

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

Date: 2 September 2019

Report of: Councillor Bill Fairfoull Deputy Executive Leader (Children's Services)

Leanne Feeley, Executive Member of Lifelong Learning, Equalities, Cultural and Heritage.

Tim Bowman – Assistant Director of Children's Services

Subject: **EDUCATION CAPITAL PROGRAMME**

Report Summary: This report advises members of the Panel on the latest position with the delivery of the Council's Education Capital Programme and seeks the recommendation of various approvals as set out in the report.

Recommendations:

1. That approval of the proposed changes to the Education Capital Programme, as outlined in **Appendix 1** (Basic Need Funding Schemes) and **Appendix 2** (School Condition Allocation Funding Schemes) be recommended to Executive Cabinet.
2. That the risks highlighted in Section 5 of the report are noted.
3. That approval is given to work identified in the report.

Corporate Plan: The proposals contained in this report will support the delivery of the Corporate Plan.

Policy Implications: In line with approved policy.

Financial Implications: **Basic Need Grant**

(Authorised by the statutory Section 151 Officer & Chief Finance Officer)

The Council has £13,995,524 of Basic Need Grant available to spend in 2019/20. This is a balance of unspent grant from previous years - the Council didn't receive any allocation in 2018/19. Notification has been received of an additional allocation of £4,842,699 for 2019/20 and nil for 2020/21.

Appendix 1 of this report identifies that grant has been earmarked for schemes totalling £9,073,000 which have previously been reported to Strategic Planning and Capital Monitoring Panel and are included on the Council's capital programme. **Appendix 1** identifies proposed changes of £1,705,000 bringing the value of earmarked schemes to £10,778,000. The period 3 capital monitoring report includes re-profiling requests totalling £773,000. There is a balance of unallocated Basic Need funding shown in 2.3 of £3,217,524 and plans are being developed with schools to utilise these funds to provide the additional capacity requirement from September 2019 onwards.

School Condition Grant

The Council has £2,377,774 of School Condition funding available to be spent during the 2019/20 financial year, to improve and maintain the school estate. **Appendix 2** identifies that grant has been earmarked for schemes totalling £1,922,000 which have previously been reported to Strategic Planning and Capital Monitoring Panel and are included in the Council's capital programme. **Appendix 2** identifies proposed changes of £51,000

bringing the total value of earmarked schemes to £1,973,000. There is a balance of unallocated School Condition funding shown in 2.8 of £404,774.

A detailed review of all earmarked schemes in 2019/20 continues to be undertaken and it is anticipated that resource will be identified from other earmarked schemes where costs are expected to be less than budgeted. The allocation of 2019/20 School Condition funding must be spent within the financial year to which it relates to otherwise there is a risk that the amount will need to be returned to government.

Russell Scott School

The works outlined in paragraphs 3.35 to 3.37 at Russell Scott have yet to be fully costed. There are two aspects to this scheme, with the external works to the school playing field already having approved budgets of £366k, plus a contribution from the school of £133k.

The internal works have been more problematic, with an initial estimated cost of resolving all roofing, heating and ventilation issues within the premises, likely to cost in excess of the available budget.

The school needed replacing during the BSF programme and has been subject to a repair and remodelling approach, so it will be necessary to consider over the life of the school which is better value for money a new build and the 25 year maintenance and lifecycle costs compared with current increasing year on year maintenance and part renewal costs.

Further work is required to assess what the available options are and the cost of these potential options. A separate more detailed report is required to fully consider the requirements of the school.

Legal Implications: (Authorised by the Borough Solicitor)

The Council has a statutory duty to provide sufficient and suitable provision whilst ensuring it achieves a balanced budget and any expenditure delivers value for money. This report is provided to enable members to ensure this is being achieved and where efforts need to be focussed or to understand why further budget necessary.

Risk Management:

Risk management is addressed within the body of the report.

