

Agenda Item 8

Wiltshire Council

Cabinet Capital Assets Committee

3 July 2017

Subject: Schools Capital Programme – Additional Projects Report

Cabinet member: Councillor Laura Mayes - Children's Services

Key Decision: Yes

Executive Summary

The Council has a statutory duty to provide sufficient school places to meet the demand arising across Wiltshire, whether from demographic or population change, strategic housing development growth and the planned Army Re-Basing programme.

The Cabinet approved the Wiltshire School Places Strategy 2015-2020 in November 2015 and the current programme of work approved in January 2017, is based on the basic need Priorities for capital investment in the short, medium and longer term.

The Council also has landlord responsibilities for the effective management and ongoing maintenance of the schools estate (community, voluntary controlled and Foundation schools only).

The Council receives annual capital funding allocations from the Department for Education (DfE) to meet basic need (new places) and condition (capital maintenance works) only. Day to day revenue maintenance is funded from school budgets.

Since January 2017, the Council has been advised of

- a. the planned relocation of an Army Battalion into MOD Lyneham in 2019 plus civilian rental of 100 SFA at MOD Lyneham
- b. a Free School bid submitted for a new primary school in Royal Wootton Bassett, has been unsuccessful
- c. additional Special School places are required for Sept 2017
- d. works at Harnham Juniors to replace poor quality temporary classrooms would be more effectively provided if part of a joint project with works at Harnham Infants.

It is recommended that the additional resulting projects highlighted at Appendix A are included in the School Capital Infrastructure Programme.

Proposal(s)

- To approve the School Capital Projects at Appendix A
- To authorise the Corporate Director for Children Services to invite and evaluate tenders for the projects described in this report, and, following consultation with the cabinet member, to award the contract for the project (subject to approval of any necessary statutory proposals) and to authorise, in consultation with the Head of Strategic Asset & FM (or the Asset Portfolio Manager (Estates), in accordance with the relevant scheme of sub-delegation (under paragraph 7 of Part 3B of Wiltshire Council's constitution)), the acquisition of all land (and the completion of any legal documentation) reasonably required in order to facilitate the Schools Capital Investment Programme.

Reason for Proposal

The Council has a statutory duty to provide sufficient school places, both in mainstream and in Special schools to meet the demand arising across Wiltshire, whether from demographic or population change, strategic housing development growth and the Army Re-Basing programme. The Council also has Landlord responsibilities for the effective management and maintenance of the schools (*for which the Council is responsible*) estate and the approval of an additional replacement accommodation project will ensure effective use of resources.

**Carolyn Godfrey
Director Children's Services**

Subject: **Schools Capital Programme – Additional Projects Report**

Cabinet member: **Councillor Laura Mayes – Children's Services**

Key Decision: **Yes**

Purpose of Report

1. To seek approval to the additional projects at Appendix A

Relevance to the Council's Business Plan

2. The Council has a statutory duty to provide sufficient school places to meet the demand arising across Wiltshire, whether from demographic or population change, strategic housing development growth and the planned Army Re-Basing programme. The approved School Capital Infrastructure Programme informed by the approved Wiltshire School Places Strategy 2015-2020 and Implementation Plan identifies the priorities for capital investment in the short, medium and longer term. The Council also has landlord responsibilities for the effective management and maintenance of the schools estate.

Main Considerations for the Council

3. As reported in January, the Council receives annual capital funding allocations from the Department for Education (DfE) to meet basic need (new places) and condition (planned maintenance). All other day to day maintenance works and low level cost works are the schools responsibility funded from their delegated or devolved funds.

The capital maintenance allocations are adjusted to take account of schools converting to academy status, as academies then receive funding direct from the Education Funding Agency (EFA). Therefore the capital funding allocated to the Council for maintenance works is reducing annually as the number of schools converting to academy status increases.

The Council also secures wherever possible, S106 developer contributions and will seek CIL planning obligations for essential school infrastructure in areas of new housing development which are usually project or school specific.

Background

4. Wiltshire Council considered and approved a Schools Capital Investment Programme Update Report on 17 January 2017. All of the major projects identified in that report are funded by schools capital allocations and/or S106 contributions.

