

# Council

17 December 2019

## Education (Schools) Capital Programme 2019/20

### Recommendation

That Council approves the addition of £15,694,411 to the capital programme to deliver the schemes outlined in Section 3.

### 1.0 Key Issues

- 1.1 This report recommends proposals for allocating resources in the Education (Schools) Capital Programme to specific projects set out in Section 3. Some of the proposals include funding from developer contributions.
- 1.2 Overall numbers in secondary schools have been growing since September 2015 as larger cohorts transfer from primary schools, we are currently expecting numbers to peak in September 2022 to correspond with the Reception peak seven years earlier.
- 1.3 Where possible, and where economies of scale allow, expansions and building works will also address other factors such as: encouraging infant and junior to become primary, pre-school requirements in an area, providing specialist SEN provision, and any outstanding DDA requirements.
- 1.4 Proposals to increase the number of pupils admitted at schools across a wide area of Warwickshire are explained within this report.
- 1.5 Whilst the issue of sufficiency of provision has to take priority, it is important to ensure that schools that are not expanding are able to continue to operate within their existing accommodation. Details of proposed schemes to make improvements to existing schools are set out below. It is also important to recognise that whilst we are committed to offering good or outstanding places and investing in these schools, we are also committed to investing in schools struggling with improvements where the investment addresses capacity, education delivery, half forms to whole forms of entry and defects.

1.6 All proposed education capital projects are considered against independently published third-party data to benchmark the cost to the County Council of providing school places and ensuring effective allocation of resources. The cost per additional mainstream place utilises the Department for Education Local Authority School Places Scorecard, while SEND places utilise the National School Delivery Cost Benchmarking for SEND places report as published by the Local Government Association.

1.7 The current available funding is set out in Section 2.

## **2.0 Available Funding**

2.1 Allocations of grant funding from the Department for Education for the 2019/20 financial year were notified to the authority in February 2017. Allocations are paid annually and are not available for expenditure until the start of the financial year within which they are received.

2.2 To ensure school places are available when needed it is sometimes necessary to temporarily fund capital spend from the DfE Capital Grant in advance of the relevant developer contributions for a project being received. Once the developer contributions are received the DfE Grant funding can be released back into the capital programme. The available funds outlined in this report include £7,500,796 of grant funding released in this way.

### **2.3 Breakdown of available funds**

Balance of unallocated education capital funds	£27,641,000
Release of temporary funding back into the education capital programme (see paragraph 2.2)	£7,500,796
Relevant developer funding received	£8,394,392

## **3.0 Proposals for addition to the 2019/ 2020 Capital Programme**

Cabinet is asked to allocate the following additional Education capital resources to the capital programme:

### **3.1 Whitnash Primary School, Leamington Spa**

In order to meet the increasing need for primary school places in South Leamington in conjunction with the expansion of other local primary schools, and the future opening of new provision in the South Leamington planning area, it is proposed to expand Whitnash Primary School from 1.5 to 2 forms of

entry (fe). This will permanently increase capacity by an additional 105 places across the school over the next 7 years to accommodate need arising from housing development and ensure the school is supported and grows alongside the proposed new schools in area.

In order to accommodate the increased pupil numbers and operate at 2fe it has been identified that the school will require two additional classrooms, plus ancillary spaces and toilets. This can be achieved through refurbishment of the existing space within the school buildings occupied by a PVI Nursery to provide the necessary classrooms.

There are very few early years' providers in this Early Year's planning area, in contrast to the number of primary schools and the housing growth that continues to take place. This is an area of concern for the local authority; there is a sufficiency need for further provision in this planning area, as the current provision cannot meet demand. It is proposed as part of this project to relocate the existing PVI nursery within the local area 0.3 miles walking distance from the school site, a (circa) 5-minute walk. Alternative premises, which WCC is the freeholder, has been identified and is expected to become vacant during Spring 2021. Refurbishment work will be required as part of the overall project to ensure the new nursery building meets the required space needs for early years provision.

The total cost for this project as outlined is £1,000,000 which represents good value for money compared to the average cost reported for primary school expansion projects on the Department for Education Local Authority School Places Scorecard 2018. This project increases capacity of the school by 105 additional pupils equating to a cost of £9,523 per place compared to the national average of £16,596 per place.

