

Council

14 May 2024

Additions to the Education Capital Programme 2024/2025

Recommendations

That Council:

1. Approves the addition of £16.467m to the capital programme to deliver the scheme at Lighthorne Heath Primary School to be funded from developer contributions, the School Condition Allowance and the Department for Education (DfE) Basic Need Grant;
2. Approves the addition of £15.573m to the capital programme to deliver the scheme at Shottery St Andrews CofE Primary School to be funded from developer contributions, the School Condition Allowance, an education capital receipt and the DfE Basic Need Grant;
3. Approves the addition of £5.347m to the capital programme to deliver the scheme at Myton Gardens Primary School. This will be funded by developer contributions and the DfE Basic Need Grant.

1. Executive Summary

- 1.1 This report recommends proposals for allocating resources in 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 Basic Need capital grant allocation available for 2024/25 is £27.131 million. The Department for Education has confirmed the Council will receive zero in 2025/26.
- 2.2 The High Needs Capital Grant allocation received for 2023/24 is £2.546 million, of which £0.982 million remains unallocated. The Department for Education (DfE) has just announced that the Council has been allocated £7.015 in total for the 2023/24 (additional £4.987m) and 2024/25 (£2.028m) High Needs capital allocation.

2.3 The project costs outlined within this report total £37.387 million of which £27.131 million is from the Basic Need Fund, £5.114 million is from developer contributions, £3.029 million is from the School Condition Allowance, and £2.113 million utilises an education capital receipt.

Recommendation	Total	Basic need	S106 Funds	Capital Receipt	School Condition	High Needs
Rec 1	16.467	10.801	3.603	0	2.063	0
Rec 2	15.573	11.330	1.164	2.113	0.966	0
Rec 3	5.347	5.000	0.347	0	0	0
Total	37.387	27.131	5.114	2.113	3.029	0

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)	2024/25
	£m
Basic Need Grant	27.131
High Needs Grant	7.144
Schools Condition Allocation	6.259
Special Provision Fund	0.049
s.106*	16.035
Earmarked Capital Receipts	2.113
	58.731

* 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 Funding from developer contributions can only be used for a limited range of purposes specified in the relevant agreement. Colleagues in the Infrastructure Team and Finance have confirmed the use and availability of the funding is in line with the relevant agreement.

2.5 The larger scale capital projects at Lighthorne Heath and Shottery St Andrews are at a stage which allows further design and development and surveys to be undertaken to increase the level of cost certainty. Contingency and risk allowance are included in the project budgets to provide some mitigation against further cost increases.

- 2.6 The establishment of specialist resourced provision is part of the strategy to mitigate the overspend on the Dedicated Schools Grant (DSG) allowing learners to be placed in more cost-effective provision, and ensuring that, where possible, more learners with an EHCP can be taught alongside, and within, a mainstream school environment.
- 2.7 The recommendations in this report utilise all the Basic Need grant funding available until the next allocation in 2026/27. If the recommendations from this report are approved by Council, further capital resources will be required to deliver further schemes in Nuneaton and Rugby to ensure sufficient school places exist to meet demand. A report will be presented to Cabinet and Council in July 2024 outlining the capital requirements for September 2026 and seeking approval for the use of corporate resources to deliver the projects where insufficient grant funding and/or developer contributions are available.
- 2.8 The challenge around future levels of Basic Need grant funding and developer contributions being sufficient to meet the cost of delivering schemes will influence our future approaches to prioritising projects, procurement routes and delivery options.

3. Proposals for addition to the 2024/25 Education Capital Programme

Lighthorne Heath Primary School

- 3.1 Lighthorne Heath Primary School currently has 91 places for children aged 4-11 years.
- 3.2 As a result of local growth, 3,000 new homes will be provided on the Upper Lighthorne development with construction now underway.
- 3.3 Pupil forecasts indicate reception cohorts and growth in other year groups will start to increase above existing capacity from September 2025. To ensure sufficient school places in the village of Lighthorne Heath as the housing development builds out it is proposed to relocate and increase the capacity of Lighthorne Heath Primary School from 91 to 420 pupils.
- 3.4 Land has been secured via Section 106 agreements to deliver a new 2FE Primary School (with site capacity to accommodate expansion to 3FE in future if required) and increased provision for early years.
- 3.5 Lighthorne Heath Primary School's existing site is located circa 0.5 miles from the new school site.
- 3.6 It is also proposed to establish education provision for children with special educational needs in the form of specialist resourced provision for up to 14 primary aged pupils with Social, Emotional and Mental Health (SEMH) needs or Communication and Interaction needs at Lighthorne Heath Primary School.