Background Information:

The background papers can be obtained from Nicola Turner, Interim Head of Investment and Development:



Telephone: 0161 342 2623



e-mail: nicola.turner1@tameside.gov.uk

1. INTRODUCTION

- 1.1 This report provides an update on the latest position with the Council's Education Capital Programme and seeks recommendation for approval of 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, the three main ones 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:

Basic Need Funding

- 2.2 Basic Need Funding is allocated to each local authority to create new places in schools.
- 2.3 The table below sets out the amount of Basic Need Funding held by the Council, allocated in prior years, which is available to spend in 2019/2020:

Basic Need Funding	Amount £
Basic Need funding available to spend in 2018/19	£13,995,524
Earmarked Schemes for 2019/20	£9,073,000
Proposed Changes	£1,705,000
Unallocated as at 31 July	£3,217,524

- 2.4 On 5 October 2017, the Government announced that the 2019/2020 allocation of Basic Need Funding for Tameside Council would be £4,842,699.
- 2.5 On 29 May 2018, the Government announced the 2020/2021 allocation of Basic Need Funding. It should be noted that Tameside Council received no further allocation.
- 2.6 The balance of the Basic Need funding is profiled to be spent during the next year in order to deliver the required additional school places by September 2019 and 2020.

School Condition Allocation (SCA) Funding

- 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 (ESFA). The 2019/20 School Condition Allocation is £1,153,000.
- 2.8 The table below sets out the amount of School Condition Allocation available to spend in 2019/2020. Full details of proposed schemes are set out in **Appendix 2**.

School Condition Allocation (SCA) Funding	Amount £
SCA funding available to spend in 2019/20	£2,377,774
Earmarked schemes for 2019/20	£1,922,000
Proposed Changes	£51,000
Unallocated as at 31 July	£404,774

Devolved Formula Capital (DFC) Funding

- 2.9 Devolved Formula Capital is direct funding for individual schools to maintain their buildings and fund small scale capital projects. It is calculated on a formulaic basis, using the school census dataset and schools make their own arrangements for works to be undertaken. DFC funding available in Tameside in 2019/20 is £344,294 for Maintained Local Authority and £180,889 for Voluntary Aided schools. The Council received £685,902 of additional Devolved Formula Capital in February 2019 relating to financial year 2018/19.

3. PROGRAMME UPDATE

Basic Need Funded Schemes 2019/2020

- 3.1 The current focus of the Council's Basic Need programme is to create additional places in secondary schools where forecasts have indicated a requirement.
- 3.2 Work is currently on-going to ensure that sufficient places are available in both Primary and Secondary Schools for September 2019 and September 2020 where forecasts have indicated a requirements and following previous Council decisions. A summary of the major schemes is set out below:
- Aldwyn and Hawthorns**
- 3.3 This scheme increases capacity at Aldwyn School from a 45-pupil intake to 60 and includes a two-classroom extension at Hawthorns School. There have been significant and ongoing delays to the project for a number of reasons including the collapse of Carillion and the challenges in finalising contractual arrangements.
- 3.4 Two temporary modular classrooms have previously been provided to accommodate additional pupils from September 2017 and September 2018. A third mobile for Aldwyn was approved at the last meeting of the Panel and this was provided over the summer holidays. Limited works to relocate the Hawthorns staffroom, thereby creating an additional classroom, were carried out over the summer 2018 but the school is continuing to face problems of overcrowding because of a high demand for its specialist provision. Panel at its July meeting agreed to support additional temporary accommodation at Hawthorns. This is being financially supported from the Basic Need grant but is being procured directly by the school. It is expected to be in place by the end of September 2019. Arrangements have been made to accommodate school operations on a temporary basis until this is in place.
- 3.5 Revised costs were agreed by Panel at its last meeting and we are now finally nearing a conclusion on the outstanding contractual issues, which should see works recommence during September 2019.
- 3.6 Should contracts be finalised before the start of the new school term in September 2019 it is anticipated that the permanent extensions to the schools will be completed in June 2020.
- 3.7 On completion of the permanent extension the three mobile units on hire at Aldwyn will be removed.

