

REPORT TO CABINET

28 August 2019

Subject:	Schools Capital Programme 2019/20-2021/22
Presenting Cabinet Member:	Councillor Ali – Cabinet Member for Resources and Core Services Councillor Joyce Underhill - Cabinet Member for Best Start in Life
Director:	Lesley Hagger, Executive Director of Children’s Services Chris Ward, Director – Education, Skills and Employment Darren Carter, Executive Director – Resources
Contribution towards Vision 2030:	
Key Decision:	Yes
Cabinet Member Approval and Date:	Councillor Joyce Underhill - Cabinet Member for Best Start in Life Councillor Wasim Ali – Cabinet Member for Resources and Core Services:
Director Approval:	Lesley Hagger, Executive Director of Children’s Services: Chris Ward, Director – Education, Skills and Employment: Darren Carter, Executive Director – Resources:
Reason for Urgency:	Urgency provisions do not apply
Exempt Information Ref:	No exemption applies
Ward Councillor (s) Consulted (if applicable):	It is not necessary to consult ward councillors
Scrutiny Consultation Considered?	Scrutiny Consultation has not been undertaken
Contact Officer(s):	Martyn Roberts, Team Lead – Planning and Capital, Education Support Services Email: martyn_roberts@sandwell.gov.uk

DECISION RECOMMENDATIONS

That Cabinet:

- 1.1 approve funding for the following proposed projects as part of the Schools Capital Programme 2019/20-2021/22:-
 - Bristnall Hall Academy, Bristnall Hall Lane, Oldbury B68 9PA (150 places)
 - Q3 Academy Langley, Moat Road, Oldbury, B68 8ED (390 places)
 - West Bromwich Collegiate Academy, Kelvin Way, West Bromwich, B70 7LE (450 places).
- 1.2 approve a sum of £1,305,000 of the Department for Education School Condition Allocation to be used to support cyclical maintenance.
- 1.3 subject to 1.1 and 1.2 above, the remaining £6,611,024 Basic Need funding be retained until feasibility has been undertaken on proposed schemes for 2019-2022, which will be subject to a further report submitted to Cabinet.
- 1.4 subject to 1.1, 1.2, 1.3 and 1.6, authorise the Director – Education, Skills and Employment to award a contract, either:-
 - (i) through the New Project Development procedure as established under the Strategic Partnering Agreement with Sandwell Futures Limited; or
 - (ii) following a compliant procurement exercise, in conjunction with the Section 151 Officer, and in consultation with the Cabinet Member for Best Start in Life, subject to meeting the criteria as set out in paragraph 7.6 of the report.
- 1.5 subject to 1.1, 1.2, 1.3, 1.4 and 1.6, the Director – Law and Governance and Monitoring Officer enter into any legal agreements on terms agreed by the Director – Education, Skills and Employment, as required, to allow building works to be completed on all proposed sites.
- 1.6 require in connection with 1.1 and 1.2 above, that the following action points identified within the appraisal reports be implemented to reduce any risk to the council:-
 - That indicative tender costs for the construction stage of each project are produced based on realistic construction dates and various design options to avoid the risk of additional design fees being required in the future;

- That the construction of the final phase of each project is assessed alongside other proposed school capital expansion projects to ensure the successful delivery within available funding;
- That cost estimates for design fees for each project are reviewed to ensure that they can be managed within the allocated funding;
- Produce project programmes for each scheme within the Schools Capital Programme to ensure that effective project monitoring can be undertaken to aid the timely delivery of each project;
- Ensure that corporate Risk Registers are produced for all projects and ensure all risks are identified and can be adequately mitigated;
- Regular financial monitoring updates on individual projects should be provided to the Cabinet Member for Resources and Core Services, highlighting variations of spend against original estimated costs. Remaining funds should be returned to the unallocated Schools Capital Programme;
- Ensure that the Council enters into such form of legal agreements as required to allow extension works on all proposed sites;
- In connection with School Condition, ensure that repair / maintenance work for schools is undertaken following an analysis of pre-determined criteria and that records are maintained to demonstrate the priority need of each school.; and
- Post project evaluation should include specific outcomes, along with benchmarking of final costs to ensure value for money is achieved.

