

CABINET



Report subject	Children's Services Capital Strategy
Meeting date	27 May 2020
Status	Public
Executive summary	To seek approval of the Children's Services Capital Strategy 2020/23 and the associated use of capital programme funds for 2020/21.
Recommendation	<p>RECOMMENDED that Cabinet:</p> <ul style="list-style-type: none"> (a) Approves the adoption of the Children's Services Capital Strategy 2020/21 to 2022/23 as contained within this report; (b) Notes the funding constraints within which the Strategy is drafted, as outlined in Appendix A; (c) Approves the inclusion of programme of activity / works as set out at Appendix B within the Capital Investment Programme; and (d) Approves the use of school condition grant for children's centres to maintain urgent health and safety issues as identified.
Reason for recommendations	To agree the priorities for the investment of ring-fenced government capital grant received in support of Children's Services for 2020/21 and beyond. This will support the Council in complying with its statutory duties in relation to the supply of school places, special educational needs/disabilities (SEND) and school condition.
Portfolio Holder(s):	Cllr Sandra Moore, Portfolio Holder for Children and Families
Corporate Director	Judith Ramsden, Corporate Director Children's Services
Contributors	Neil Goddard, Service Director, Quality and Commissioning Helen Rice, Principal Asset Planning and Development Manager

Background and Purpose

1. The purpose of the Children's Services Capital Strategy 2020/21 to 2022/23 is to agree the longer-term capital priorities of BCP Council, provide an overview of estimated funding available to deliver these priorities, and propose an internal governance process for the approval of decision making on school premises.

Capital Projects Currently Approved

2. BCP Council's Children's Services 2020/21 Capital Programme consists of £16.5m approved spend across the conurbation. The Programme includes £2.1m for SEND Capital Projects, as approved by Cabinet in April 2020 – Capital works at individual school sites identified by the SEND sufficiency team that contribute toward Basic Need Places for SEND pupils. These projects are essential in order to mitigate budgetary pressures on the High Needs Block.
3. Unspent capital budget from 2019/20 for capital projects yet to complete will be added to the £16.5m currently approved.

Capital Programme Budget 2020/21	£000
SEND Capital Projects	2,120
SEND Feasibility Studies	250
Avonbourne Academy - feasibility phase	150
Avonbourne Academy - delivery phase	800
Carter Community College	2,949
Ocean Academy	105
Hillbourne School Workstream - new school build	9,346
Hillbourne Housing Workstream - design phase	104
St Aldhem's Internal Remodelling	390
Contingency for Capital Maintenance	250
Health & Safety Works	50
	16,514

4. The £16.5m approved capital programme for 2020/21 utilises £5.8m Department for Education (DfE) Capital Grant funding. The remaining £10.7m is funded from a combination of Supported Borrowing, Capital Receipts, Council Reserves, s106 contributions and Community Infrastructure Levy (CIL).

Children's Capital Strategy – funding available for new capital projects

5. Based on Government allocations of capital grant funding for 2020/21 and approved utilisation of £5.8m to support the existing 2020/21 Children's Services Capital Programme, the **Council estimates it will have £3.9m unallocated Government Capital Grant available to fund future schools and children's**

centres capital projects (see Appendix A). This funding is ringfenced to use in the following areas, each of which is statutory in nature:

- a. **£1.9m Basic Need Funding** – This funding is allocated by the government in response to the pupil place planning projections provided by the Authority in its annual data returns. It is formulaic in nature and is used by the Local Authority (LA) to meet its statutory duty in securing sufficient number of school and pre-school places across the Authority.
 - i. The allocation of this funding is targeted at schools where additional capacity is required and can be applied to LA maintained, Academies and SEN schools.
 - b. **£1.8m School Condition Funding (Capital Maintenance)** – This funding is allocated by government on an annual basis based on pupil numbers in maintained schools only to ensure the safe operation of school premises.
 - i. The LA's allocation of this funding is targeted at schools in poor condition, which is determined by condition surveys of schools and children's centres premises that are undertaken on a cyclical programme.
 - c. **£0.1m Special Educational Needs and Disability (SEND) Funding** – This funding is allocated by the government and is ring-fenced for the use of providing appropriate accommodation to meet the needs of pupils accessing specialist provision by creating new SEND places or developing existing facilities.
 - i. The allocation of this funding is targeted at schools where young people with SEND requirements are educated and is allocated by the LA based on school funding bids that meet BCP Council's priorities for reducing spending on the High Needs Block. Further details on this fund and its allocation are contained in Appendix B of this report. This allocation was approved by Cabinet in April 2020 due to the urgency of the spend.
6. Government Grants can only be utilised in accordance with grant conditions outlined above.
7. The Council recognises that a programme of feasibility projects, studies and condition surveys is required to better understand the extent of capital investment required.