RAG Status: RED

St John's CE Dukinfield

- 3.8 The scheme provides a two-classroom extension, increasing the school's intake from 30 to 45 throughout. This follows on from previous alterations to increase the numbers in KS1. Agreement was reached with the school, as a contingency plan, to reconfigure the use of the existing facilities to accommodate additional pupils from September 2018.
- 3.9 The LEP, via Robertson, is working to complete the design and tender stages. Panel agreed at its last meeting to add a two-classroom mobile in advance of September 2019 until the permanent extension can be completed. Panel is requested to recommend the allocation of a further £130,000 for the temporary accommodation now required.
- 3.10 The LEP has now provided a cost estimate of £1,212,755 for the construction (including fees, contingency and other associated costs). Panel has previously approved £1,193,000 for the main scheme. However, given the size of the project it must be delivered through a design and build process so this must be factored into the cost. Additional budget of £150,000 is being requested to meet these additional costs and the costs of the mobile accommodation as referenced in **Appendix 1**.

RAG Status: RED

Alder Community High School

- 3.11 The works will increase pupil intake from 155 to 180 and are being procured through Pyramid Schools (now known as Albany), a PFI Special Purpose Vehicle (SPV). Significant internal alterations were carried out over summer 2018 to enable the first year of additional pupils to be suitably accommodated.
- 3.12 Members of the Panel will recall the problems encountered in procuring this traditionally-built four-classroom extension. The financial instability at the time of Interserve meant that it was decided not to progress with them. The next tenderer took some weeks to consider their position but then declined the invitation to build the extension. Discussions then took place with all parties to identify an alternative solution to accommodate the increase in pupils from September 2019. The outcome from this discussion is that a modular four-classroom building will be procured which will have a 25 year life span guarantee.
- 3.13 The SPV through Elite Systems are overseeing the procurement of a standalone four-classroom modular block over summer 2019, which should be ready for occupation from the start of the September 2019 term. A second phase to link the block directly to the school will be procured at a later stage along with works to improve the security at the main entrance and also to provide canopies to provide additional dining space.
- 3.14 Costs are being finalised but high-level estimates suggest that the modular block and associated costs will be within budget estimates already approved.

RAG Status: AMBER

Hyde Community College

- 3.15 The scheme increases the school's intake from 210 to 240 and is being overseen by Amber Infrastructure, a PFI Special Purpose Vehicle. Work on the internal alterations commenced in August 2018 with the bulk completed by October 2018. Remaining internal works will be scheduled with the Phase 2 works to the construction shed.
- 3.16 A scope and programme of works, to convert the former construction shed into five Classrooms was agreed with the school but because of the structure of the construction shed was found impossible to build. Further discussion is ongoing with architects to secure a compromise proposal. Further details will be reported to the next meeting. Because of the delay to completing these works Panel agreed to support the provision of a four-classroom mobile block. The cost of this has increased from the high-level budget previously reported. Final costs have been inflated because of significant additional civil

engineering work to connect up drains and electricity supply. The final figure also provides for new furniture and ICT whiteboards which will be transferred to the construction shed when the works are completed. Panel is requested to allocate an additional £135,000 to this scheme which was completed over summer and ready for occupation on 1 September 2019.

RAG Status: AMBER

Mossley Hollins High School

3.17 The scheme increased the school's intake from 156 to 180 and a new four-classroom modular building was erected over the summer of 2018 and was ready for occupation in time for the new school year.

3.18 The school requested that the Council considers funding some additional works to remodel a technology area in advance of the original plan. Following further discussions with the school it has been agreed to carry out these works over summer 2019. The existing budget will be sufficient to this end and a report on final costs will be submitted to the next meeting.

RAG Status: GREEN

Rayner Stephens High School / Cromwell Special School

3.19 The scheme aims to increase the school's intake from 150 to 180 places. A further review of the proposed works is required because of new proposals to expand the adjacent Cromwell Special School to include post 16 provision. It is therefore now unlikely that work will commence before summer 2020. A further report will be presented at a future meeting.

RAG Status: GREEN

Audenshaw School

3.20 Discussions have taken place with Audenshaw School to carry out internal remodelling so the school can offer additional places from September 2020. The school previously operated a sixth form and some remodelling of this area is proposed to create additional classrooms. Additional specialist laboratory space is also required.