Since the report in January a number of factors have come to light that require additional projects to be added to the overall School Capital Programme. These are summarised at Appendix A and explained in more detail below.

Basic Need (Sufficiency)

Royal Wootton Bassett (RWB) (primary places)

In support of the government's agenda for creating more new Free Schools, a bid was submitted by the RWB Academy to provide a new primary *free school* in RWB to meet the demand for additional places in the town. Following an announcement in April 2017, it was confirmed that the bid was unsuccessful and that the Secretary of State's decision was final. There will be a shortfall of places in RWB from Sept 2018 and the Council has a duty to provide the additional places.

Meetings have been held locally with all stakeholders to determine the best way of providing the additional places and whether organisational changes may be required to any schools to facilitate the provision. It is proposed that an additional 1FE (210 place) expansion is provided at one of the schools in the town. The estimated cost of providing an additional 1FE is £3.6m.

Lyneham Primary School

In January 2017 the Council was advised by the MOD/DIO that an Army Battalion (REME) is to be relocated to MOD Lyneham in Spring 2019. This will mean that approximately 450-500 armed forces personnel and their families will be accommodated at MOD Lyneham or in the immediate surrounding area. Alongside this, the MOD is leasing out up to 100 empty service family houses at MOD Lyneham for private rental. The combined impact will be the need to provide an additional 5/6 primary classes. There is also additional housing development expected in the Lyneham area. As a consequence, it is proposed that an additional 1FE (210 place) expansion is provided at Lyneham Primary, to be delivered in part by Easter 2019. The estimated cost of providing an additional 1FE is £3.6m.

Larkrise Special School

In response to a sudden increase in the number of applications for Special School places in September 2017, the need has been identified to provide a temporary classroom at Larkrise Special School to accommodate up to 8 additional children needing specialist support. The estimated cost of providing a temporary classroom with link to the main building is £150-£200k.

Condition

Harnham Juniors

The School Capital Investment Programme approved in January 2017, included a project to replace poor quality temporary classrooms at Harnham Infants, in Salisbury. The site is very challenging and at the same time a feasibility (only) to consider the replacement of poor quality temporary classrooms at the Junior's was agreed. The feasibility has now been undertaken and it recommends a joint project to replace accommodation across both schools (on the same site), as the most effective use of resources. It is proposed that the replacement accommodation project at the Juniors be added to the programme now, so that a more cost effective combined scheme can be commissioned. The estimated cost of permanently replacing 6 temporary classrooms is £2.5m - £2.8m.

Funding

In the report to CCAC in January 2017, a budget of £3.6m was allocated towards the new RWB free school proposal, made up of predominantly basic need and £78k of S106 contributions. Further S106 funding of £418k has now been secured and will replace some of the basic need funding required, keeping the overall budget as £3.6m. It is proposed that this funding now be allocated to provide the 1FE expansion of places in RWB (and some temporary accommodation in Sept 2018), any surplus basic need funds will be returned to contingency.

The 1FE expansion of Lyneham Primary School and the temporary classroom at Larkrise Special School are new basic need projects and there is currently no funding allocated to cover the £3.85m. It is proposed that the funding be allocated from the Programme contingency (circa £3m), plus savings secured from projects completed and further S106 contributions from developers across all areas, that can off-set against allocated basic need funding.

The permanent replacement of poor quality old temporary classrooms at Harnham Juniors is a condition related project. At the current time, there is £2.83m unallocated in the 3 year refurbishment/replacement programme which can be allocated towards this scheme.

These additional projects will use almost all the contingency in the current programme, however it is essential that we provide sufficient places where they are needed. At this stage I do not envisage that we will require capital resources from any other source and will manage the funding within the overall School Capital Programme budget.

Safeguarding Implications

5. All school projects are designed to ensure that schools provide safe and secure places for children and young people in the immediate community. If a decision was taken not to extend a school to meet demand in a local area then there is a risk that young people would be transported to

schools a long distance from their locality leaving them more vulnerable due to the distance they are from home.

Public Health Implications

6. The development of quality school buildings and site infrastructure will provide a range of sports facilities for pupils, students, staff and the local community including dedicated sports halls, primary activity halls, hard games courts and grass football/hockey pitches. The investment in school sites provides the opportunity for young people in the community to participate in sports and thereby promote healthy behaviours and practices in the population.