New Capital Projects/Strategic Priorities Proposed for 2020/21 (Appendix B)

8. £1.9m Basic Need Funding

a. **Poole North Feasibility Study - £100k allocation**

This funding is required to undertake a feasibility study on schools to the North of Poole, considering the impact of the three large housing developments in this area. Current estimates indicate an additional 2 Forms of Entry (FE) will be

required in the primary sector. The feasibility study will consider which, if any, schools can be expanded or whether a new primary School is required. Costs associated with the agreed strategy will be included within the feasibility to be able to consider future pressures on the Basic Need Budget.

b. St Aldhelm's Nett Capacity - £460k to £610k for additional capacity

The academy has indicated that they have insufficient capacity to accommodate their published admission number (PAN) of 180. An assessment has been undertaken by local authority officers and a scope of work agreed in principle. The places at this school are required to achieve the statutory function of providing sufficient secondary school places across the Authority. The work falls into two main categories; the remodelling of the existing space to provide additional capacity and address suitability; additional capacity through the addition of a 4 classroom modular block. These works are urgent in nature. The first phase is required for September 2020. The first allocation of £390k (to address the internal remodelling) has been agreed through delegated powers as a matter of urgency.

c. Ocean Academy Remedials - £50k

Additional funding is required to complete the remedials on this newly built primary school. This will enable the transfer agreement to the Academy Trust to be completed.

9. £1.8m Capital Maintenance - Condition Funding

a. Condition Surveys – 17 maintained schools and learning centres - £100k budget for surveys.

In order to be able to identify the Capital Maintenance priorities for all BCP maintained schools, revised condition surveys are required at the majority of them. The surveys use a standard assessment framework and the findings will inform the schools capital works programme.

b. Condition Works to maintained schools – estimate yet to be prepared.

Based on the outcome of the condition surveys with estimates based on the identified priority works. Works to be agreed by SRO under delegated authority for works less than £100k/school.

c. Condition Works to Children's Centre - £10k/annum

Rolling programme for minor repairs to Children's Centres which require urgent health and safety works.

d. Condition Works to Linwood School – M&E remedial works. – estimate yet to be prepared.

Recent condition survey highlighted mechanical and electrical issues at the school. Maximum spend of £150k to be allocated to this school.

- e. **Emergency Condition Works** to maintained schools in respect of health and safety issues that cannot be funded from the schools' devolved formula capital (DFC) allocation. £50 k per annum
- f. **Winchelsea School (MLD) - £100k allocation for feasibility** plus funding for a solution (estimate yet to be prepared) This school is the highest priority within the previous Borough of Poole Capital Strategy. The school has a capacity of 96 pupils but currently houses 120 pupils. The school accommodates pupils with SEND and has a combination of sufficiency, suitability and condition issues, with a large amount of provision delivered from temporary accommodation. The proposal is to consider a feasibility study that identifies a project that could increase the capacity of the school whilst dealing with the significant suitability and condition issues. Funding for the initial feasibility study is sought within this strategy.
- g. **Linwood School - £100k allocation for a feasibility study** to achieve the same objectives as listed above for Winchelsea School. Both of these feasibility studies aim to minimise the demand on the high needs block by making additional places available locally to young people who require them.

Children's Services Capital Projects – Governance Process

- 10. In line with BCP Financial Regulations, the approval process for new capital projects arising from feasibility work and studies is:
 - a. Projects less than £100k in value can be approved by Service Director
 - b. Projects over £100k but less than £500k can be approved by Executive Director, with approval by the Council's Corporate Management Board
 - c. Projects over £500k but less than £1m require Cabinet approval
 - d. Projects over £1m require Council approval

Summary of Financial Implications

- 11. A summary of residual Government Grant funding available to fund the Children's Capital Strategy is provided in Appendix A.
- 12. Members will note that, at £3.9m, a comparatively modest level of Government Grant is available through which to deliver the Council's Children's Capital Strategy. This figure is, however, stated before Government announcements of new Grant funding post 2020/21 are known. The proposed Programme of spend in Appendix B ranges from £1m to £1.5m, leaving up to £2.4m unearmarked Government Grant funding available for new projects outside of the current Strategy (£3.9m current unearmarked grant less £1.5m planned works in Appendix B).