3.21 The project is in the early stages of development and a more detailed update will be presented at the next meeting. At this stage Panel is requested to recommend the allocation of a further £900,000 to the scheme – which will cover the first phase of remodelling the former sixth form centre.

RAG Status: GREEN

Denton Community College

3.22 Discussions are underway to provide additional temporary accommodation at Denton Community College from September 2019. This will take the form of a new temporary six-classroom block with toilets and staff workroom along with significant internal remodelling to create additional teaching spaces. Panel has previously allocated £850,000 towards the scheme based on high-level estimates for initial scoping and design costs and the six-classroom block which is the most urgent of the works. Since the July Panel meeting further feasibility studies have been undertaken in regards to the remodelling of existing accommodation in the main school. Updated estimates are now available and with the inclusion of a £100,000 client contingency the current estimate for all works in this phase is now £1,366,647. Panel is asked to recommend the allocation of a further £520,000 from the Basic Need budget to ensure these works can be completed.

RAG Status: AMBER

All Saints RC High School

- 3.23 Discussions have recently started with the school to expand their Published Admission Number by 30 pupils in each of the years 2021, 2022 and 2023. The project is in the early stages of development and so a more detailed update will be presented at the next meeting.

RAG Status: GREEN

- 3.24 Virements and approval within approved budgets under £100,000 are approved under delegated authority in accordance with the Council's Constitution.
- 3.25 **Appendix 1** provides a financial update with details of Basic Need funding projects over £100,000, previously approved, including proposed changes to scheme funding.

School Condition Allocation (SCA) Schemes 2019/2020

- 3.26 The following sets out further detail about the larger schemes in the current year's capital programme.
- 3.27 **Appendix 2** provides a financial update with details of School Condition Allocation funded projects over £100k, previously approved, including proposed changes to scheme funding.
- 3.28 A summary of the major schemes is provided below:

Hollingworth Primary School – Kitchen and Dining Block and Re-wire

- 3.29 The Council was successful in obtaining a Priority Schools Rebuilding Programme (PSBP2) allocation from the DfE to rebuild the school's dining hall and kitchen. The scheme which was procured directly by the DfE is now largely complete and should be open to pupils in the next two weeks.
- 3.30 The slight delay from the original handover date is a result of programming problems between the DfE's main contractor, Electricity North West who have had to boost the electricity supply to the whole site, and N-Power, the utility supplier, who also were required to install a new meter.
- 3.31 In tandem with the works to the new kitchen the school's entire electrical system – small power, lighting and fire-alarms are also being renewed. This work commenced over the summer holidays and will be completed, working over weekends, throughout the autumn term. Final costs will be £260,650 and Panel had previously approved a high-level budget of £250,000. The additional £11,000 is requested to be devoted to the scheme from unallocated School Condition Allocation.

St Anne's Primary School Denton – Playground and Re-wire

- 3.32 As reported to the panel in July the resurfacing of the school playground was carried out over the summer holidays.
- 3.33 Works to completely re-wire the small power and lighting at the school also commenced over the summer holidays. The majority of this work is now complete with full completion later this month.
- 3.34 A proposal to extend the school into the unused side road is due to be considered through the Planning applications process and an update will be given to a future meeting.

Russell Scott Primary School

- 3.35 The Council's Design and Delivery team have been undertaking remedial and further funded works at the school following a major remodelling and extension in 2015. These works have focused on two main issues:

- a) External works which will ultimately result in specialist works to renew sports pitches – this work has been tendered via STAR/the Chest and submissions are currently being evaluated.
- b) Internal works – significant remedial works have been identified following an independent review.

3.36 Heavy early summer rainfall has resulted in the rapid deterioration of the roof and its subsequent failure. The failure of the roof has compromised the fire alarm and electrics.

3.37 An independent review of internal works in relation to the above is now complete and a report addressing the all works required, both internal and external, is being developed for governance.

