

Report To:	STRATEGIC PLANNING AND CAPITAL MONITORING PANEL
Date:	13 March 2017
Reporting Officer:	Damien Bourke – Assistant Executive Director (Development, Growth & Investment)
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 2016/17 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 of 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 of the report. 2. The allocation of School Condition and Maintenance funding schemes as outlined in Section 4 and Appendix 2 of the report.
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: (Authorised by the section 151 Officer)	<p>The report details a net allocation of £1,775,902 of Basic Need funding which is shown in Appendix 1.</p> <p>A Key Decision signed on 15 February 2017 approved an allocation of £1,440,670 Basic Need funding to support the additional costs in relation to the Cromwell school rebuild scheme.</p> <p>A further approval of £335,232 is requested for various schemes as stated in Appendix 1. A residual sum of £277,465 2016/17 Basic Need grant will remain unallocated.</p> <p>The report also proposes a net reduction of £5,111 via School Condition and Capital Maintenance funding which is detailed in Appendix 2.</p> <p>A residual sum of £5,111 School Condition and Capital Maintenance funding will remain unallocated alongside a contingency sum of £22,613 to support any unexpected expenditure during the remainder of the current financial year.</p>
Legal Implications: (Authorised by the Borough Solicitor)	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:



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1. INTRODUCTION

- 1.1 The Council has a statutory duty, under the Education Act 2011, to secure sufficient and suitable primary and secondary school places for pupils in the Borough.
- 1.2 The Council's Executive Cabinet approved the Education Capital Programme 2016/17 at its meeting on 24 March 2016 and progress reports were provided to meetings of the Strategic Planning and Capital Monitoring Panel on 5 September 2016 and 28 November 2016.
- 1.3 This report advises members of the Panel on the latest position with the Council's Education Capital Programme 2016/17.

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 The Council's Basic Need budget had an unallocated balance of £2,053,367 as of November 2016.
- 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 allocated to maintained schools. An announcement on School Condition Funding allocations for 2017/18 is awaited at the time of writing this report.
- 2.4 The Council has been advised that its allocation of Basic Need funding for 2017/18 is £6,542,566 which combined with 2016/17 unallocated means £8,595,933 remained unallocated.

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 main 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. The works were completed and handed over to the school in February 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 includes a two-classroom extension at Hawthorns. The Tameside Investment Partnership has confirmed that it will shortly be submitting Contractor Proposals for the project, which will identify a final programme and costs for the award of the contract.
 - c) **St John's CE Dukinfield** – A two-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 the development of fully costed proposals which will be reported to a future meeting.

- d) **Wildbank** – The school continues to face accommodation difficulties as its school roll increases. The school was built to an open plan design in the 1960's and now requires internal remodelling to create stand-alone classrooms within the main school. Strategic Planning and Capital Monitoring Panel is asked to recommend approval for some initial design and survey costs along with an outline budget of £120,000 to complete the works. This is felt to be more cost effective than adding a classroom extension.
- e) **St George's Mossley** – This is another building where the school has managed to accommodate pupils when class sizes were smaller. Now that the school is nearing capacity there are two small classrooms that are no longer suitable. A small extension to each would help the school to accommodate the additional pupils and the Strategic Planning and Capital Monitoring Panel is asked to recommend approval of a budget of £196,832. As the school is a Voluntary Aided school the building project, if approved, will be administered by the Manchester Diocese with oversight from the Council.
- f) **Cromwell High School** – A Council Key Decision on 15 February 2017 approved the award of the construction contract for fire damage reinstatement works at Cromwell High School to the Tameside Investment Partnership in the sum of £1,749,251 from the basic need budget. The resourcing for this project will ultimately come from a combination of insurance compensation and Council budget. The Council budget will be met from School basic need grant of which £308,581 has already been approved.

3.2 Scoping discussions, surveys and design work are currently underway at the following schools and detailed proposals will be presented to future meetings.