**It is proposed to allocate £1,000,000 as follows:**

<b>Developer Funding</b>	<b>£1,000,000</b>
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### **3.2 Newdigate Primary School, Bedworth**

In November 2017 Cabinet gave funding approval for the expansion of Newdigate Primary School in Bedworth from 1.5 forms of entry to 2 forms of entry, creating an additional 105 places. The allocated project budget stands at £1,264,000.

The existing capital project is to provide a hall extension, two additional classrooms, and internal refurbishment to great additional group and SEN resource space to allow the school sufficient physical capacity to accommodate the increase in pupil numbers.

From November 2017 to date the project has gone through full feasibility and has received planning approval from the local planning authority. Following design and development and a number of tendering exercises the total project costs now stand at £1,739,600, an £475,600 shortfall against the existing approved budget.

The increase in project costs can be attributed to a significant increase on contractor procurement in the last two to three years. BCIS All-In Tender Price Index shows a 36% increase between 2013 and 2018 with a further rise of circa 30% expected over the next five years. In addition the complexity and phasing required of the works across the site to ensure the school buildings retain a cohesive flow in line with the existing classrooms and key stages has led to several smaller areas of works in various parts of the school that will increase duration and costs as opposed to one single build phase and location.

The project has undergone an extended tender exercise. At the start of 2019 the original tender received was 30% over what had been formally estimated and therefore a further tender process was carried out with an alternative contractor. The tender returned was of similar cost to the first. Following discussions with the original contractor a lower revised cost has been submitted which compares more favourably with the benchmark per pupil place.

The original project budget equates to £9,524 per place, this is significantly lower than the per place benchmark cost of £16,596, and as outlined by the extended tendering process cannot be achieved. In comparison the current total project costs give a per place cost more aligned to the national average at £16,568 per place.

Developer funding has been secured in the area but not yet received to date. It is proposed to forward fund the difference from education capital resources to be released back into the education capital programme utilising further appropriate developer contributions once received

**It is proposed to allocate £475,600, as follows:**

**Education capital resources      £475,600**

### **3.3 Heathcote Primary School, Warwick**

Cabinet approved funding for phase 1 of the construction of Heathcote Primary School in July 2015. Phase 1 provided accommodation for a 1fe

primary school and nursery, with ancillary facilities including hall and kitchens sized appropriately to accommodate future expansion to 2fe.

Heathcote Primary School opened from September 2017 as 1fe (210 places) and has proved popular with residents in the surrounding area. It is currently proposed to expand the school to 2fe (420 places) from September 2021 to ensure there are sufficient places to meet the expected need in the planning area in line with housing development

The school has grown in response to the need for school places to offer 5 out of 7 year groups from September 2019. For September 2019 the school has admitted a bulge class in Reception, offering 60 places at the request of the LA to meet need in the area. It is expected the school will need to admit a second bulge class for Reception 2020 entry, prior to official expansion to 2fe from September 2021.

Phase 2 of the expansion will deliver an 8 -classroom extension and will also include the delivery of additional car parking onsite, the conversion of an existing class base to a studio hall, associated outdoor play areas and landscaping at Heathcote Primary School to accommodate increasing need for places in the area as a result of ongoing housing development

The total cost for this project as outlined is £2,694,156 which represents good value for money compared to the average cost reported for primary school expansion projects on the Department for Education Local Authority School Places Scorecard 2018. This project increases capacity of the school by 210 additional pupils equating to a per place cost of £12,829 per place compared to the national average of £16,596 per place.

**It is proposed to allocate £2,694,156, as follows:**

**Developer Funding            £2,694,156**

### **3.4 New Primary School Rugby Gateway Development, Rugby**

The existing project to deliver a new 1 form entry primary school and associated early years facilities as part of the housing development known as Rugby Gateway to the North of Rugby town was approved by Cabinet in July 2015, with current allocated funding totalling £3,150,080.

A presumption competition was undertaken, and Lawrence Sherriff School Academy Trust selected as the sponsor for the new school.

Subsequent delays outside of WCC control in relation to the number of homes built and occupied on site due to land ownership issues by the housing developer, have led to transfer of the site and the opening date of the new school being significantly pushed back.

The original funding approval was given over 4 years ago during which time there has been an increase in the base cost of construction and also a number of site adjustments/abnormal works that are now known to be required.