Corporate Procurement Implications

7. Responsibility for commissioning approved capital building projects rests with the Council's Property Services Team. Responsibility for approving related procurement activity rests with the Corporate Procurement and Commissioning Board (the Board). This report is about a number of procurements of works contracts to deliver school places capacity and replacement of temporary accommodation. The service will adhere to corporate governance by providing the forward plan to the Board, identifying options for their procurement and seeking approval of the recommended route(s) to market.

The range of routes to market has three real options: one-off tender exercises managed and advertised entirely within Wiltshire Council; use of by call down of pre-existing framework contracts for building services, these frameworks having been already put in place by Property Services/SPH; use of existing frameworks that have been put in place by external organisations such as the Eastern Shires Purchasing Organisation, or the Yorkshire Purchasing Organisation. The choice depends on the nature and extent of the works required. Whichever approach is chosen it will be compliant with European and domestic procurement legislation.

Equalities Impact of the Proposal

8. Through detailed planning and effective design, officers continue to ensure that all accommodation improvements promote and deliver equality of opportunity and access to facilities including unisex toilets where appropriate.

The Equalities Act 2010 states that reasonable adjustments must be taken into consideration in design. By adopting compliant design principles, and ensuring all schemes meet Building Regulations it should be possible to eradicate disability access difficulties and discrimination in new school buildings. This will be a fundamental objective of any rationalisation and/or expansion works carried out at existing school properties.

The Local Authority has a duty and responsibility to provide sufficient school places both in terms of mainstream and specialist provision to meet

demand arising from all areas of the community including in response to inward migration. The programme of work has also taken into account the needs arising from the Army Re-Basing programme.

Environmental and Climate Change Considerations

9. In all education related capital investment schemes, officers continue to work with establishments to develop and enhance the learning environment taking account of sustainability and environmental impact, including the move towards reducing carbon emissions from schools for the benefit of pupils, staff and the community.

All new build schemes are designed to meet BREEAM 'Good' and the design process provides opportunities for improved energy efficiency and minimising the associated lifetime carbon emissions. Additionally, schools are no longer subject to the Carbon Reduction Commitment (carbon tax payable by large energy consumers), but with ever increasing energy prices, every effort will be made through the design process to use renewable technologies which might be eligible for financial incentives and VAT relief and reduce lifetime running costs of the buildings

Risks that may arise if the proposed decision and related work is not taken

10. The Cabinet has approved the School Places Strategy 2015-2020 and the Special Educational Needs and Disability (SEND) Strategy which identify the need for additional school places and specialist provision across Wiltshire. If these additional projects are not approved then there is a legal risk that the Council will not be able to meet its statutory obligations to provide sufficient school places for children resident in Wiltshire.

The Council works closely with the Military and MOD to ensure that when decisions are taken to move troops to locations in Wiltshire, that the necessary infrastructure is in place to enable service families to access School places and other essential services. If the Council does not deliver additional school places to support troop movements then there is a risk that families will not be able to secure a local school place..

The Council, in its capacity as Landlord, has a responsibility for managing its sites and building assets efficiently and to ensure all school buildings under its control (community, voluntary controlled and foundation) are maintained appropriately. If these assets are not maintained then there is an increasing risk to health and safety of users as buildings fall into disrepair and increasing costs when more extensive work is required to make sure buildings remain operational.

Risks that may arise if the proposed decision is taken and actions that will be taken to manage these risks

11. It is important that the Council meets its statutory duty to provide sufficient school places and this ongoing programme of work will ensure that places are provided in appropriate locations and delivered in a timely way. There is a financial risk however than costs could increase and exceed the funding envelope agreed. To mitigate this, project briefs and specifications will be in line with policy and the project management and design teams will ensure that where possible, value engineering exercises are undertaken to reduce costs and keep within budget.

There is a risk that projects could be delayed due to unforeseen circumstances. Project managed timelines will be closely monitored to avoid slippage where at all possible.

There is a risk that a school project, predominantly funded by S106 contributions, is procured and subsequently the developer goes into liquidation. It should be noted however that Council policy to secure up to 50% of the funding at commencement of the housing development and the remainder at the half-way point of the development.

