

Cabinet

16 March 2023

Education Capital Programme 2022/23 and Approval of Statutory Proposals

Recommendations

That Cabinet:

1. Approves the following proposal for prescribed alterations at Evergreen School:
 - To increase the number of places for learners with SEND at Evergreen School by up to 40 places.
 - Recommends to Council that £7.820 million be added to the capital programme to deliver the scheme at Evergreen School to be funded from the Department for Education High Needs grant
2. Recommends to Council that £6.026 million be added to the capital programme to deliver the schemes at Oakwood Primary School and Stratford upon Avon School to be funded from Department for Education High Need and Basic Need grants and developer contributions.
3. Approves the addition to the capital programme of £1.532 million funded from developer contributions and Department for Education grant to deliver the remaining schemes in section 3 of the report and supports development of the land edged red on the plan in Appendix 3 as a new alternative provision free school.
4. Authorises, subject to Council's agreement to the required additions to the Capital Programme, the Strategic Director for People in consultation with the Portfolio Holder for Finance and Property, to invite tenders and enter into the appropriate contracts or (where the scheme is school led) to make the necessary funding arrangements for these schemes on terms and conditions considered acceptable to the Strategic Director for Resources.

1. Executive Summary

- 1.1 This report recommends proposals for allocating resources in the Education (Schools) Capital Programme to the specific project set out in Section 3. The proposals include funding from developer contributions.
- 1.2 The proposals within this report look to increase the number of pupils admitted to mainstream schools and special schools in Nuneaton & Bedworth, Warwick

and Leamington and Stratford on Avon. 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](#).

- 1.3 The Education Capital Programme is driven by the long-term strategic planning outlined in that Education Sufficiency Strategy and annual updates to ensure Warwickshire can meet its statutory duty to provide school places.
- 1.4 Forecasts of expected future pupil numbers are produced and published annually and consider current and expected future population growth. This includes growth from approved housing development. Where these forecasts predict a shortfall of school places, and local schools do not have enough physical space to admit the expected numbers of additional children, education capital projects are developed to provide those additional places.
- 1.5 As part of the SEND and Inclusion Programme there was a review of current specialist provision across the county, incorporating patterns of transport, current pressures and prevalence of need, pathway analysis, population growth and priorities. The project used both quantitative and qualitative data and included Council officers, headteachers and parent carer representative. Among the priorities identified, was the expansion of generic specialist provision in Nuneaton & Bedworth and the Central area.
- 1.6 Projects are prioritised and brought forward according to the date the additional places will be required, as evidenced in the pupil forecast data, combined with the expected time required to design and deliver each scheme.
- 1.7 The expected education capital requirements associated with proposed strategic housing development across the county are identified as part of the District and Borough Local Plan process. As strategic housing developments progress across the county, and planning permission is granted, the pupil forecast data is updated and the prioritisation of education capital projects amended as needed to ensure sufficient school places exist to meet the expected demand. Availability of education capital resources limits the ability to deliver additional school places in advance of the requirement for those places being evidenced in the pupil forecast data.
- 1.8 Whilst the issue of sufficiency of provision must take priority, it is important to ensure that schools that are not expanding are able to continue to meet existing sufficiency needs and to operate within their existing accommodation. Details of proposed schemes to make improvements to existing schools are set out in section 3.
- 1.9 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 disability access requirements.

- 1.10 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.
- 1.11 The current available funding is set out in Section 2.

2. Financial Implications

- 2.1 The Basic Need capital grant balance for 2022/23 has been fully allocated to projects within the Capital Programme. The Department for Education have confirmed the Council will receive 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 yet unallocated 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.

Available Resources (unallocated)	2022/23	2023/24	2024/25	2025/26	Total
	£'000	£'000	£'000	£'000	£'000
Basic Need Grant	0	11,749	21,366	0	33,115
High Needs Grant	7,671	6,008	0	0	13,679
Schools Condition Allocation	2,197	0	0	0	2,197
Special Provision Fund	62	0	0	0	62
s.106*	56,700	0	0	0	56,700
Earmarked Capital Receipts	2,113	0	0	0	2,113
	68,743	17,757	21,366	0	107,866

* 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.

- 2.3 The project costs outlined within this report total £15.378 million of which £1.547 million is funded from Basic Need funding, £9.956 million is from High Needs Grant and £3.875 million is from developer funding. Therefore, £1.547 million will be drawn down from forthcoming Basic Need funding, reducing the total Basic Need unallocated resource to £31.568 million. These allocations will also result in a remaining High Needs grant balance of £3.723 million.
- 2.4 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%).