The change in scope to include early years provision as a standalone building, provides maximum flexibility on the type of provision delivered onsite. This change has been implemented following the delivery of several new school buildings of similar design which have highlighted physical and operational difficulties when including the early years provision integrated within the main school building.

This standalone solution to provide early years provision will provide capacity for 39 2-4 year olds on site and will allow options for the school and early years provider to operate independent from the school now or in the future. In comparison integrated provision within the main school building would be required to be significantly smaller with capacity for only 26 places and share a number of facilities with the school.

The base cost for construction only now exceeds the original approved funding amount and stands at £3,472,000. The required customer options, necessary site adjustments and abnormals, standalone early years provision, professional fees and risk total a further £1,943,513.

The total cost for this project as outlined is now £5,415,513, slightly higher on a per pupil basis than the average cost reported for new primary school projects on the Department for Education Local Authority School Places Scorecard 2018. This project provides a new school with capacity for 249 pupils, equating to a per place cost of £21,749 per place compared to the national average of £19,611 per place.

As outlined the total expected total project costs are now £5,415,513, a short fall of £2,265,433 against currently approved funds.

**It is proposed to allocate £2,265,433 as follows:**

<b>Developer funding</b>	<b>£2,265,433</b>
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**3.5 Champion School, Leamington Spa**

Cabinet approved Phase 1 of the expansion of Champion School in November 2017. The project is currently underway to deliver a new 17 classroom Science and Maths block to the rear of the school site, as well as upgraded kitchen/ dining facilities and additional car parking to the front of the school site for September 2020.

Phase 2 of the expansion project will deliver a new sixth form teaching block, refurbishment of science classrooms to provide general teaching spaces, sports hall refurbishment and associated outdoor areas and landscaping to provide the accommodation necessary for the school to continue to accommodate the increasing need for places in the area as a result of increased primary cohorts and ongoing housing development.

The school has phased the increase in the Published Admission Number (PAN) and admitted an additional year 7 class for September 2019 raising the PAN to 180 at the request of the LA. This has been done in advance of phase 1 completion, utilising existing classroom capacity within the school. It is expected the school may need to admit a bulge class above the increased 180 PAN for year 7 2020 entry, prior to official expansion to 210 PAN from September 2021.

This project increases capacity of the school by 550 additional pupils with the total cost across the existing Phase 1 and Phase 2 as outlined equating to £29,962 per place compared to the national average of £22,738 per place reported for secondary school expansion projects on the Department for Education Local Authority School Places Scorecard 2018.

Developer funding has been secured in the area of which £2,408,651 has been received to date. It is proposed to forward fund the difference from education capital resources to be released back into the education capital programme utilising further appropriate developer contributions once received.

**It is proposed to allocate £8,979,222, as follows:**

<b>Developer Funding</b>	<b>£2,408,651</b>
<b>Education capital resources</b>	<b>£6,570,571</b>

**3.6 St Gabriel’s C of E Academy, Rugby**

St Gabriel’s C of E Academy opened in September 2018 to serve the Houlton Urban Extension in Rugby. The school was built by the master developer

Urban and Civic as part of the s106 education requirements. The delivery of the school was brought forward due to pressure on places in the surrounding area.

The school opened with a reception class a mixed KS1 class and 2 mixed KS2 classes. During the first year of opening numbers increased from 70 to 139 requiring the school to split a class during the year. The school then split a further class in September 2019 to accommodate increasing demand.

The school now has 159 children on roll and has 30 children in the Yr2/3 mixed class. There is therefore no capacity to admit further children into these year groups. The school would like to split this final class in September 2020; the LA supports the creation of the additional class to ensure sufficient places exist in KS2.

There is currently an onsite PVI pre-school operating within an existing classroom, however the school was initially built to accommodate 7 classes only and has no purpose-built Early Years facility onsite. In order to provide the necessary space to accommodate all 7 primary year groups in separate classes and continue to provide Early Years onsite internal refurbishment is required to re-purpose the practical 'Ideas Lab', which is the largest teaching space in the school, to become a bespoke on site pre-school.

Developer funding has been secured in the area towards Early Years provision of which £26,152 has been received to date. It is proposed to forward fund the difference from education capital resources to be released back into the education capital programme utilising appropriate further developer contributions once received.