Financial Implications

12. The funding allocations for basic need and maintenance works in schools are shown in the table at para 3 above. There is an expectation that future years maintenance allocations will reduce if more schools convert to academy status and the relevant funding is withdrawn from the Council to be transferred to the EFA. In the event of this happening the maintenance programme would be scaled back appropriately.

In addition to formula allocations, the proposed School Capital Investment Programme is supported by S106 developer contributions allocated to location specific schemes and where appropriate CiL funding secured from major developments.

The School Capital Investment Programme is funded in full by grant and S106/CIL with no WC capital borrowing. The programme is managed within its allocation and actions taken where necessary to ensure it remains within budget.

Legal Implications

13. Wiltshire Council in the exercise of statutory duties and obligations is required to undergo a continuous programme of monitoring and review in accordance with the Wiltshire School Places Strategy 2015 -2020 and Implementation Plan.

The School Capital Investment Programme 2017 – 2020 report does not present immediate legal issues over and above the implementation, monitoring and due diligence obligations associated with the exercise of statutory powers.

Where it is proposed the Council will carry out construction works to foundation, academy or voluntary controlled school site the Council will need to ensure that legal arrangements are in place to secure access to the site for the construction team before the Council enters into any contracts for the works

Depending on the land ownership and the status of the school site the Council may be required to transfer school land to the governing body pursuant to the provisions of the School Standards and Framework Act 1998.

Any proposed construction works will be subject to Legal Services working with the Strategic Assets and Facilities Management team to carry out a full due diligence exercise of the site to identify any site constraints which would have an impact on the proposed works, for example, any rights of way across the site or covenants restricting use of the land.

Recommendations

14. That the projects at Appendix A are approved.

Conclusions

15. The Council has a statutory duty to provide and maintain sufficient school places to meet the demand arising across Wiltshire, whether from demographic or population change, Core Strategy housing development growth and the Army Re-Basing programme. The Cabinet has approved the Wiltshire School Places Strategy 2015-2020 and its Implementation Plan which clearly identifies the priorities for capital investment in the short, medium and longer term and the proposed additional schemes to be included in the Schools Capital Investment Programme will ensure this is achieved.

Proposal

16.
 - To approve the School Capital Projects at Appendix A
 - To authorise the Corporate Director for Children Services to invite and evaluate tenders for the projects described in this report, and, following consultation with the cabinet member, to award the contract for the project (subject to approval of any necessary statutory proposals) and to authorise, in consultation with the Head of Strategic Asset & FM (or the Asset Portfolio Manager (Estates), in accordance with the relevant scheme of sub-delegation (under paragraph 7 of Part 3B of Wiltshire Council's constitution)), the acquisition of all land (and the completion of any legal documentation) reasonably required in order to facilitate the Schools Capital Investment Programme.

Reason for Proposal

17. The Council needs to amend the School Capital Programme 2017-2020 to include the additional projects at Appendix A to ensure it can meet its statutory duty to provide sufficient school places in light of the additional needs identified.

Carolyn Godfrey
Corporate Director – Children's Services

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Background Papers

The following documents have been relied on in the preparation of this report:

- Wiltshire School Places Strategy 2015-2020
- Schools Capital Investment Programme 2017-2020 Update Report – January 2017

Appendices

Appendix A - Additional School Capital Projects July 2017

Additional School Capital Projects July 2017

School	Project	Cost Estimate
Royal Wootton Bassett Primary	(<i>unsuccessful Free School bid</i>). Replacement project to provide 1FE (210 places) expansion to existing school in RWB.	C/D
Lyneham Primary	Expansion of school by 1FE (210 places)	C/D
Larkrise Special School	Provision of a temporary classroom and covered way	A
Condition Project		
Harnham Juniors	(<i>originally a feasibility only</i>) Scheme to replace 6 poor quality temporary classrooms at same time as similar project at the Infants School (same site).	C

Key to Capital Project Cost Estimates

Project Cost Estimate	Reference
Under £500k	A
£500k to £1m	B
£1m to £3m	C
£3m to £5m	D
£5m to £7m	E
More than £7million	F

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