- 2.5 Currently 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. 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.
- 2.6 On 7 February 2023 Council approved the creation of an Investigation Design Fund to provide the resources to carry out the early work necessary as part of large scale, high value and/or high-risk schemes to reduce the risk of approving projects without fully understanding the true costs of delivery. The intention is that this will lead to a reduction in the number of capital projects which request additional funding once in the delivery stage. The fund has been established to cover Council funded schemes. A similar approach is being developed to cover education schemes funded through national government funding streams such as Basic Need and High Needs Capital. Work is taking place to assess the required size of the fund, taking into account all the schemes currently planned to meet the Council's duty to provide sufficient high-quality places.

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

Oak Wood Primary School (Nuneaton)

- 3.1 Expansion of generic special schools in line with population growth is a priority to ensure sufficiency requirements can be met. Nuneaton & Bedworth has been identified as an area with high SEND sufficiency demands across all year groups.
- 3.2 Oak Wood Primary School mainly serves Nuneaton & Bedworth. It has been identified that the school does not have sufficient capacity to meet current demand in the local area with a number of children attending specialist provision in neighbouring North Warwickshire. The provision of additional places at Oak Wood Primary School aims to meet the current under provision in the area, thus reducing travel time and cost to out of area provision, and meet the additional demand that is anticipated as a result of population growth in the Borough over the next five years.
- 3.3 It is proposed to build an extension to the school which will contain four additional classrooms for ambulant and non ambulant pupils, light and soft play sensory spaces, a hygiene suite, toilets and a staff room. The project will create an additional 20 primary places.

- 3.4 The total cost of the project has been estimated at £2.310 million and will be funded using £2.277 million from the DfE High Need Capital grant and £0.033 million from developer funding. The project is still evolving through to outline business case, with the outcome of a number of surveys continuing to be assessed, therefore contingency has been included to provide against possible cost increases that can be experienced as the project progresses and costs become more certain.
- 3.5 A capital scheme to increase the number of places at Oak Wood Secondary School is currently progressing through the business case stage and will be included in a future report to Cabinet.
- 3.6 Cabinet is asked to agree the proposal to allocate £2.310 million funded as follows and recommend to Full Council its addition to the Capital Programme:

High Needs Capital Grant	£2.277 million
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Developer Funding	£0.033 million
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Evergreen School (Warwick)

- 3.7 Expansion of generic special schools in line with population growth is a priority to ensure sufficiency requirements can be met. Warwick District has been identified as an area with high SEND sufficiency demand due to significant housebuilding in the South Leamington/Warwick area which will bring further increase in demand for local SEND provision in the next 10 years.
- 3.8 Evergreen School is a community special school for children and young people with Special Educational Needs (aged 4-19). It is the only maintained special school in Warwick District and is currently operating at capacity with 279 pupils on roll. It is proposed to extend Evergreen School utilising land located directly behind the main school building, to develop a building which will support up to 40 pupils with special educational needs. The expansion will provide the additional capacity needed to meet the demand for spaces across all year groups within the school.
- 3.9 The new two-storey build will include seven classrooms, staff offices, hygiene and medical rooms, a range of therapy rooms, additional sensory space, a kitchen, music and vocational rooms, changing rooms and toilets.
- 3.10 A new access road is planned from the land being developed to accommodate the new 2FE primary school (Myton Gardens) off Fusiliers Way. The new access road and parking will be beneficial in reducing the traffic flow along the current access route to the school along Brittain Lane.

- 3.11 The total cost of the project has been estimated at £8.005 million. It is proposed that remaining funding of £0.185 million from an existing approval for capital works at Evergreen School from February 2018 Cabinet is put towards the project. The remaining £7.820 million will be funded using £7.679 million from the DfE High Needs Capital Grant and £0.141 million from developer funding.
- 3.12 The project is still evolving through to outline business case, with the outcome of a number of surveys continuing to be assessed, therefore contingency has been included to provide against possible cost increases that can be experienced as the project progresses and cost become more certain.
- 3.13 As part of the process to increase the number of school places at Evergreen School, a 4 week statutory consultation was carried out with key stakeholders between 23rd January 2023 and 19th February 2023. 32 responses were received. 69% of respondents agreed with the proposal, 22% of respondents disagreed with the proposal and 9% of respondents provided a neutral response. Those in agreement with the proposal supported the need to ensure there was sufficient specialist provision in the local area for those learners who need it and considered that the proposal would help alleviate the pressure on mainstream schools. In terms of disagreement with the proposal, the reasons provided were focused around traffic congestion, ensuring there was sufficient staff to support the increase in the number of pupils, needing to improve the support for SEND pupils in mainstream school, the loss of green space, and building a new school rather expanding existing provision further. A summary of the consultation responses is available in Appendix 2.
- 3.14 Cabinet is asked to agree the proposed increase to the number of places at Evergreen School and to allocate £7.820 million funded as follows and recommend to Full Council its addition to the Capital Programme:

High Needs Capital Grant	£7.679 million
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Developer Funding	£0.141 million
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Bishop's Tachbrook CofE Primary School

- 3.15 Prior to the opening of the primary phase of Oakley School in September 2024, a forecast shortfall in Reception places for September 2023 of 1.5 to 2 FE (45-60 places) needs to be met. Bishop's Tachbrook CofE Primary School is one of two schools that will be providing an additional 30 places for September 2023 reception. The project is to provide these places in existing schools and pupils would remain in the schools for the seven years.
- 3.16 The capital scheme at Bishop's Tachbrook CofE Primary School was first presented to Cabinet in July 2022 with an estimated budget of £0.400 million.

- 3.17 Since the initial options appraisal, further design and development and site specific surveys have been undertaken. Construction cost of the project has increased by £0.220 million with a number of factors attributing to this including moving the modular to a new location as a result of identified emergency services access requirements with resulting additional site preparation costs. Site surveys also uncovered additional costs relating to asbestos, drainage and flooding, and the power supply capacity.
- 3.18 The increase in construction cost together with contractor preliminaries, overheads, fees, risk and inflation, has increased the estimated budget to £0.917 million
- 3.19 Cabinet is asked to agree the proposal to allocate an additional £0.517 million as follows:

Education Capital Resources	£0.517 million
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Briar Hill Infant School/St Margaret's CofE Junior School

- 3.20 Prior to the opening of the primary phase of Oakley School in September 2024 a forecast shortfall in Reception places for September 2023 of 1.5 to 2 FE (45-60 places) needs to be met. Briar Hill Infant School is one of two schools that will be providing an additional 30 places for September 2023 reception. A further 30 year 3 places will be provided at the partner junior school, St Margaret's CofE Junior School, in readiness for the transition from year 2 to year 3 in September 2026.
- 3.21 The capital scheme at Briar Hill and St Margaret's was first presented to Cabinet in July 2022 with an estimated budget of £0.786 million.
- 3.22 Since the initial options appraisal, further design and development and site specific surveys have been undertaken. Construction cost of the project across the two sites has increased by £0.314 million with the majority of the increase relating to the project at Briar Hill Infant School. The original option of a courtyard infill was replaced with an extension to the existing building as a result of reviewing the courtyard's increased use as a valuable space for the increase in number of pupils with SEND, together with construction access concerns and complications relating to a courtyard infill. Further cost can be attributed to the removal of asbestos, additional parking requirements, and the addition of toilets.
- 3.23 It should be note that once the additional pupils have progressed through the school, the accommodation will provide the option to establish a specialist resourced provision across the two schools.
- 3.24 The increase in construction cost together with contractor preliminaries, overheads, fees, risk and inflation, has increased the estimated budget to £1.506 million

- 3.25 Cabinet is asked to agree the proposal to allocate an additional £0.720 million as follows:

Education Capital Resources	£0.720 million
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Stratford upon Avon School

- 4.32. The existing project to deliver a 2FE expansion, an additional 350 pupils, was approved by Cabinet in December 2020 with a budget of £11.573 million. Prior to this in July 2020, £1.3 million was approved for an extension to the dining hall, kitchen and servery. These works were completed in July 2021. In July 2022, a further £2.2 million was approved by Council to meet the inflationary increase since the original approval in December 2020 bringing the total approved budget to complete the 2FE expansion to £13.773 million.
- 4.33. The planning application for the build was submitted in December 2022. Planning approval has been obtained for the additional land adjacent to the school purchased by WCC from Stratford College at the end of 2020. Phase 1 of the works to the area are due commence shortly with the cost of Phase 2 incorporated in the additional funding in this report.
- 4.34. The project's appointed contractor has produced revised costs, which increase the construction cost to the main extension by £1.95 million. The main reason for this increase in the construction cost is that the Stage 3 estimates have been based on a more detailed design using quantities and market rates for each item as opposed to the Stage 2 feasibility estimate which used more of a concept design and a general cost per m2.
- 4.35. A further £1.77 million is required to cover cost of phase 2 of the car park/social space works, identified design and development work, the inclusion of ICT and furnishing which had not been full accounted for in the original estimate, and subsequent increase in professional fees and contingency. Total additional funding required is £3.716 million.
- 4.36. Cabinet is asked to agree the proposal to allocate an additional £3.716 million as follows and recommend to Full Council its addition to the Capital Programme:

Education Capital Resources	£0.210 million
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Developer Funding	£3.506 million
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Bishop's Itchington Primary School, Stratford on Avon

- 4.37. The village of Bishops Itchington has experienced growth from housing development over the last 5 to 10 years and as a consequence the school has gone from mixing year groups to single year entry year groups.