1 PURPOSE OF THE REPORT

- 1.1 This report seeks approval to allocate £2,856,000 from the Department for Education's (DfE) Basic Need and School Condition allocations to fund the next phase of the Schools Capital Programme 2019/20-2021/22.
- 1.2 To further seek approval to retain £6,611,024 of the Basic Need capital allocation to fund future schemes, reports for which will be presented to Cabinet in the future once feasibility has been undertaken.

2 **IMPLICATION FOR THE VISION 2030**

- 2.1 All works will contribute significantly towards ambition 4 of the Vision for 2030 ‘Raising the quality of schools “Our children benefit from the best start in life and a high quality education throughout their school careers with outstanding support from their teachers and families” ’.

3 **BACKGROUND AND MAIN CONSIDERATIONS**

- 3.1 The DfE / Education and Skills Funding Agency (EFSA) have confirmed an allocation of £2,807,942 School Condition funding to the Authority for 2019/20.
- 3.2 It is currently projected that an additional 3,300 places will be required in secondary schools by September 2025. These projects will provide 990 of 3,300 places.
- 3.3 Whilst the unprecedented growth in the birth rate experienced over recent years has started to ease, the Borough continues to receive a high demand for school places, primarily due to increased migration and retention rates.
- 3.4 The Schools Capital Programme aligns to service needs so that the council is able to meet its statutory responsibility of ensuring every child in Sandwell has access to a good school place by seeking to build on its commitment to expand successful and popular schools.
- 3.5 It is proposed to meet the estimated capital cost for the projects of £2,856,000 from the total available resources of £11m:

	£
Basic Need Funding	1,551,000
School Condition allocation 2019/20	1,305,000
Total	2,856,000

Cabinet are requested to approve allocation of the capital funding to enable the proposed projects to be included within the Schools Capital Programme 2019/20-2021/22.

- 3.6 Full financial appraisal has been undertaken by Strategic Finance for each Basic Need capital project, and the School Condition allocation. The appraisal process recorded scores of 65% for Bristnal Hall Academy, and School Condition; 66% Q3 Academy Langley; 66% West Bromwich Collegiate Academy. Copies of the reports can be found at Appendix 1. Some risks have been identified as a result of the appraisals and action points recommended to mitigate these risks.
- 3.7 An Equality Impact Assessment (EIA) initial screening has been undertaken. The screening identified that there will no adverse impact on people or groups with protected characteristics as a result of the proposals contained within the report. A full EIA is not therefore required. However, it has revealed that as the council has a statutory duty to provide a sufficient number of school places for all children in Sandwell, all groups are potentially affected by the policy of expansion. This proposal demonstrates that this is uniformly applied in response to where pupil demand is expected although size and type of expansion is restrictive as it is dependent on the availability of government capital funding.

4 THE CURRENT POSITION

- 4.1 In March the DfE / ESFA announced the Authority's School Condition allocation for 2018/19 in the sum of £2.8m.
- 4.2 Basic need funding will be used to develop the following projects up to a full design:

Bristnall Hall Academy

A scheme to expand Bristnall Hall Academy by a form of entry, 150 additional pupils, is included for completion by September 2020. High level feasibility has confirmed that a stand-alone new build could be completed on the Academy site to provide a general / specialist teaching block.

Q3 Academy

To provide for completion of the Academy, 390 new school places, and comprise of two main teaching blocks and external works.

West Bromwich Collegiate Academy

To provide for completion of the Academy, 450 new school places, and comprise of a main teaching block / Sports Hall, and external works.

4.3 A further report will be presented to Cabinet to seek approval of completion of the projects.

5 **CONSULTATION (CUSTOMERS AND OTHER STAKEHOLDERS)**

5.1 Where necessary, consultation will be undertaken by the respective Academy Trust and the Authority for the prospective pupil intake. Separate consultation will progress for a planning application in respect of Bristnall Hall Academy at the appropriate stage.

5.2 For an Academy, the Authority will need to consult with the Regional Schools Commissioner to seek approval to the proposed expansion, and the Academy Trust will lead on consultation with their local community, parents / carers and pupils.

5.3 In partnership with the Local Education Partner / constructor the Authority will expect that a regular resident information sheet will be published to advise the local community on the progress with the development stage of the expansion project to avoid traffic congestion and allay any local concerns from residents.

6 **ALTERNATIVE OPTIONS**

6.1 **Bristnall Hall Academy**
Limited. Additional school places are required in the local area. Shireland Collegiate Academy is due to expand by a total of 275 places and Bristnall Hall Academy has agreed to consider expansion by 150 places to meet demand. Development options are limited since the Academy site is restrictive.

