

County Council

29 September 2022

Education Capital Programme 2022/23

Recommendation

That Council agrees to add to the capital programme the scheme delivery of a school at Myton Gardens, at a cost of £13.400 million funded from Department for Education grant.

1. Executive Summary

- 1.1 This report recommends proposals for allocating resources from within the Education (Schools) Capital Programme to the specific project set out in Section 3 and requests that the projects be added to the capital programme.
- 1.2 The Council's constitution requires that Council approves the addition to the Capital Programme of projects with a value in excess of £2,000,000.

2. Financial Implications

- 2.1 The current balance of total Basic Need capital grant confirmed but unallocated is £52.773 million following September Cabinet. This includes (net of approvals) the remaining amounts that the DfE have confirmed the Council will receive in further Basic Need capital grant allocations of **£40.850 million** in 2023/24 and **£21.366 million** in 2024/25.
- 2.2 The Service holds resources for school investment which are not currently included in the approved Capital Programme, this is largely from the following:
- confirmed Basic Need grant to be received up to 2024/25,
 - other grants/contributions held for specific purposes,
 - developer contributions currently held but unallocated; and
 - one historically earmarked capital receipt.
- 2.3 This is summarised as follows:

Available Resources (unallocated)	2022/23	2023/24	2024/25	2025/26	Total
	£'000	£'000	£'000	£'000	£'000
Basic Need Grant	0	31,407	21,366	0	52,773
High Needs Grant	7,671	6,008	0	0	13,679
Schools Condition Allocation	2,197	0	0	0	2,197

Special Provision Fund	19	0	0	0	19
s.106*	46,759	0	0	0	46,759
Earmarked Capital Receipts	2,113	0	0	0	2,113
	58,759	37,415	21,366	0	117,540

* The s.106 balance consists of funds the authority currently holds in cash as received from developers but is linked to over 200 separate s.106 agreements and, therefore, flexibility of funding is limited to the conditions of the individual agreements.

- 2.4 The project costs outlined within this report total **£13.400 million** which is funded from Basic Need funding.
- 2.5 There is no remaining education capital funding available for allocation from the balances held and received in 2022/23. However, the allocation within this report will be drawn down against the remaining 2023/24 funding of £31.407 million with estimated spend due to be in 2023/24 and 2024/25.
- 2.6 In order to ensure that the decisions in this report do not directly lead to a cashflow shortfall between when the Basic Need grant instalments are received and when they are spent, an analysis of the grant available compared to the profile of expenditure once approved is provided in the table below:

Available Resources	2022/23	2023/24	2024/25	Total	Remaining Unallocated Basic Need
	£'000	£'000	£'000	£'000	
Basic Need Grant (Cash)	19,402	40,850	21,366	81,618	81,618
May Cabinet	-325	-4,658	-3,069	-8,052	73,566
July Cabinet	-790	-11,330	-7,465	-19,585	53,981
September Cabinet	-1,505	-6,809	-4,486	-12,800	41,181
	18,782	18,053	6,346	41,181	

- 2.7 The table demonstrates that current approvals do not leave a cash flow funding shortfall in the Capital Programme in any year in which Basic Need grant is held or received.
- 2.8 It should be appreciated that costing accuracy typically increases as a project proceeds through its development through to delivery. Projects that are at the stage of strategic business case development have about a 40% costing confidence evolving through the outline business case (60%); detailed business case (planning) 85% and to the point where a Contractor is under contract (97%).

- 2.9 Where cost confidence is lower appropriate contingency figures are included in the cost estimates to account for this. Inclusion of contingency figures are expected to mitigate the majority of cost increases experienced as the project progresses and costs become more certain. An internal process is currently being devised to strengthen governance regarding contingency funding to ensure appropriate use. This will include enhanced officer oversight and scrutiny of requests to utilise project contingency funding.
- 2.10 Any contingency allocation not required to deliver the scheme as specified will be returned to the remaining unallocated balance of basic need funding and available to be allocated to meet future demand.

