

**Report To:** STRATEGIC PLANNING AND CAPITAL MONITORING PANEL

**Date:** 30 November 2015

**Reporting Officer:** Damien Bourke – Assistant Executive Director (Sustainable Growth and Assets)

**Subject:** INVESTMENT IN EDUCATION BUILDINGS

**Report Summary:** This report is intended to advise members of the Panel, of work required to address condition needs in a number of primary schools and to plan for increased capacity in schools identified for expansion.

**Recommendations:** Members of the Panel review the contents of the report and recommend approval of :

- i. The allocation of £40,420 Capital Maintenance grant funding from 2015/16 to construct tarmacadam ramps and paths at Hurst Knoll, Stalyhill Infants, Bradley Green primary schools for pupils needing additional support with mobility.
- ii. The schemes detailed in recommendation (i) will be funded from the previously approved 2015/16 Capital Maintenance grant schemes listed in table 1 below, as a result of these schemes costing less than originally estimated. The schemes below will be removed from the existing capital programme.

**Table 1**

<b>Scheme</b>	<b>£</b>
Livingstone Primary – Retaining Wall	3,401
Gorse Hall Primary – Toilet Refurbishment	2,732
Broadoak Primary – Flat Roof Replacement, Main Entrance Modification, Metal Windows Replacement	25,000
Oakdale Primary – Internal Refurbishment	12,000
Buckton Vale Primary – Furniture	5,000
<b>Total</b>	<b>48,133</b>

- iii. The provisional allocation of £150,187 to finance the cost of off site access works in respect of the Discovery Academy. This will be funded from either the confirmed 2016/17 Basic Need grant funding allocation or any additional S106 / developer contributions which are received in the 2016/17 financial year.
- iv. The provisional allocation of £250,000 of previously unallocated 2016/17 Basic Need grant funding in respect of the proposed classroom alterations at St Damians RC High School in 2016/17. .
- v. The provisional allocation of £20,000 from the 2016/17

Capital Maintenance Grant towards the residual 17% total cost (£100,000) of the new 3G pitch at Astley Sports College. This is subject to confirmation of the 2016/17 Capital Maintenance grant allocation which is expected in December 2015. This is also subject to formal confirmation that the following school contributions will be received towards this balance: £ 65,000 Astley Sports College, £10,000 Cromwell Special School, £5,000 Yew Tree Primary School.

- vi. That the Council accepts the Football Foundation grant conditions (**Appendix 1**) relating to the new 3G pitch project at Astley Sports College. The Council will require assurance that it can recover any associated liabilities that may arise during the subsequent 21 year term grant clawback period (from date of grant acceptance) from the Astley Sports College governing body in advance of accepting the grant conditions

**Links to Community Strategy:**

In line with current strategy.

**Policy Implications:**

The proposals contained in this report will support the delivery of the community strategy

**Financial Implications:  
(Authorised by the section 151 Officer)**

The report recommendations will be financed from a combination of confirmed and due to be confirmed Education Capital Grant allocations.

Recommendation (i) (£40,420) will be financed from the confirmed 2015/16 Education Capital Maintenance Grant funding but will require the schemes detailed in table 1 to be removed from the existing capital programme as they will no longer proceed.

Recommendations (iii) (£150,187) and (iv) (£250,000) are to be financed from the confirmed 2016/17 Basic Need Grant funding or any additional S106 / Developer contributions (recommendation iii) received in the 2016/17 financial year. It should be noted that the schemes should not commence prior to the start of the 2016/17 financial year.

Recommendation (v) which is proposed to be funded from 2016/17 Capital Maintenance Funding should not be progressed until formal confirmation of the grant value is received. This is expected in December 2015.

Members should be aware that Capital Maintenance allocations for 2016/2017 and 2017/2018 will be reduced due to Academy school conversions which take place in 2015/2016.