Q3 Academy Langley and West Bromwich Collegiate Academy (WBCA): Limited. Both schemes for Q3 Langley and WBCA are significantly progressed to inform the next stages of each project from the context of specific outcomes to deliver the places outlined, measurement of cost and performance, projects are being delivered, are purposeful and on time.

7 STRATEGIC RESOURCE IMPLICATIONS

7.1 The estimated cost of the identified new work is £2.8 million and is allocated as follows:

Project	Contractor £000's	Design £000's	F&E £000's	Total £000's
Bristnall Hall Academy	0	323	0	323
Q3 Academy Langley	0	600	0	600
West Bromwich Collegiate Academy	0	628	0	628
Programme Contingency (@5%)	0	0	0	0
<u>Sub total</u>	0	1,551	0	1,551
Basic Need		1,551		1,551
School Condition	1,109	196		1,305
	1,109	1,747		2,856

7.2 The direct allocation of Basic Need funding received from the DfE is based on the annual School Capacity return submitted to the Department. Total Basic Need funding currently available to the Authority to fund the Schools Capital Programme is £8.2m.

Approval to the Schools Capital Programme 2019/20-2021/22 is sought to allocate a proportion of those resources to fund individual school projects and ensure a sufficient supply of school places.

School Condition funding continues to be allocated on a yearly basis and is based on the number of maintained schools the council remains responsible for. School Condition allocation for 2019/20 has been confirmed as £2,807,942

7.3 This provides a total available budget of £11 million and is made up as follows:

	£000's
* Unallocated Basic Need resources	8,162
School Condition	2,807

7.4 There is no time limit on the resources being spent.

- 7.5 To ensure a sufficient supply of places there is a need to continue to fund expansion of secondary schools to match projected demand.

It is proposed to hold back the remaining £6.6 million Basic Need allocation to fund the next phase of the secondary school expansion programme.

- 7.6 For any projects in the programme with a capital value exceeding £100,000, delivery of the scheme will fall within the scope of the New Project Development procedure, as established under the Strategic Partnering Agreement with Sandwell Futures Limited.

A separate procurement exercise(s) will be carried out to identify the most suitable and value for money supplier / suppliers for those projects that will not be procured through the New Project Development procedure. The procurement approach will follow the council's Procurement and Contract Procedure Rules to ensure that UK and EU legislation is adhered to, and value for money is achieved. In order to ensure a streamlined process, this report requests delegated authority to the relevant Chief Officer, the Director – Education, Skills and Employment to award the contract at the end of the procurement, in conjunction with the Section 151 Officer, and in consultation with the Cabinet Member for Best Start in Life. Where the outcome of the procurement exercise identifies that the value of the contract is more than that specified in this report, or the council has not received the minimum number of tenders required, then a further report will be submitted to Cabinet to award the contract.

8 LEGAL AND GOVERNANCE CONSIDERATIONS

- 8.1 In accordance with the Education Act 1996 the council has a statutory duty to ensure there are sufficient schools available for the children of Sandwell. Any school organisation changes arising out of the development of the project will be subject to the relevant statutory processes.
- 8.2 The council shall ensure that any procurement of contracts necessary for this proposal are undertaken in accordance with the public procurement rules, the Council's Procurement and Contract Procedure Rules and Standing Order Regulations.

- 8.3 The freehold interest in the proposed development sites is held by Sandwell Land and Property Limited. For each school site the company will have granted a leasehold interest to the Authority, and for each Academy site, an Under-Leasehold granted to Academy Trust. An agreement will be entered into with each Academy Trust to provide the Authority, Sandwell Futures Ltd, constructors and sub-contractors free access / egress to complete the new school developments.

9 EQUALITY IMPACT ASSESSMENT

- 9.1 An Equality Impact Assessment (EIA) initial screening has been undertaken. The screening identified that there will be no adverse impact on people or groups with protected characteristics as a result of the proposals contained within the report. A full EIA is not therefore required.

10 DATA PROTECTION IMPACT ASSESSMENT

- 10.1 A data protection impact assessment is not required for this proposal – all material is maintained in accordance with the council's data protection policy.

11 CRIME AND DISORDER AND RISK ASSESSMENT

- 11.1 The Corporate Risk Management Strategy (CRMS) has been complied with – to identify and assess the significant risks associated with this decision/project. This includes (but is not limited to) political, legislation, financial, environmental and reputation risks.