The specific type of need that the provision will be focusing on is still to be determined.

- 3.7 Cabinet at its meeting on 9th May considered a report recommending the relocation and expansion of Lighthorne Heath Primary School to two forms of entry, and the establishment of specialist resourced provision, following a statutory consultation process. Details of this can be found in the Cabinet report.
- 3.8 It is intended that the new school building will be operational for the school to relocate during the 2025/26 academic year.
- 3.9 The school's energy performance will go beyond Part L minimum compliance requirement. This entails the use of high efficiency building materials, advanced insulation, and energy efficient lighting, appliances and heating, ventilation and air conditioning systems. These stringent energy performance standards will minimise the school's carbon footprint. The school will be fossil fuel free from opening, ensuring this it is net zero carbon ready.
- 3.10 With the need to address other education capital priorities within a tight financial envelope it is not proposed to provide the school as Net Carbon Zero. Based on current market data the uplift to achieve Net Carbon Zero on new build school projects is approximately 20%. This would increase the overall total project cost from the estimated £15.901 million to circa £19.000 million.
- 3.11 Officers aim to achieve feasibility and development works up to RIBA (Royal Institute of British Architects) stage 3 before presenting to Cabinet and Council to ensure a greater degree of cost certainty (circa 60% cost certainty). It should be noted to keep on programme to deliver the project Autumn 2025, the costs are based on enhanced Stage 2 development providing an estimated cost certainty of circa 40%. An increased amount of contingency is included to account for this reduced cost certainty.
- 3.12 It is proposed to allocate £16.467 million with £3.603 million funded from collected developer funding. A remaining estimated £2.156 million is due to be collected towards this capital project in instalments over future years and will be returned to the education capital balance on its receipt.
- 3.13 Council is asked to agree the proposal to allocate £16.467 million funded as follows to the project, and to agree its addition to the Capital Programme:

Basic Need Funding	£10.801 million
Developer Funding	£3.603 million
School Condition Allowance	£2.063 million

Shottery St Andrew's CofE Primary School

- 3.14 Shottery St Andrew's CofE Primary School is currently a 0.5 FE primary school with 105 places for children aged 4-11.
- 3.15 The development Land West of Shottery was approved at appeal in October 2012. The development is for 800 homes and a 1.66ha site was secured for a primary school via Section 106 agreement ensuring the medium to long term sufficiency of primary school places in Stratford upon Avon town as a result of the demand for school places that circa 2000 homes proposed in the local area over the next 10 years could generate.
- 3.16 To ensure sustainability of existing provision, access to high quality sustainable education facilities and sufficient school places are available in Stratford upon Avon town over the next 10 years, it is proposed to relocate and expand the existing Shottery St Andrew CE Primary School from 105 places to 420 places.
- 3.17 Shottery St Andrew's CE Primary School's existing site is located circa 0.6 mile from the Shottery View new school site. The existing school site is not big enough to accommodate demand from the new housing development. The relocation to a larger site also allows access to improved educational facilities which the existing school site currently does not have such as dedicated hall/dining space, group/intervention space and a playing field.
- 3.18 Cabinet at its meeting on 9th May considered a report recommending the relocation and expansion of Shottery St Andrews CofE Primary School, and the establishment of specialist resourced provision, following a statutory consultation process. Details of this can be found in the Cabinet report.
- 3.19 Engagement with the Diocese is planned with regards to a joint approach to the future use or disposal of the existing school building.
- 3.20 It is anticipated that the new school would be ready for occupation during the Autumn term 2025.
- 3.21 The school's energy performance will go beyond Part L minimum compliance requirement. This entails the use of high efficiency building materials, advanced insulation, and energy efficient lighting, appliances and heating, ventilation and air conditioning systems. These stringent energy performance standards will minimise the school's carbon footprint. The school will be fossil fuel free from opening, ensuring this it is net zero carbon ready.
- 3.22 With the need to address other education capital priorities within a tight financial envelope it is not proposed to provide the school as Net Carbon Zero. Based on current market data the uplift to achieve Net Carbon Zero on new build school projects is approximately 20%. This would increase the overall total project cost from the estimated £14.895 million to circa £18.000 million.