Recommendation (vi) requests that the Council accepts the Football Foundation grant conditions (**Appendix 1**) relating to the new 3G pitch project at Astley Sports College. The Council will require assurance that it can recover any associated liabilities that may arise during the subsequent 21 year term grant clawback period (from date of grant acceptance) from the Astley Sports College governing body in advance of accepting the grant conditions. There are concerns that the school can finance the £ 65,000 contribution towards the 17% balance required to finance

the total cost of the project together with ongoing maintenance costs. Sections 5.3, 5.4 and 5.5. provide the relevant details. It is essential that the Council receives appropriate reassurance from the Astley Sports College Governing Body (together with an updated budget plan which has received the appropriate Council scrutiny) that the grant conditions will be adhered to and any associated liabilities can be financed from the school budget in advance of accepting the associated grant conditions.

It is also essential that the Governing Bodies of Cromwell Special School (£10,000) and Yew Tree (£5,000) provide formal confirmation of their capital contributions towards the 17% balance required to finance the total cost of the project.

All of the proposed allocations of funding will be from Schools Capital grants or Housing Development contributions and not from Council funding.

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

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. It is important that the expenditure is kept under regular review.

**Risk Management:**

The proposed investment will enable the Council to address the remaining most urgent condition needs in schools and plan for additional places, where there is projected to be most increased demand.

**Access to Information:**

The background papers can be obtained from the author of the report, Damien Bourke Assistant Executive Director (Sustainable Growth and Assets) by:



Telephone: 0161 342 3544



e-mail: [damien.bourke@tameside.gov.uk](mailto:damien.bourke@tameside.gov.uk)

## 1. INTRODUCTION

- 1.1 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.
- 1.2 This report is being provided to the Panel to update members with progress in respect of capital schemes during the summer and also seek approval for the allocation of additional funding for new schemes and virement for schemes already approved where necessary.

## 2. PROGRESS UPDATE

- 2.1 A significant number of capital projects were delivered over the summer 2015. However, a number of schemes are still in construction including:
- the new Broadoak 2FE primary school building which started on site in in July 2015, with the new school being completed in February 2018;
  - the new 2FE school for Discovery Academy, off Porlock Avenue in Hattersley, which is due for completion in July 2016; and
  - the schools strategic repair and maintenance programme.

## 3. EDUCATION INVESTMENT

- 3.1 The Council received notification from the DfE on 10 February 2015 that Condition Funding of £1,920,166 would be allocated for maintained schools in respect of the financial year 2015/2016. In addition, £768,060 was allocated to Voluntary Aided schools. The funding for Voluntary Aided Schools is prioritised and agreed by the four dioceses in Tameside and does not appear on the capital programme.
- 3.2 Allocations for 2016/2017 and 2017/2018 are expected to be at similar levels but will be reduced to take account of any additional schools that convert to Academy Trust Status.
- 3.3 This is in addition to Devolved Formula Capital (DFC), allocated to both Maintained and Voluntary Aided schools and also the Capital Maintenance Funding allocated in the table below:

**Table 2**

<b>Tameside Schools Capital Allocations 2015/2016</b>				
<b>Devolved Formula Capital</b>		<b>Capital Maintenance Allocation</b>		<b>Total</b>
Local Authority	Voluntary Aided	Local Authority	Voluntary Aided	
£	£	£	£	£
486,634	185,601	1,920,166	768,060	3,360,461

- 3.4 The Council had already been notified of Basic Need Funding for 2015/2016 of £5,663,234 and £5,946,396 for 2016/2017 was confirmed last financial year. Basic Need funding of £6,542,566 for the financial year 2017/2018 was confirmed on 12 February 2015.
- 3.5 The majority of primary basic need schemes required have already been approved. However, the cost of the offsite highway works for the Discovery Academy have now been received at a cost £451,969, including site investigations. Developer Contributions of £301,782 were allocated to these costs in March 2015 (SPCMP 02/03/15), the balance of £150,187 will need to be financed from Basic Need in 2016/2017, unless further S106 and Developer Contributions can be allocated to the scheme.

- 3.6 The focus for 2016/2017 and future schemes will be mainly related to increasing the capacity of high schools, to accommodate the increase in pupils moving through primary schools into the secondary schools.
- 3.7 The only current costed scheme is a project to create two teaching spaces out of a larger space at St Damians High School at a cost of £250,000, which will increase the Planned Admission Number by 10.
- 3.8 Further details of proposed schemes will be submitted for consideration to future Panel meetings.