Based on the information provided, it is the officers' opinion that for the significant risks that have been identified, arrangements are in place to manage and mitigate these effectively.

If this report is not agreed, then the council will risk having an insufficient level of school places which is contrary to the council's statutory responsibility. If there is an insufficiency of school places this will have a detrimental impact on children's future access to school places within Sandwell and the council's reputation will be detrimentally affected.

The council's strategic risk register currently includes a red risk around school place planning: SR040 - If the LA is unable to exert sufficient strategic control over school place planning and the direction of capital investment, then it will be unable to deliver on its statutory duties. The recommendations above if approved, will assist in the continued mitigation of this risk.

An appropriate project management structure is in place, and the School Organisation Programme Board meets on a regular basis.

Plans are in place to mitigate key programme risks:

- The financial downturn and competing capital pressures:
 - Projects rely heavily on DfE allocations and are not reliant on capital receipts;
- Government policy changes could reduce future capital allocations:
 - Phased programme approvals, avoiding unfinanced commitments; and
- Failure to accurately anticipate the changing pattern of demand for school places:
 - Pupil place planning strategy in place;
 - School Organisation Programme Board to drive the delivery of Sandwell's pupil place planning strategy.

11.2 Project documentation has been prepared, including a project plan and project risk register, to ensure effective management. The project is subject to risk analysis and project risk monitoring.

12 SUSTAINABILITY OF PROPOSALS

12.1 Bristnall Hall Academy

One and two form entry expansions have now successfully been completed at Ormiston Sandwell Community Academy and RSA Academy. The proposed expansion scheme at Bristnall Hall Academy will be developed and procured on a similar basis. The latest Ofsted inspection rated the Academy as good, and the school continues to be popular and oversubscribed.

12.2 Q3 Academy Langley

Phase 2 of the new school was approved by Cabinet on 19 September 2018. Phase 2 is scheduled to complete ahead of programme this summer which will ensure the school re-opens this September with sufficient capacity to admit an additional 240 pupils, and offer a further 240 new places in September 2020.

The latest Ofsted inspection rated the Academy as good, and the school continues to be popular and oversubscribed.

12.3 West Bromwich Collegiate Academy

Scheduled to open September 2019 to 175 pupils (25 in excess of planned admission number). An additional 25 places were agreed with the academy due to the continued delay by the DfE to open a new secondary free school in the borough.

12.4 Following completion of the school developments each Academy Trust will become directly responsible for all costs associated with the general upkeep, maintenance and outgoings for the new school developments.

12.5 The capital funding will form part of the Authority's approved Schools Capital Programme using its Basic Need allocation received from the DfE.

13 HEALTH AND WELLBEING IMPLICATIONS (INCLUDING SOCIAL VALUE)

13.1 The major project proposals will build upon established Academy provision, where strong links at popular and oversubscribed schools have been developed with the local community, opening up facilities for use, and building upon successful engagement activities established within the Multi Academy Trust.

14 IMPACT ON ANY COUNCIL MANAGED PROPERTY OR LAND

14.1 The freehold interest in each site is to be held either by Sandwell Land and Property Limited or Sandwell Metropolitan Borough Council, with the grant of a leaseback to the Authority for education purposes.

14.2 For Academy sites the proposed works fall within established and proposed Under-Leasehold arrangements. Separate, additional provision will be made for free access / egress to complete the new school developments.

14.3 There will be no overall impact on the council's Asset Management Plan or register as the council will retain a long leasehold interest in the land.

15 CONCLUSIONS AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS

15.1 School Condition:

Following confirmation of School Condition funding for maintained schools Cabinet are recommended to approve allocation of £1.3m School Condition to fund lifecycle works for maintained schools through the School Repair Account.

15.2 This report also seeks Cabinet approval to allocate £1.5m Basic Need capital funding for detailed design works at:

- Bristnall Hall Academy
- Q3 Academy Langley
- West Bromwich Collegiate Academy

15.3 It is currently projected that up to 2025 at least an additional 32 forms of entry will be required in the secondary school sector across the Borough. Focus for the Schools Capital Programme has turned to solutions to provide those additional places, including expansion of existing secondary schools.

16 BACKGROUND PAPERS

16.1 None

17 APPENDICES:

1. Appraisal Reports.

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Chris Ward
Director – Education, Skills and Employment

Darren Carter
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