Stalyhill Infant School

3.38 The school has an insufficient number of pupil toilets in the Early Years section of the school and Panel agreed two years' ago to carry out a remodelling of the classroom and associated toilets to ensure that sanitary facilities were increased and upgraded. The scheme requires significant internal alterations with wholesale rearrangement of services and distribution pipes, new drainage and a relocation of fire escapes.

3.39 The works have been re-tendered and now that asbestos surveys have been returned and the works will result in the need to remove asbestos that will be uncovered as part of the alterations. An additional £22,000 on top of the previously agreed £131,000 is recommended to be allocated to the project. The amount is available from the unallocated School Condition allocation.

Condition Surveys

3.40 A condition survey of all schools is now shortly to be progressed, via the LEP, to provide accurate and up to date information on school condition and inform better targeting of increasingly scarce capital resources.

3.41 We are awaiting a final cost and programme and intend to undertake the surveys over the autumn term 2019. The outcome of the surveys will form the basis of an updated Education Capital Asset Management Plan which will prioritise spending on urgent works across the school estate in a clear and transparent manner. It is intended that this updated Plan will be available by spring 2020 to inform spending decisions on major projects over summer 2020 and beyond.

Asbestos Management Surveys

3.42 A previous decision was taken to carry out updated asbestos management surveys at the remaining community and VA schools built before the year 2000. The majority of these surveys have now been completed with the remaining four schools to be completed shortly.

3.43 The surveys have identified no major issues with all standard maintenance and condition works being approved.

Special Educational Needs - Cromwell School

3.44 As reported to panel at its July meeting it is proposed to create new post 16 provision at Cromwell School. This additional provision will provide more choice for Tameside families, enabling some young people who currently attend the school to continue their leaning post 16 at the school. This provision is in demand from parents and will prevent young people having to travel out of borough for similar placements. Initially it is proposed to use two rooms at Rayner Stephen's High School which are directly adjacent to Cromwell School. The two rooms are currently used by the School Library Service. Some expenditure to bring the rooms back to classroom standard, and additional ICT and furniture is required. A replacement home for the Library Service will also need to be identified and this may incur some additional costs. In the short term this is likely to be an alternative location within

Rayner Stephens. The costs for this work will be allocated from the Council's Special Provision Fund which is a government grant of £211,254 for 2019/2020.

4. PROCUREMENT AND ADDED VALUE

- 4.1 In accordance with Council policy, most capital projects are procured through the Tameside Investment Partnership (LEP) subject to a price for un-costed risks being agreed prior to the contract being let or work agreed. Alterations to PFI schools are procured through the PFI contracts.
- 4.2 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.
- 4.3 Following the Council's Executive Cabinet decision on 20 June 2018 to review the current arrangements with the LEP by 31 July 2019, there will be a need to ensure that a longer term sustainable solution for the delivery of the Education Capital Programme forms part of the consideration of that review.
- 4.4 Some smaller schemes are procured directly through the Council's Engineering Design & Delivery, and Disabled Adaptation teams, or through the Tameside Works First initiative for local businesses.
- 4.5 Capital projects at Voluntary Aided schools are generally procured directly by the relevant diocese as they own the buildings.

5. RISK MANAGEMENT

- 5.1 The specific risks and mitigation plans, associated with each of the projects, have been identified in the main section of the report.
- 5.2 The majority of the Council's Education Capital Programme is procured through the Tameside Investment Partnership – a Local Education Partnership (LEP). The LEP previously engaged Carillion as their main sub-contractor. There were unavoidable delays to the programme following the liquidation of Carillion on 15 January 2018. Robertson was subsequently appointed as a replacement but not until the 30 July 2018. This meant there was little time to tender, mobilise and carry out schemes over summer 2018.
- 5.3 During this unstable period alternative delivery options have been progressed, where appropriate, for a limited number of schemes especially where they related to urgent health and safety works or to provide necessary school places. Schemes, where appropriate, were procured through the Council's Engineering and Disabled Adaptations teams and via other third-party arrangements.
- 5.4 Contingency plans were also developed, in partnership with schools, to ensure there was minimal disruption to learning where it was evident that schemes could not be delivered within the timescales available. Schools have been particularly understanding in these instances to engage in identifying and agreeing pragmatic contingency measures.
- 5.5 Although the collapse of Carillion and the delay in appointing a new FM contractor have put the Education Capital Programme under pressure the programme is now largely back on track, following the delivery of a number of SCA schemes, over the summer holidays.