### **Condition and Maintenance Schemes**

- 3.9 The Council has already undertaken additional condition surveys of a number of schools whose condition is known to be deteriorating and a number of schemes were recommended for approval for funding at the last meeting of the Panel
- 3.10 However, requests have been made at three schools for tarmacadam ramps and paths, Hurst Knoll, Stalyhill Infants, Bradley Green required for pupils needing additional with mobility at a cost of £40,420.
- 3.11 The 2015/16 Capital Maintenance Grant of £1.920m has been fully committed in this financial year.

## **4. PROCUREMENT AND VALUE ADDED**

- 4.1 In accordance with Council policy, most capital projects are procured through the Tameside Investment Partnership, either through the Facilities Management contract or for larger schemes as new projects, through the TIP, in accordance with the Strategic Partnering Agreement. A fixed scope, programme and price, subject to any known uncoded risks, are agreed prior to the contract being let or work agreed. This means that the risk of price increase is passed to the TIP, rather than being retained by the Council.
- 4.2 Alterations to PFI schools, for example St Damian's RC High School, will need to be procured through the PFI contracts.
- 4.3 In addition to a fixed, price and scope being provided, the TIP have a responsibility to confirm to the Council that value for money is being delivered, either through tendering and or benchmarking using external agents on the larger projects. The TIP has also committed to delivering added value in the form of local spend, apprenticeships, work experience and so on.
- 4.4 Work at voluntary aided schools is generally undertaken by the relevant diocese, as they own the buildings and not the Council.

## **5 ASTLEY COLLEGE 3G SPORTS PITCH**

- 5.1 A capital grant has been applied for by Astley Sports College to fund the development of a 3G football pitch on its grounds. The Football foundation grant comes with a number of conditions (**Appendix 1**) which the Council needs to be satisfied have been addressed in advance of accepting the associated terms.
- 5.2 The Football Foundation has provisionally allocated £487,227 of capital grant towards the project which is 83% of the estimated costs of the project. The remaining balance of the capital funding required is £100,000. Astley Sports College have provisionally identified

£65,000 towards this level of funding. The Astley Sports College contribution needs to be formally confirmed by the schools Governing Body together with additional linked contributions from Cromwell Special School of £10,000 and Yew Tree Primary of £5,000. This leaves a balance of capital funding required of £20,000 which Astley College are requesting the Council to provisionally allocate from the 2016/17 Capital Maintenance Grant. The 2016/17 Capital Maintenance grant allocation is expected to be confirmed during December 2015.

- 5.3 The School brought forward a deficit revenue balance of £ 82,000 from 2014/15. The 3 year budget plan received from the school in April 2015 projects the following cumulative revenue balances :

**Table 3**

<b>Financial Year</b>	<b>Projected Cumulative Revenue Balance ( ) = Deficit £</b>
2015/2016 (Adjusted for correct 2014/15 balance brought forward)	(77,466)
2016/2017	(33,834)
2017/2018	201,476

- 5.4 The school currently receives a Devolved Formula Capital allocation of £16,000. It is not confirmed at this stage from the school governing body whether this sum will contribute towards the £65,000 committed towards the 17% balance required (section 5.2). If it does a balance of £49,000 will remain. Table 3 demonstrates that the school do not have the resource to finance this balance.
- 5.5 There is an additional risk that the school are unable to finance the ongoing maintenance costs of the pitch for the duration of the grant conditions. It is essential that the Council receives appropriate reassurance from the Governing Body (together with an updated budget plan which has received the appropriate Council scrutiny) that the grant conditions will be adhered to and any associated liabilities can be financed from the school budget before accepting the associated grant conditions.

## **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 over the last fifteen years, from Exceptional Basic Need, Targeted Capital, Building Schools for the Future, Primary Capital Strategy for Change, Priority School Building and Targeted Basic Need Programmes. However, there is still much to do.
- 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 manner.
- 6.6 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. CONCLUSIONS**

- 7.1 There has been significant capital investment in schools over the last 15 years which has and will support the Councils delivery of its statutory responsibilities connected with the provision of sufficient and suitable places.
- 7.2 The delivery of the core strategy will further increase the demand for places within the next five to twenty years as the impact of new homes will increase the number of school age children in the borough which will need to be planned carefully.
- 7.3 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.