**It is proposed to allocate £130,000, as follows:**

<b>Developer Funding</b>	<b>£26,152</b>
<b>Education capital resources</b>	<b>£103,847</b>

### **3.7 Brailes C of E Primary School, Brailes**

Brailes C of E Primary School currently operate an Early Years classroom accommodating both Reception children and Nursery children. The current floor space in the Early Years Classroom does not allow the school to offer a consistent number of nursery places when the school admits a full cohort of 15 Reception children (the school's Published Admission Number is 15). The school can only have 7 nursery children in each session with a full cohort of 15 Reception.

The school is located in a large rural area with limited Early Years provision. In order to meet the demand for nursery places in the area it is proposed to



increase the floor space of the Early Years classroom in the main school building to provide sufficient floor space for 15 Reception children and 15 Nursery children in each session.

It is proposed to extend the existing classroom space to provide an additional 26m<sup>2</sup>. A 6m<sup>2</sup> accessible WC, shower, and changing facilities would be provided within the existing classroom area. The proposal also includes improvements to accessibility, safeguarding, covered entry, flexibility to separate early years from nursery children and retains valued storage. The total cost of extending the existing classroom has been estimated at £150,000.

**It is proposed to allocate £150,000 as follows:**

**Education capital resources      £150,000**

## **4.0 Financial Implications**

- 4.1 Details of currently available capital funding are listed in Section 2 of the report. This available funding is a total of **£43,536,188**
- 4.2 The project costs outlined within this report total **£15,694,411**, of which £8,394,392 is from developer funding, and £7,300,018 is from education capital resources.
- 4.3 In addition this report outlines the release of £7,500,796 of education capital grant funding back into education capital resources pot (see paragraph 2.2).
- 4.4 This leaves a balance of **£27,841,778** for future education capital projects. All future capital projects would be subject to a separate report to Cabinet.
- 4.5 See **Appendix** for breakdown of income and expenditure.
- 4.6 Where schools are expanding at the request of the Local Authority, there is often a revenue implication in that additional teaching staff are required in the September but the school's budget does not reflect this until the following April. The Schools Forum have agreed a policy to provide interim funding to schools to account for this and resources are allocated from within the Dedicated Schools Grant (DSG) to meet these short-term additional revenue costs.

## 5.0 Environmental Implications

5.1 As this report is concerned primarily with financial matters it has no direct environmental implications. Individual projects' environmental impacts will be considered through the planning process.

## 6.0 Background papers

6.1 Equality Impact Assessment.

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Local Members: See below.

Other Members: this report was circulated to the following members prior to publication:

Cllr Colin Hayfield  
Cllr Jeff Morgan  
Cllr Yousef Dahmash  
Cllr Chris Williams  
Cllr Corinne Davies  
Cllr Jerry Roodhouse

## Schools Capital Programme - Finance Breakdown

		Available Basic Need Resources £		
<b>Balance following July 2019 Cabinet report</b>		<b>14,603,000</b>		
Changes to existing projects and funding received		13,038,000		
Release of temporary funding back into the education capital programme (see paragraph 2.2)		7,500,796		
<b>Total Available Resources</b>		<b>£35,141,796</b>		
Projects Recommended for Support in November 2019 Cabinet Report	Total Additional Cost £	Proposed Use of Basic Need Resources £	Proposed Use of Developer funding Resources £	
3.1 Whitnash Primary School – expansion	1,000,000	-	1,000,000	
3.2 Newdigate Primary School – additional funds	475,600	475,600	-	
3.3 Heathcote Primary School – expansion	2,694,156	-	2,694,156	
3.4 New Primary School Rugby Gateway - additional funds	2,265,433	-	2,265,433	
3.5 Champion School - expansion	8,979,222	6,570,571	2,408,651	
3.6 St Gabriel's C of E Academy – internal alterations	130,000	103,847	26,152	
3.7 Brailes C of E Primary School – classroom extension	150,000	150,000	-	
<b>Total</b>	<b>£15,694,411</b>	<b>£7,300,018</b>	<b>£8,394,392</b>	
<b>Revised Unallocated/ (Shortfall) in Basic Need Resources</b>		<b><u>£27,841,778</u></b>		