

County Council

16 May 2023

Education Capital Programme 2023/24

Recommendation

That Council agrees the addition of £2.714 million to the capital programme to deliver the scheme at Oak Wood Secondary School to be funded from the Department for Education (DfE) High Needs Grant and developer contributions.

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.
- 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 Basic Need capital grant balance for 2022/23 has been fully allocated to projects within the Capital Programme. The Basic Need capital grant allocation for 2023/24 is **£40.850 million**, of which **£10.202 million** remains unallocated. The Department for Education has confirmed the Council will receive **£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 2025/26,
 - other grants/contributions held for specific purposes,
 - developer contributions currently held but unallocated; and
 - one historically earmarked capital receipt.

Available Resources (unallocated)	2023/24	2024/25	2025/26	Total
	£'000	£'000	£'000	£'000
Basic Need Grant	10,202	21,366	0	31,568
High Needs Grant	3,723	0	0	3,723
Schools Condition Allocation	2,197	0	0	2,197
Special Provision Fund	62	0	0	62
s.106*	56,700	0	0	56,700
Earmarked Capital Receipts	2,113	0	0	2,113
	74,997	21,366	0	96,363

** 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 £2.714 million of which £2.252 million is from the High Needs Grant, £0.092 million is from developer contributions and £0.370 million is from other funding. These allocations will result in a remaining High Needs grant balance of £1.471 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. Proposal for addition to the 2023/2024 Education Capital Programme

Oak Wood Secondary 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 Secondary 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 Secondary 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 There has been no extension to the main secondary school since it was built in early 2000's, however, the physical and emotional needs of the pupils have changed significantly in recent years. The building struggles to meet the needs in its current configuration.
- 3.4 It is proposed to create additional teaching capacity within the existing secondary school building by relocating the post 16 provision to a new satellite facility, unit 1 and 9 at the Bermuda Innovation Centre, St David's Way, Nuneaton. The Council will refurbish the units to provide additional capacity for up to 50 SEND vocational places for children and young adults based in the north of the county. The refurbished facility will create five teaching spaces, sixth form social and dining area, hair and beauty provision, food technology space, science laboratory, a kitchen and servery, sensory garden and outdoor dining area, meeting rooms, staff offices and welfare facilities.
- 3.5 A key attraction of basing post 16 provision at Unit 1 and 9 Bermuda Park is the ability to facilitate local work placements and independent travel opportunities for pupils transitioning from secondary education
- 3.6 Unit 1, Bermuda Park is currently vacant and leased to the DfE. The DfE is keen to see a continued educational use and have agreed a negotiated surrender payment of £0.370 million which will go towards this capital scheme.
- 3.7 Upon completion of the refurbishment works at Units 1 and 9, the Council will lease the premises to the Central England Academy Trust upon terms acceptable to the Strategic Director for Resources.

- 3.8 The total cost of the project has been estimated at £2.714 million and will be funded using £2.252 million from the DfE High Needs Capital grant, £0.092 million from developer funding and £0.370 million from the lease surrender payment. 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.
- 3.9 Subject to recommendation by Cabinet, Council is asked to agree the proposal to allocate £2.714 million funded as follows:

High Needs Capital Grant	£2.252 million
Developer Funding	£0.092 million
Other Funding	£0.370 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 As part of the feasibility work on future capital projects, where feasible net zero options and associated costs will be explored and considered before recommendation to Cabinet. The scheme within this report has not re visited the feasibility stage to provide a net zero option to prevent disruption to the critical path for delivery and the nature of the capital works and stage of development.
- 4.5 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 proposal within this report looks to increase the number of pupils admitted to mainstream special school provision in Nuneaton & Bedworth. 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.
- 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.

Appendices

None.

Background Papers

None.

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

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Other members: Cllr Dahmash, Cllr Roodhouse and Cllr Brown