PROVISION FUNDED SCHEMES

5.1 **Appendix 1** provides a financial update of the current High Needs Provision Capital funded projects, including any proposed changes to scheme funding.

5.2 **Pinfold Primary School: Adaptations for pupil with Special Educational Needs.** **RAG STATUS: RED**

A project manager has been enlisted by Mitie, the facilities management provider for the PFI contract, to oversee and progress these works. However, there is currently a review of the young person's EHCP and a placement in specialist provision is being sought. If this is agreed, the adaptations will not be needed and the allocated funding should be returned to the relevant funding stream

Budget: £0.077m approved.

Remaining Issues: A review of the young person's EHCP is taking place and therefore adaptations at the school may not be required.

5.3 **Longdendale High School: Accommodation to establish a 15 place resource base.** **RAG STATUS: GREEN**

An initial budget of £0.650m was agreed in November 2022 to support the Stamford Park Trust to establish a resource base at Longdendale High School. The budget will be used to facilitate a new demountable building on the school site to cater for up to 15 children. The design has been submitted to Planning and the Trust are addressing a couple of points raised. The design is then intended to be resubmitted in the second week of July with the aim of a soft transition around December 2023 and full opening January 2024. A grant agreement will be finalised once planning permission is obtained.

Budget: £0.650m approved.

Remaining issues: Signing the grant agreement once the Trust formally submitted a business case to the Education and Skills Funding Agency to establish a resource base, undertook the required public consultation and obtained the relevant planning permissions.

5.4 **Oakdale School: Refurbishment within existing areas of school to create additional teaching spaces.**

RAG STATUS: GREEN

Since the high level budget was approved, design works were undertaken and tender packages sent out. These have now been returned and the project cost has exceeded the original approved budget. The increase in cost is mainly due to additional toilets required and structural works that need to be incorporated within the scheme, which came to light during the design and specification process. The works can be phased in line with current governance and upon approval of the additional funding, would be totally complete by middle of October 2023 as the second phase could be undertaken whilst school is operational. Panel is asked to recommend to Executive Cabinet that a further allocation of £0.150m is approved from the High Needs Provision Fund to enable the works to be completed. This will provide a total budget of £0.300m.

Budget: £0.150m approved.

Remaining Issues: None

5.5 **Hawthorns School additional provision.**

RAG STATUS: GREEN

As set out in section 1.2, plans have now been finalised and increased budget approved for the new Hawthorns building. The school have already established satellite provision at Wild Bank Primary School and Discovery Academy as their current school site at Lumb Lane is not big enough for all the pupils who are registered at the school.

There is demand for the 220 places from this September but the school only have accommodation for 190 children across their current operating sites. In the 16 March 2023 SPCMP report, budget of £0.720m was approved to facilitate additional satellite accommodation for September 2023. This allowed New Bridge Academy Trust to complete

their feasibility study on options to increase places across their sites in Tameside. Following the feasibility study, the preferred option for the Trust is to have two mobile units on the current Hawthorns Lumb Lane site and two mobile units on the Samuel Laycock School site. The projected cost of the project has increased to £0.752m however, New Bridge Trust have agreed to meet the difference between the allocated budget of £0.720m and the current projected cost.

The Trust propose to buy the demountables. Once the school has transferred to new Hawthorns building, the demountables will be sold and the funding generated will be returned to Tameside Council and reallocated to future high needs projects in line with the SEN Sufficiency Strategy. The grant agreement has now been sent to the school for signing and this is expected to be received back within the next few days.

Budget: £0.720m approved.

Remaining Issues: Grant agreement to be signed and works to be completed.

5.6 **Dane Bank Primary School: Resource Base for 10 pupils.**

RAG STATUS: GREEN

The scheme involves remodelling a current classroom as well as creating a breakout space, sensory room and a safe outdoor space. A grant agreement with the Changing Lives in Collaboration (CLIC) Trust has now been signed and sealed for £0.063m. There have been some slight delays to the project due to lead times of materials and the school's significant change application but the work is still on track to be completed by the end of summer. Ongoing monitoring of the project will be through the grant agreement and reported to the Strategic Planning and Capital Monitoring Panel.

Budget: £0.063m approved.

Remaining Issues: Works to be completed.

5.7 **St James' Church of England Primary School, Ashton Resource Base proposal for 10 pupils.**

RAG STATUS: GREEN

The resource base will be a 10 place unit for primary aged children with communication and interaction needs from September 2023. The capital works will create a safe outdoor space; toilets and remodel a classroom to accommodate the base.

A grant agreement has been previously agreed with Forward as One Academy Trust for £0.076m. The grant agreement for the total amount is currently being finalised ready for signing. Ongoing monitoring of the project will be through the grant agreement and reported to the Strategic Planning and Capital Monitoring Panel.

Budget: £0.077m approved.

Remaining Issues: The grant agreement for the total amount is currently being finalised for signing. Signing the grant agreement will happen once the Trust has formally submitted a business case to the Education and Skills Funding Agency to establish a resource base, undertaken the required public consultation and obtained any relevant planning permissions.

6. PROCUREMENT AND ADDED VALUE

6.1 In accordance with Council policy and contractual arrangements all capital projects should be procured through the Tameside Investment Partnership/LEP except alterations to PFI schools which are procured through the PFI contracts. Capital projects at Voluntary Aided schools are generally procured directly by the relevant governing body and diocese as they own the buildings and/or have separate governance arrangements.

6.2 In addition to a fixed price and scope being provided, the LEP 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 LEP has also committed to delivering added value in the form of using local supply chains and providing

apprenticeships and work experience opportunities.

7. RISK MANAGEMENT

- 7.1 The specific risks and mitigation plans, associated with each of the projects, have been identified in the main section of the report.
- 7.2 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.

8. RECOMMENDATIONS

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