

Portfolio Holder Decision – Approval of the use of developer funds for design and development work associated with the proposed new All Through School in South Leamington/ Warwick

Portfolio Holder	Portfolio Holder for Finance and Property
Date of decision	9 July 2021
	Signed

Decision taken

The Portfolio holder for Finance and Property approve the additional to the Capital Programme of funds towards design and development work associated with the proposed new All Through School in South Leamington/ Warwick totalling £300,000 to be funded from section 106 receipts.

1.0 Reasons for decisions

- 1.1 In July 2019 Cabinet approved £250,000 from developer funding to allow work to commence on full design and all feasibility studies required for the delivery of the new provision and to inform the full costings for the proposed new All-Through school to the South of Leamington/ Warwick. This amount remains unspent to date.
- 1.2 Architects have been procured via a framework and are currently engaging with the WCC project team to undertake the design and development work, this is being undertaken in good faith in advance of formal appointment and WCC entering into the legal contract for the work. However, the terms of the procurement require that WCC enters a contract for the full value of the architect work up to RIBA stages 6 and 7, project handover and in use, and it is not an option to commission only the early work envisaged in 2019. The estimated value of a full commission is £550,000. This leaves a short fall of £300,000 against the existing funding approval.
- 1.3 The additional funding of £300,000 is required to ensure the design and development work is completed without delay and allowing full feasibility work to be completed and full project cost estimates to be produced to enable the submission of reports relating to the full capital funding requirements as outlined below. The addition of £300,000 will enable the architects to be commissioned but only part of this amount will need to

be spent in this financial year. Therefore, it is possible that pending a full report to Cabinet and Council on the full capital costs of the scheme some of the funding will be used to retain other consultants (such as a quantity surveyor, project manager and electrical and mechanical engineer) who are important to scheme development.

- 1.4 The Portfolio holder has delegated authority to add schemes to the Capital Programme where the value is less than £2,000,000 and the scheme is fully funded from external grants, developer contributions or from revenue. Funding from developer contributions can only be used for a limited range of purposes specified in the relevant agreement. The Infrastructure Planning Lead has confirmed that the use of the funding for these purposes is in accordance with the terms of the relevant section 106 obligations

2.0 Background information

- 2.1 Design and development work, including appointment of architects, has been significantly delayed.
- 2.2 The full capital funding required to deliver this new provision will be subject to a further report corporate board in August 2021 before submission to Cabinet in September 2021 and full Council in October 2021.
- 2.3 The new school is expected to open from September 2023.

3.0 Financial implications

- 3.1 The original July 2019 Cabinet approval for £250,000 from developer funding is unspent to date, there is currently no risk of this funding being returned through clawback periods in the s.106 agreement.
- 3.2 It is proposed an additional £300,000 of received developer funding will be allocated towards the design and development work required to produce the full feasibility and cost estimates, thus taking the current budget to £550,000. Only costs of design and development work which contribute towards the creation of the asset can be treated as capital expenditure, discarded alternative designs cannot be capitalised. Additionally, if the project does not subsequently progress then any costs incurred will not be eligible to be funded from the s.106 contribution and would require identification of revenue sources.
- 3.3 The full capital funding required to completely deliver the new school is expected to be in excess of £25 million which will be brought forward as a separate request to Cabinet and Full Council later in the current financial year. The proposal will be funded from a combination of received developer funding and Education Capital resources (Basic Need grant).

4.0 Environmental implications

- 4.1 The strategic brief for this project and existing outline planning permission require consideration of Carbon Neutral build methods to ensure the environmental impacts of delivering and operating the new provision are reduced where possible.
- 4.2 Full details of the environmental implications will be included in the further report along with the associated cost implications

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Lead Director	Strategic Director for Communities
Lead Member	Portfolio Holder for Finance and Property

Urgent matter?	No
Confidential or exempt?	No
Is the decision contrary to the budget and policy framework?	No

List of background papers

n/a

Members and officers consulted and informed

Portfolio Holder – Councillor Peter Butlin (Deputy Leader)

Corporate Board – 9th June 2021

Legal – Ian Marriott

Finance – Andrew Harper

Equality – n/a

Democratic Services – Helen Barnsley

Councillors – n/a

Local Member(s): n/a