13. Members are reminded that, historically, legacy Councils have drawn upon non-Government Grant funding sources (including supported borrowing, capital receipts, Community Infrastructure Levy and s106 contributions) to help finance capital projects. Given competing pressures on BCP Council resources, there is no guarantee the same level of non-Grant funding will continue to be available for new schemes brought forward.
14. Additional projects / pressures not included in the current Children's Capital Strategy, but which may also require funding in the future, include:
- Bournemouth Learning Centre – conversion of building into a school
 - Hillbourne School – potential for additional funding requirement pending outcome of District Valuer's housing land valuation
 - Winchelsea School – a school that has been highlighted in legacy Poole Council as in urgent need of significant building improvement works
 - Capital projects arising from feasibility study and school condition survey work (in Appendix B) – It is highly likely the Council will have to seek Community Infrastructure Levy (CIL) funding in order to help finance these projects and fulfil its statutory responsibilities for the supply of school places.
 - Potential increase in construction costs as a result of impact of Covid-19 on market conditions.

Summary of Legal Implications

15. The use of funds articulated within this report is in line with the Authority's statutory duty to ensure that sufficient school places are provided to every child.

Summary of Human Resources Implications

16. Appropriate monitoring and management of the capital spend, and works with schools to deliver the projects will be met from existing resources.

Summary of Sustainability Impact

17. The distance travelled by children and young people to attend school should be reduced through ensuring additional provision is available close to where they live to reduce travel by car.

Summary of Public Health Implications

18. Not applicable

Summary of Equality Implications

19. The Children's Services Capital Strategy seeks to allocate funding to mirror their statutory responsibilities and ensure that funding is targeted at the areas of greatest need. All projects delivered through this process consider the equality impacts contained within each project.

Background papers

Appendix A

Appendix B

Appendix A

This table seeks to provide information on the current level of funding contained within the Children's Services Capital Programme as of early March 2020. Actual spend incurred in 2019/20 will not be finalised until the financial year closedown is complete.

Children's Capital Strategy

Objective: Understand level of schools capital grant funding available to underpin Children's Capital Strategy 2020/21 to 2022/23

Capital Grant	Eligible Schools (type)	01-Apr-19	recvd in year	planned spend	31-Mar-20	recvd in year	planned spend	31-Mar-21
Basic Need Grant	any	2,877	2,989	(2,113)	3,753	1,095	(2,915)	1,933
School Condition Allocation	maintained schools and Academies in first year after conversion	2,809	803	(576)	3,036	803	(1,987)	1,852
SEND Provision	any - supported by published 3 year strategy	358	1,501	(1,354)	505	485	(900)	91
Healthy Pupils Capital Fund	maintained schools - schools to bid for money from BCP	23	0	(16)	7	0	0	7
		6,067	5,293	(4,058)	7,301	2,384	(5,802)	3,883

Total 'unearmarked' schools capital grant funding

3,883

The Current Capital Programme has a number of projects contained within it set against the priorities of Basic Need, Capital Maintenance and SEND funding. The **£3.9m** funding listed above is an **estimate** of residual schools capital grant funding currently **unallocated and available** to support new capital projects and priorities going forward.

APPENDIX B

No.	Funding Source	Project Title	Estimated Cost for Approval	Purpose of Project
1	All funding Streams	Winchelsea Feasibility	£100k	To assess sufficiency, suitability and condition of existing school premises.
2	All funding streams	Linwood Feasibility	£100k	To assess sufficiency, suitability and condition of existing school premises.
3	Basic Need	Poole North Feasibility	£100k	To develop a masterplan to house the additional pupils generated through the large scale housing development planned in the North of Poole
4	Basic Need	St Aldhelm's Academy	£460k - £610k Total	To provide suitable accommodation as a matter of urgency to enable the PAN of 180 at the school to be retained.
5	Basic Need	Ocean Academy Remedials	£50k	To facilitate the completion of the outstanding remedial works at Ocean Academy to enable the Transfer Agreement with the Trust to be concluded.
6	Condition Funding	Maintained School Condition Surveys	£100k	To undertake condition surveys at the remaining maintained schools within the conurbation to enable a list of urgent remedials to be compiled.
7	Condition Funding	Urgent School Condition Works	Unknown until surveys complete. Each school less than £100k to be delegated to the SRO to allow works to commence.	To ensure safety of pupils attending maintained schools.
8	Condition Funding	Children's Centres	£10k / annum	To address urgent health and safety works at these premises. Individual schemes to approved through SRO.
		Total Quantified	£0.9m to £1.5m	

End