- 3.23 Officers aim to achieve feasibility and development works up to RIBA (Royal Institute of British Architects) stage 3 before presenting to Cabinet and Council to ensure a greater degree of cost certainty (circa 60% cost certainty). It should be noted that to keep on programme to deliver the project for Autumn 2025, the costs in this report are based on enhanced Stage 2 development providing an estimated cost certainty of circa 40%. An increased amount of contingency is included to account for this reduced cost certainty.
- 3.24 It is proposed to allocate £15.573 million with £1.164 million funded from collected developer funding. A remaining estimated £1.7 million is due to be collected towards this capital project in instalments over future years and will be returned to the education capital balance on its receipt.
- 3.25 Council is asked to agree the proposal to allocate £15.573 million funded as follows to the project, and to agree its addition to the Capital Programme:

Basic Need Funding	£11.330 million
Developer Funding	£1.164 million
School Condition Funding	£0.966million
Education Capital Receipt	£2.113 million

Myton Gardens Primary School

- 3.26 In September 2022 Council approved the addition of £13.4 million to capital programme to deliver a new 2fe primary school to the South of Leamington/ Warwick, now known as Myton Gardens Primary School.
- 3.27 The new school will deliver early years provision (40 fte places ages 0-4), a 2fe (420 places) primary and SEND resource provision (8-14 places).
- 3.28 The trust has been appointed and the school will be opening initially in temporary accommodation at Oakley School for its first reception intake in September 2024. Following completion of the proposed 2fe primary school, pupils will move to the new site.
- 3.29 As the project has progressed through design and development phases, revised costs from the originally appointed contractor indicated a shortfall of £11.0 million against budget. WCC determined that this did not present value for money, and therefore WCC have appointed a new contractor.
- 3.30 While the new contractor represents better value for money and the shortfall has decreased significantly, a shortfall in funding does still exist due to costs incurred through the re-procurement process to change contractor along with

increased costs associated with additional ecological surveys and mitigation works, site and planning abnormal costs and ground condition remediation.

- 3.31 The total project cost is now estimated to be in the order of £18.845 million, a shortfall of £5.347 million. However, this is an improvement of £5.653 million on the costs proposed by the original contractor.
- 3.32 Council is asked to agree the proposal to allocate an additional £5.347 million funded as follows to the project, and to agree its addition to the Capital Programme:

Basic Need Funding	£5.000 million
Developer Funding	£0.347 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.
- 4.4. As part of the feasibility work on capital projects, where feasible net zero options and associated costs have been explored and considered.
- 4.5. Extensions to existing buildings make environmental improvements a challenge. However, where possible new build elements will be fossil fuel free and will be net zero carbon enabled.
- 4.6. 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. The provision and access to local education provision supports the promotion of active travel and the health and well-being, economic and environmental benefits this can bring.

5. Supporting Information

- 5.1 The Education Capital Programme is driven by the long-term strategic planning outlined in the Education Sufficiency Strategy and the [annual sufficiency update](#) to ensure Warwickshire can meet its statutory duty to provide school places. 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.
- 5.2 The 2021 census highlighted that Warwickshire's child-age population increased by almost 7% between 2011 and 2021, an increase of nearly 10,000 pupils. As such the county has seen significant education capital investment over recent years. To accommodate this growth Warwickshire County Council has delivered over 10,000 new permanent school places in the last ten years through numerous school expansions across the county and the opening of 11 new schools, comprising six Primary, two Secondary, one All-through and three special schools.
- 5.3 Over the next 10 years we expect a further increase in the total school age population (age 4-16) as a result of the housing developments that have received planning permission or are building out at present. This growth will require additional school places.
- 5.4 Warwickshire has also experienced increased demand for specialist education provision year on year with the number of children with EHCPs increasing annually by 9% over the past 5 years. This trend for increased demand for specialist education provision is anticipated to continue particularly in areas of housing and population growth.
- 5.5 There are currently 14 live capital projects, six in the North and Nuneaton & Bedworth and eight across the central and southern areas of the county, providing both primary, secondary and specialist places between September 2024 and September 2025.
- 5.6 A further seven schemes delivering additional primary and secondary school places for 2026/2027 in Nuneaton & Bedworth and Rugby are proposed to be presented to Cabinet and Council later this year.
- 5.7 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.

5.8 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:

Local Member(s): Cllr Christopher Kettle, Cllr Jenny Fradgley, Cllr Parminder Singh Birdi,

Other members: Councillors Marian Humphreys, Jerry Roodhouse and Barbara Brown