

County Council

21 March 2023

Education Capital Programme 2022/23

Recommendations

That Council:

1. Agrees the addition of £7.820 million to the capital programme to deliver the scheme at Evergreen School subject to Cabinet's approval to increase the number of school places.
2. Agrees the addition of £6.026 million to the capital programme to deliver the schemes at Oak Wood Primary School and Stratford upon Avon School

All to be funded from Department for Education High Need and Basic Need grants and developer contributions.

1. Executive Summary

- 1.1 This report recommends proposals for allocating resources from within the Education (Schools) Capital Programme to the specific projects 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 £32.905 million following March 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 Council holds resources for school investment which are currently not allocated to specific schemes 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	32,905
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 £13.846 million of which £0.210 million is funded from Basic Need funding, £9.956 million is from High Needs Grant and £3.680 million is from developer funding. Therefore, £0.210 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. Once this work is complete a further report seeking support for the approach and allocation will be brought forward to Members for approval.

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 Subject to recommendation by Cabinet, Council is asked to agree the proposal to allocate £2.310 million funded as follows and to agree to 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 Cabinet at its meeting on 16th March considered a report recommending an increase to the number of school places at Evergreen School following a statutory consultation process. Details of this can be found in the Cabinet report.
- 3.14 Subject to Cabinet approving the statutory proposal to increase the number of places at Evergreen School, Council is asked to agree the proposal to allocate £7.820 million funded as follows and to agree to its addition to the Capital Programme:

High Needs Capital Grant	£7.679 million
Developer Funding	£0.141 million

Stratford upon Avon School

- 3.15. 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.
- 3.16. 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.
- 3.17. 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.
- 3.18. 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.
- 3.19. Subject to recommendation by Cabinet, Council is asked to agree the proposal to allocate £3.716 million funded as follows and to agree to its addition to the Capital Programme:

Education Capital Resources	£0.210 million
Developer Funding	£3.506 million

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 omissions 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. Background Information

- 5.1 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.
- 5.2 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.
- 5.3 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.
- 5.4 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.
- 5.5 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.
- 5.6 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.

- 5.7 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.
- 5.8 The current available funding is set out in Section 2.

6. Background Papers

None.

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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