- a) **Alder Community High School** – Construction of a four-classroom extension and the remodelling of existing PE changing and toilet areas. In addition two classrooms to be created from existing internal areas and the adaptation of an existing classroom to a “dry” science laboratory. The Strategic Planning and Capital Monitoring Panel is asked to recommend approval of £25,000 to progress project development work. Further information, including projected costs, will be presented at a future meeting.
- b) **Astley Sports College** – Remodelling of some existing classrooms to create or re-locate specialist teaching areas and remodelling of existing accommodation to create specialist music, drama and food technology rooms. The Strategic Planning and Capital Monitoring Panel is asked to recommend approval of £25,000 to progress project development work. Further information, including, projected costs, will be presented at a future meeting.
- c) **Hyde Community College** – It is proposed to convert the former construction shed to four standard sized and one smaller classroom; convert the sixth form area to provide four classrooms and divide the former sixth form lecture theatre to create an additional first floor classroom. The Strategic Planning and Capital Monitoring Panel is asked to recommend approval of £25,000 to progress project development work. Further information, including projected costs, will be presented at a future meeting.
- d) **Hollingworth Kitchen Replacement** - Following a successful bid to replace the Hollingworth Primary School Kitchen and Dining Block discussions have been ongoing with the Education Funding Agency (EFA). The EFA is prepared to support only certain elements of the rebuilding and additional costs of £60,900 are required from the Council to ensure that what is built is fit for purpose. In terms of the overall scheme these additional costs are minor. The Panel is asked to recommend approval of this amount so that the project can progress to the next stage.

3.3 A summary of the position with the 2016/17 Basic Need funding as at March 2017 is detailed in **Appendix 1**.

4. SCHOOL CONDITION AND CAPITAL MAINTENANCE – PROGRESS UPDATE

- 4.1 A summary of the previously approved school condition and capital maintenance schemes is shown in **Appendix 2** with recommended changes to the funding, which require approval by the Panel.
- 4.2 The items of cost variance are listed below:
- A saving of £58,964 on the scheme to replace the Arlies convectors following the receipt of tenders.
 - Additional costs of £6,506 on the new convectors scheme at Hurst Knoll.
 - New drainage schemes to address urgent flooding problems at Hollingworth (£10,000) and Milton St John's (£19,600).
 - A proposed third and final phase of floor replacement at the Heys amounting to £8,731 to complete this scheme.
 - Some small additional costs relating to the investigation and making good of various school floors through TMBC Engineers at Rose Hill (£1,227) and Ravensfield (£1,104).
 - Additional £7,500 costs because of an increased specification on the safeguarding and access works at Buckton Vale Primary School.
 - Emergency and safeguarding works at Stalyhill (£10,000) Broadbottom (£4,895) Milton St John's (£5,800) and Corrie (£20,000).
 - £7,490 for the first phase of asbestos surveys at four schools required to update the asbestos register.
 - £49,000 previously approved in 2014 for a new secure entrance at St Anne's, Denton is returned to the budget. The original proposals did not meet the aspirations of the school and there are currently insufficient resources to fund the school's preferred scheme which is estimated at over £500,000.

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 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.
- 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 1

BASIC NEED FUNDING

Education Capital Programme – Basic Need Funding as at March 2017 (£)				
Scheme	Approved as at November 2016	Proposed at March 2017	Proposed Change	Latest position
Livingstone Primary	543,991	543,991	0	Completed
Aldwyn/ Hawthorns	2,328,718	2,328,718	0	In development
Alder Community High School	0	25,000	+25,000	In development
Astley Community High School	0	25,000	+25,000	In development
Hyde Community College	0	25,000	+25,000	In development
Wildbank Primary School – main scheme	0	120,000	+120,000	In development
St George's CE Primary School	0	196,832	+196,832	In development
Hollingworth kitchen replacement	0	60,900	+60,900	Contribution to EFA scheme
Net Additional Scheme Allocation			+335,232	
Cromwell High School Fire Reinstatement	308,581	1,749,251	+1,440,670	Key Decision approved 15 February 2017
Revised Net Additional Scheme Allocation			+1,775,902	
Unallocated Basic Need Funding at November 2016			2,053,367	
Revised unallocated Basic Need Funding at March 2017 subject to approval of the above scheme allocations			277,465	

N.B.

