

# CABINET



<b>Report subject</b>	<b>Carter Expansion Project Update</b>
<b>Meeting date</b>	12 February 2020
<b>Status</b>	Public Report
<b>Executive summary</b>	<p>This report seeks to update Cabinet on the partnership arrangements that are proposed to enable the Carter Community School expansion project to progress. It also recommends a financial package, requiring contributions from the Council and ULT, to facilitate the completion of the project to an acceptable standard to enable the statutory function of pupil place planning to be delivered.</p> <p>United Learning Academy Trust have issued the following statement in respect of the proposed financial strategy within this report</p> <p><i>"United Learning are wholly supportive of the strategy mapped out by BCP and shared with us prior to the Project Board meeting on 17<sup>th</sup> December 2019. We have reallocated funding from our 2019-20 and 20-21 funding streams to undertake the elements of work identified as being outside of the BCP funding plan and hope that the entire project can be completed in a reasonable timescale from here."</i></p>
<b>Recommendations</b>	<p><b>It is RECOMMENDED:</b></p> <ul style="list-style-type: none"> <li>(a) That Cabinet note that ULT have committed £379k to complete works to refurbish science rooms and toilet facilities.</li> <li>(b) That the Cabinet approve the allocation of £224k from the unallocated Basic Need Contingency to part fund the completion of the Technology Block.</li> <li>(c) That Cabinet approve the application in principle to access early draw down of future Basic Needs capital resources from the ESFA of up to £0.55M to facilitate the completion funding of the Technology Block. This £0.55M being part of the formulaic £4.1M that is due to be allocated to BCP in the financial year 2020/21.</li> <li>(d) That Cabinet note ULT will seek to identify further available capital resources from their annual formulaic allocation to complete outstanding works over the course of the next three financial years.</li> <li>(e) That Cabinet approve the revised financial strategy for this project as set out at Appendix B.</li> <li>(f) That Cabinet agree that a formal legal agreement be drawn up between the parties committing to the financial strategy and commitment of both parties ahead of any monies being released to ULT in respect of the Technology Block.</li> </ul>

<b>Reason for recommendations</b>	The purpose of this report is to update Cabinet of the key financial issues relating to this project. Further, to seek approval for the proposed financial strategy to enable this project to be completed to an appropriate standard. This will enable the required increase in capacity at the school in order to accommodate an additional 300 pupil places to meet pupil place planning projections.
<b>Portfolio Holder(s):</b>	Councillor Sandra Moore, Portfolio Holder for Children and Families
<b>Corporate Director</b>	Judith Ramsden; Corporate Director Children's Services
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<b>Wards</b>	Hamworthy
<b>Classification</b>	For Update and Decision

## Background

1. A report was prepared in August 2019 for senior officers detailing the issues relating to the Carter Community School construction project. This itemised the additional funds that would be required to complete the project as originally envisaged. It was apparent at this time that there were insufficient funds available to allow the project to be completed.
2. Following consideration of this paper, a decision was made to approach the Educations Skills and Funding Agency (ESFA) to apply for exceptional funding to complete the project.
3. A meeting was held with an ESFA representative in September 2019, at which, information was supplied to demonstrate the need for additional expenditure of between £1.75 and £2.75M to complete the project. The range reflects a lower figure to complete the minimum works required to house the additional pupils required and a higher figure to complete the works as originally envisaged.
4. After due consideration by the ESFA a letter was received on the 4th November 2019 declining the additional funds applied for, but offering the potential for early draw down of Basic Need funds against the planned formulaic allocation in 2020/21 of £4.1M to BCP Council.
5. After the receipt of this letter it became evident that the project could not be delivered as a single construction contract and therefore a revised strategy has been devised to deliver in a way that mirrors the limited funds available.