- 4.38. There are two classrooms which are under sized as per the Department for Education (DfE) recommended floor space per pupil and are of an L-shaped design.
- 4.39. Utilising developer contributions from housing development in the village, it is proposed to undertake the relocation of two washrooms and a disabled toilet currently protruding into the two L-shaped classrooms. This will enable the squaring off of the classrooms to provide teaching spaces of an adequate size for 30 children per room as per DfE recommendations.
- 4.40. The scope of works is for a new washroom block to be incorporated into the school by building it in an area which is a recessed external space. The block will match up to the current building line and will have no detrimental effect on any playground or outside space available.
- 4.41. The main objective of this project is to achieve vast improvements to the learning environment for SEND children in these year groups by changing the layout and increasing the size of the classrooms enabling more pupils with SEND to be adequately supported within the classroom rather than outside of it.
- 4.42. The cost of the project has been estimated at £0.195 million and works will be instructed by the Academy Trust.
- 4.43. Cabinet is asked to agree the proposal to allocate an additional £0.195 million as follows:

Developer Contributions	£0.195 million
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Alternative Provision Free School, Warwick

- 4.44. In March 2019, WCC received notification from the DfE that the LA had been successful in their bid for a new alternative provision free school to be created in Warwickshire. A new purpose built school will be delivered and funded by the DfE and provide 60 places. The DfE have provided a provisional completion and opening date of January 2025.
- 4.45. The new free school is to be located on part of the 7 hectare education site secured as part of the housing development off Europa Way in Warwick, which provides improved connectivity for this school to serve the need for alternative provision for all secondary schools in Warwickshire and free of the constraint of existing buildings above that offered by the previously considered site at Unit 1, Bermuda Park in Nuneaton.
- 4.46. The site is under WCC ownership and will be adjacent to the new Myton Gardens Primary School approved by Council in September 2022. The required site area for the AP school will be subsequently leased to the DfE for construction. Following completion of the build, the site will be leased by WCC to the Trust running the AP school on a standard DfE 125 year lease.

- 4.47. Under the terms of the free school bid the DfE are funding and delivering the main school buildings and external works while WCC are responsible for funding and carrying out any associated works outside of the site boundary, site abnormalities and any required highways works.
- 4.48. The current system of Academy schools was established by the Academies Act 2010 which imposes a number of specific obligations on the County Council when existing Schools are converting to Academy status or completely new Academies are being established, including the transfer of the school site to an Academy Trust. The Department for Education has developed a standard format of 125 year lease which the local authority is expected to enter into with the Academy Trust for this purpose. This follows through into the authorities given to officers under the County Council's Constitution. An academy lease is not a transaction 'for value' which would require a particular level of authority, such as Cabinet, Leader, Portfolio Holder or Strategic Director depending on the value of the property at stake. Given that the granting of the Academy Lease is a specific legal obligation on the Council, it is appropriate for the Strategic Director to authorise completion of the lease under standing delegated powers for the day to day management of the Council's business.
- 4.49. WCC have estimated the cost of establishing site access, service connections and S278 works to be circa £0.100 million. It is proposed to fund this cost from Education Capital resources.
- 4.50. Cabinet is asked to agree the proposal to allocate an additional £0.100 million as follows:

Education Capital Resources	£0.100 million
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4. Environmental Implications

- 4.1 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 All future school capital projects will be developed in accordance with 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 emissions compared to previous standards and will also be assessed using primary energy metrics.

- 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.

5. Timescales associated with the decision and next steps

- 5.1 Subject to Cabinet approval, those schemes requiring Council approval will be submitted to Council for approval on 21 March 2023.

Appendices

1. Appendix 1 – Finance Summary
2. Appendix 2 – Evergreen School Consultation Responses Summary
3. Appendix 3 – Red line plan Alternative Provision Free School

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

Local Member(s): Cllr Singh Birdi, Cllr Matecki, Cllr Falp, Cllr Rolfe, Cllr Fradgley, Cllr Kettle, Cllr Baxter-Payne, Cllr Clare Golby

Other members: Cllr Dahmash, Cllr Roodhouse and Cllr Brown