3. Proposals for addition to the 2022/2023 Education Capital Programme

Myton Gardens (new primary school in Warwick)

- 3.1 4500 new homes in the South Leamington/Warwick area will generate an estimated additional 6 to 7 forms of entry or FE (1260 to 1470 pupils), per year group in Warwick District. This is in excess of what could be accommodated on existing school sites and is directly aligned to housing growth with new provision being delivered within these new communities.
- 3.2 Myton Gardens is the third of four primary schools proposed to meet the need for school places as a result of the large scale housing development in the area. The first new primary school, Heathcote Primary School, opened in September 2017 and has been expanded to accommodate 2FE entry. The second primary provision will be within the all-through provision at Oakley Grove due to open in September 2024. The fourth is likely to be beyond the 5 year forecast period.
- 3.3 The new primary school will consist of early years provision (40 fte places ages 0-4), a 2FE (420 places) primary school with capacity on site to expand to 3FE longer term, with a SEND resource provision included within the primary provision (8-14 places).
- 3.4 The design of the primary school and site layout has been future proofed to accommodate expansion to 3FE if required in future years, based on current forecasts this is not expected to be required within the next five years. In addition, the vehicle access and car parking will be configured to allow future shared access to the existing Evergreen School adjacent to the site if required should expansion of the special provision be undertaken.
- 3.5 This new school will be opened via the free school presumption route and the responsibility for delivery and funding of this project will reside with the County Council. As part of this process, a competition will be undertaken for Multi-Academy Trusts to bid for the opportunity to operate the new school. The presumption competition to select the sponsor Academy Trust will run in Autumn 2022, with the successful Trust being appointed in Spring 2023. The

presumption competition process is determined by the Department for Education for all local authorities when delivering new schools.

- 3.6 The total cost of the project has been estimated at £13.400 million. The project is still evolving through to outline business case, with the outcome of ecological surveys continuing to be assessed, therefore contingency has been included to provide against possible cost increases experienced as the project progresses and costs become more certain.
- 3.7 The developer funding collected for this area has already been allocated to the new all-through school at Oakley Grove, the delivery of Heathcote Primary School and the expansion of Campion School.
- 3.8 Council is asked to agree the proposal to allocate £13.400 million funded as follows and to agree to its addition to the Capital Programme:

Education Capital Resources £13.400 million

4. Environmental Implications

- 4.1 Where feasible, the County Council will look to use modern methods of construction to achieve efficiencies and benefits particularly in terms of time, cost, and the environment.
- 4.2 Environmental risk assessments, together with mitigation statements to reduce any potential environmental impacts, are required for any capital project.
- 4.3 Larger scale projects will follow design objectives to ensure revenue costs are reduced and sustainable schemes are delivered within the financial envelope. This will be done incorporating design features to minimise heating and cooling demands, the careful selection of building materials, air tightness, and the inclusion of renewable energy features where economically feasible.
- 4.4 Proposed schemes aim to ensure the sufficiency of, and accessibility to, provision in local settings avoiding the need to travel further afield to access education or childcare provision.
- 4.5 All future schools will be developed in accordance with to statutory regulations which include the revised Building Regulations 2021. These new building regulations include significant changes to the regulations around ventilation, energy efficiency and overheating, electric vehicle charging and a number of smaller supporting elements of the regulations. Schools will therefore be built to new standards that are expected to produce lower carbon dioxide omissions compared to previous standards and will also be assessed using primary energy metrics.

5. Background Information

- 5.1 Proposals to increase the number of pupils admitted at schools across a wide area of Warwickshire are explained within this report. Further information relating to how the Council plans for and anticipates the growth in demand for school places, is laid out in the [Education Sufficiency Strategy](#) and [Annual Sufficiency Update](#).
- 5.2 All proposed education capital projects are considered against independently published third-party data to benchmark the cost to the Council of providing school places and ensuring effective allocation of resources.
- 5.3 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.
- 5.4 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.
- 5.5 The current available funding is set out in Section 2.
- 5.6 There has recently been a significant increase in construction cost inflation with contributing factors such as international conflicts, rising energy prices, HS2, EU exit and to a lesser extent Covid-19 impacting the market. This is resulting in both labour and material shortages resulting in higher tendered prices than have been usual in recent years. The likely ongoing impact of HS2 and EU exit over the next few years mean that these pressures are anticipated to continue. As a result, contractors are factoring in both known and likely future cost increases into their tenders. Further, inflation provision within contracts may mean price adjustments over the life of longer term projects.
- 5.7 Although Education Services are the overall commissioner of the schemes outlined in this report, there is a close working relationship with Strategic Asset Management and Enabling Services to ensure a joined up approach across the Council at each stage of project delivery.

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The report was circulated to the following members prior to publication:

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