## REVISED DELIVERY STRATEGY

6. The project consists of the following Key Elements:
  - a) New Build Blocks:
    - i. General Teaching Block
    - ii. Technology (incl. Science prep rooms)
    - iii. Drama
    - iv. Link Corridor
  - b) Internal remodelling/refurbishment of

- i. SEN
    - ii. Science & WCs
    - iii. Learning Resource Centre
    - iv. English Block refurbishment
    - v. Staff Room
  - c) Plus
    - i. Landscaping and External Works
7. To date, the General Teaching, Technology and Drama blocks have had their groundworks completed and their steel frames erected at various locations around the site. A layout of the school site is attached at Appendix A.
  8. Following conversations with the school and the Academy Trust the works above have been separated into two categories. Category 1 has been identified as those works required as a minimum to house the additional pupils required. Category 2 are those works which whilst required to make the school operate more efficiently, are not deemed essential to increase capacity.
  9. The proposed new blocks for General Teaching and Technology along with the refurbishment of Science areas fall into Category 1.
  10. A financial strategy has therefore been completed, Appendix B, which seeks to complete the works in Category 1. This is funded between the Local Authority as the commissioner of school places and the Academy Trust as the operator of the school.
  11. Whilst this strategy seeks to prioritise Category 1 works, it also looks to deliver them as individual blocks in a timeframe to suit the arrival of the additional pupils (60 / year over a five year period) and align this with the availability of the funding streams identified.
  12. The Trust has committed the sum of £379k to refurbish the Science and WCs within the school as a matter of priority. These areas have been disrupted by the original contractor who left them uncompleted and they are now not fit for purpose. These works are required as soon as practical as it directly affects the delivery of the curriculum in the school year.
  13. The Trust has also committed to investigate a percentage of future years allocations of School Condition Allocations (SCA) across the Trust to complete areas of the school that assist with the smooth and efficient operation.
  14. The Council has proposed to commit £1.55M of the £1.8M budget remaining within the project to enable the completion of the 'Category 1' General Teaching Block. This block offers the maximum floor area for the minimum cost and provides the largest number of general teaching spaces in order to be able to accommodate the additional 60 pupils in September 2020. The construction period for the completion of this block is such that this work must commence in January 2020.
  15. The Council, in fulfilling its statutory role of commissioning sufficient school places, has compiled the attached financial strategy, Appendix B, in relation to the Technology Block to ensure that the minimum requirements are delivered in respect of the capacity required. This strategy allocates the residual uncommitted BCP Basic Need funding of £224k and seeks an early draw down of funds from the ESFA of £550k from future Basic Needs allocations.
  16. Government announcements on Basic Need Capital Grant allocations post 2020/21 are yet to be made. The proposed early draw down of £550k of the £4.1m 2020/21 Basic Need Grant allocation will mean BCP will have £3.55m remaining to support its ongoing Children's Capital Strategy.

17. If the financial strategy in Appendix B is adopted, this will increase the total BCP funding for this project from the originally approved budget of £6.528M to £7.28M as set out below.

	<b>BCP</b>	<b>United Learning</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Phase 1 (inc £0.25M BCP contingency)	4.72	0	4.72
Phase 2 Teaching Block	1.55	0	1.55
Phase 2 Science (part I)	0	0.38	0.38
Phase 2 Technology Block	1.01	0	1.01
<b>Sub-total Phase 1 &amp; 2 works</b>	<b>7.28</b>	<b>0.38</b>	<b>7.66</b>

18. This partnership approach to funding will enable the project to be completed to an acceptable standard and achieve the objectives laid down at the start of the process.

### **Summary of financial implications**

19. The financial cost of this project to the Authority will rise from £6.528M to £7.28M as detailed in the table above.
20. It is proposed that this additional funding will be drawn from the residual uncommitted BCP Basic Need funding of £224k and the proposed early drawdown of 2020/21 Basic Need funding in the sum of £525k.