It should be noted and as referenced in section 3.1 (f) of the report, the cost of the Cromwell High School project will be supported by insurance claim proceeds, the value of which is currently under negotiation with the Council's insurer.

APPENDIX 2

SCHOOL CONDITION AND CAPITAL MAINTENANCE FUNDING

Scheme	Approval at November 2016	Proposed March 2017	Proposed Change in Funding	Latest Position
St Anne's Denton kitchen	6,000	6,000	0	Completed
Broadbottom CE kitchen	11,000	11,000	0	Completed
Wildbank heating and lighting	32,000	32,000	0	Completed
Gorse Hall power and fire alarm	14,000	14,000	0	Completed
Milton St John's propping	23,474	23,474	0	Completed
Gorse Hall asbestos	9,721	9,721	0	Completed
Fairfield Road access road	19,290	19,290	0	Completed
St Anne's Denton head's office	41,439	41,439	0	Completed
St Anne's Denton electricity	7,225	7,225	0	Completed
Broadbottom drainage	13,750	13,750	0	Completed
Greenside switchgear and boilers	427,779	427,779	0	Completed
Gorse Hall small power	188,884	188,884	0	Completed
Livingstone heating	193,127	193,127	0	Completed
Dowson heating design	6,248	6,248	0	Completed
Stalyhill Infants heating	68,742	68,742	0	Completed
Arlies convectors	180,000	121,036	-58,964	Summer 2017
Waterloo boilers	118,512	118,512	0	In development
Hurst Knoll convectors	29,599	36,105	+6,506	Summer 2017
Hollingworth drainage	22,000	32,000	+ 10,000	Further works identified
Milton St John's drainage (sewer by mobile)	5,000	5,000	0	Completed
Milton St John's drainage (field drains and run off)	0	19,600	+19,600	Further works identified
The Heys floors	40,000	48,731	+8,731	Final Phase 2017

Rosehill floors	25,000	26,227	+1,227	Completed
Ravensfield Floors	10,534	11,638	+1,104	Completed
Arlies mobile class roof	31,000	31,000	0	Completed
Micklehurst water tower removal	21,494	21,494	0	Completed
Longdendale science labs	65,000	65,000	0	Completed
Broadbent Fold M&E Design	10,738	10,738	0	Completed
Corrie M&E Design	8,321	8,321	0	Completed
Yew Tree M&E Design	13,012	13,012	0	Completed
Oakdale M&E Design	5,863	5,863	0	Completed
Buckton Vale M&E Design	6,880	6,880	0	Completed
Buckton Vale safeguarding and access	30,000	37,500	+7,500	Awaiting planning permission
Waterloo safeguarding and access	10,000	10,000	0	In development
Canon Burrows safeguarding and access	15,000	15,000	0	In development
Gorse Hall drainage	10,000	10,000	0	February half term 2017
Micklehurst drainage	10,000	10,000	0	February half term 2017
Leigh drainage	1,500	1,500	0	Completed
Heys toilet adaptations	5,000	5,000	0	February half term 2017
Stalyhill Infant toilet adaptation	10,000	10,000	0	February half term 2017
St James Ashton H&S	65,000	65,000	0	Summer 2017
Stalyhill safeguarding and access issues	0	10,000	+10,000	Easter 2017
Broadbottom CE remedial works	0	4,895	+4,895	Underway
Milton St John's – emergency structural	0	5,800	+5,800	Completed

boys toilets				
Emergency M&E work Denton Corrie	0	20,000	+20,000	Underway
ASBESTOS SURVEYS Phase 1	0	7,490	+7,490	Underway
St Annes Denton secure entrance	49,000	0	-49,000	
Contingency	22,613	22,613	0	
Total			-5,111	
Unallocated Capital Maintenance & Condition Funding as at November 2016			0	
Unallocated Capital Maintenance & Condition Funding as at March 2017 - Subject to Approval of the above Changes			-5,111	