- 5.6 Engagements with identified schools have already commenced in order to start to develop new projects, in a timely manner, thereby ensuring the effective delivery of additional school places by September 2020.
- 5.7 Capacity within the Council, specifically for project management, continues to be a challenge and contributes significantly to programme delays. Interim capacity has now been secured and recruitment to vacant posts is in progress.
- 5.8 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, incorporating appropriate contingency will mitigate against this and enable projects to be delivered in a timely and cost-effective manner.

6. RECOMMENDATIONS

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

APPENDIX 1

Basic Need Funding Schemes - Financial Update

The table below provides details of Basic Need funded projects, previously approved, including requirements for additional funding.

BASIC NEED SCHEMES	Existing 2019/20 Scheme Budget	Re-profiling requested at P3	2019/20 Budget following re-profile
Aldwyn Primary School	2,794,000	0	2,794,000
Alder Community High School	1,688,000	0	1,688,000
Hyde Community College	1,400,000	(300,000)	1,100,000
St John's CE Dukinfield	1,193,000	0	1,193,000
Denton Community College	850,000	0	850,000
Rayner Stephens Academy	473,000	(473,000)	0
Mossley Hollins High	361,000	0	361,000
Hawthorns Primary School	180,000	0	180,000
Audenshaw High School	100,000	0	100,000
St Georges Mossley	34,000	0	34,000
Total	9,073,000	(773,000)	8,300,000

BASIC NEED SCHEMES	2019/20 Budget following re-profile	Proposed Changes	Total Scheme Budget
Aldwyn Primary School	2,794,000	0	2,794,000
Alder Community High School	1,688,000	0	1,688,000
Hyde Community College	1,100,000	135,000	1,235,000
St John's CE Dukinfield	1,193,000	150,000	1,343,000
Denton Community College	850,000	520,000	1,370,000
Rayner Stephens Academy	0	0	0
Mossley Hollins High	361,000	0	361,000
Hawthorns Primary School	180,000	0	180,000
Audenshaw High School	100,000	900,000	1,000,000
St Georges Mossley	34,000	0	34,000
Total	8,300,000	1,705,000	10,005,000

Total unallocated Basic Need remaining should the above changes be approved	£3,217,524
--	-------------------

APPENDIX 2

School Condition Allocation Schemes - Financial Update

The table below provides details of School Condition Allocation funded projects over £100k, previously approved, including requirements for additional funding.

SCHOOL CONDITION SCHEMES	Existing 2019/20 Scheme Budget	Re-profiling requested at P3	2019/20 Budget following re-profile
Hollingworth Primary	329,000	0	329,000
Russell Scott Primary	320,000	0	320,000
St Anne's Denton Primary	200,000	0	200,000
Stalyhill Infants	131,000	0	131,000
Stock Condition Survey	100,000	0	100,000
School Condition Related Works Contingency	100,000	0	100,000
Other Schemes Individually below £100K	742,000	0	742,000
Total	1,922,000	0	1,922,000

SCHOOL CONDITION SCHEMES	2019/20 Budget following re-profile	Proposed Changes	Total Scheme Budget
Hollingworth Primary	329,000	11,000	340,000
Russell Scott Primary	320,000	0	320,000
St Anne's Denton Primary	200,000	0	200,000
Stalyhill Infants	131,000	22,000	153,000
Stock Condition Survey	100,000	0	100,000
School Condition Related Works Contingency	100,000	0	100,000
Other Schemes Individually below £100K	742,000	18,000	760,000
Total	1,922,000	51,000	1,973,000

Total unallocated School Condition Allocation remaining should the above changes be approved	£404,774
---	-----------------