### **Summary of legal implications**

21. In adopting the strategy as detailed in this report the financial liability of the Local Authority will be capped at the revised level provided United Learning Academy Trust commit to find the remainder of the funding required and to accommodate the additional 300 pupils identified.
22. The Funding Agreement currently in place between the two partners to deliver this project will need a legal amendment to be drafted by Legal Services to facilitate the revised arrangements. This amendment will be signed by both parties ahead of financial expenditure in respect of the additional funding identified.

### **Summary of human resources implications**

23. Not applicable for this construction project.

### **Summary of sustainability impact**

24. To complete this partially constructed project has the least impact on the environment as it makes best use of the partially constructed buildings on site.
25. To not complete this project would result in demolition of the works completed to date and the inability of the local authority to fulfil its statutory obligations.

**Summary of public health implications**

26. To complete this project on site enables the additional pupil places to be provided locally to the demand. This therefore encourages more pupils to walk to school instead of being driven.

**Summary of equality implications**

27. Not applicable

**Summary of risk assessment**

28. The two key risks associated with this project are that costs will further increase and so the required accommodation will not be able to be completed without the identification of further funding, or that the additional capacity will not be delivered in time to accommodate the forecast in pupil numbers.

**Background papers**

29. None

**Appendices**

- Appendix A. Layout of proposed project  
Appendix B. Summary of Financial Strategy Position

**3D - EXTERNAL VIEW 3**  
SITE PERSPECTIVE- MAIN ENTRANCE AND PEDESTRIAN ENTRANCE



### Summary of Financial Strategy Position

<b>Funding Agreement Figure</b>	<b>£6,528,000</b>	
Phase 1 Spend to Date	3,934,577	(incl works, consultancy, loose FFE, ICT Legal costs)
Urgent Works to Windows and Binary	64,000	(£46k Windows install + £18k Binary)
<b>TOTAL SPEND TO DATE</b>	<b>3,998,577</b>	
<b>Monies remaining on the project</b>	<b>£2,529,423</b>	
<b>Current Financial Commitments</b>		
<i>Consultancy Fees committed</i>	<i>60,000</i>	<i>(balance of Perfect Circle fee etc)</i>
<i>Loose FFE budgeted</i>	<i>98,018</i>	
<i>ICT budgeted</i>	<i>179,615</i>	
<i>Highway Mitigation Works</i>	<i>40,000</i>	
<i>Consequential Improvements</i>	<i>90,000</i>	
<i>Contingency set aside</i>	<i>251,830</i>	<i>BCP figure</i>
<b>Sub - total of Current Commitments</b>	<b>719,463</b>	
<b>Monies available for Phase 2 Project</b>	<b>£1,809,960</b>	
Science (Part 1)	378,793	Operational urgency. <b>ULT to pay for this element.</b>
General Teaching Block	1,549,779	Works required for first pupil intake in 2020
<b>Monies remaining within Project</b>	<b>£260,181</b>	
Technology Block (including Science prep rooms)	1,009,418	Works required as soon as practical after Sept 2020
<b>Financial Shortfall to complete Technology</b>	<b>-£749,237</b>	
Current legacy Basic Need contingency funds	<b>£224,000</b>	This commits all residual BCP Basic Need funding
<b>Shortfall to complete critical pupil capacity works</b>	<b>£525,237</b>	<b>Proposed Early Drawdown from ESFA</b>
<b>Outstanding Works to be completed – not critical to pupil capacity</b> <ul style="list-style-type: none"> <li>• Drama Studio (partially complete)</li> <li>• Learning Resource Centre</li> <li>• Link Corridor</li> <li>• English Block refurbishment</li> <li>• Staff Room</li> <li>• SEN Refurbishment</li> <li>• Additional Consultancy Fees</li> <li>• Additional Legal Fees</li> <li>• Additional risk on these elements</li> </ul>	<b>Circa £1 – 1.2M depending on scope of works adopted</b>	<b>To be completed by ULT through their SCA allocation over 2020/21 and 2021/22.</b>