

Report subject	Children's Services Capital Programme
Meeting date	27 October 2021
Status	Public Report
Executive summary	<p>The report sets out the capital programme for Children's Services, including summarising the available funding and approved projects. It provides a brief summary of the status of projects which have been completed or are in progress, and of projects which have not yet been initiated. A review of inclusion practice in BCP schools and a revised special educational needs and disabilities (SEND) strategy is underway, led by the Director of Education. A programme of capital works to help deliver that strategy will be brought forward as part of the 2022/23 budget setting process.</p>
Recommendations	<p>It is RECOMMENDED that Cabinet:</p> <ul style="list-style-type: none"> (a) notes that a special educational needs and disabilities (SEND) strategy (and associated programme of capital works) will be brought forward as part of the wider children's capital programme for Council approval in February 2022 (b) recommends that Council approves the pausing of the project to create a satellite for Winchelsea School at Somerford Primary School, and agrees to deferring the opening of such a satellite to the school year 2022-23 pending the approval of the SEND strategy and associated capital programme (c) recommends that Council approves the removal of the existing Somerford Primary School capital budget from the approved capital programme. Council approval will be sought for a revised scheme and costings once completed.
Reason for recommendations	<p>This report is intended to inform Children's Services Overview and Scrutiny Committee and Cabinet of the current status of the children's services capital programme, including the steps being taken to develop a new special educational needs and disabilities (SEND) strategy including a programme of capital works.</p> <p>The Children's Services Overview and Scrutiny Committee considered the report on 21 September 2021. The portfolio holder</p>

	drew the attention of the committee to the governance arrangements for the capital programme set out in paragraph 26 of the report. The Children's Services Overview and Scrutiny Committee recommended Cabinet to approve the recommendations contained in the report.
Portfolio Holder(s):	Councillor Nicola Greene (Portfolio Holder for Covid Resilience, Public Health and Education)
Corporate Director	Elaine Redding (Director of Children's Services)
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Wards	Council-wide
Classification	For Recommendation

Background

1. The Children's Services Capital Programme mainly funds building projects in schools. Funding sources include:
 - a. Department for Education grants
 - b. Resources committed by the Council
 - c. Section 106 contributions arising from new housing development
 - d. Capital receipts from the transfer of surplus school land and disposal of surplus assets on school land
2. Projects include:
 - a. Condition works – maintenance of school buildings for which the council is directly responsible including health and safety works.
 - b. Sufficiency works – the addition of school places in either maintained schools or academies to ensure there is sufficient capacity to meet demand.
 - c. Suitability works – to ensure schools have suitable accommodation
 - d. Special Educational Needs and Disabilities (SEND) works – projects specifically intended to benefit pupils with SEND, whether at mainstream or special schools.
3. Academies and Free Schools are allocated condition funding through the Education and Skills Funding Agency, so maintenance works in academies are not part of this capital programme.
4. The Council may fund sufficiency and SEND works at Academies and Free Schools as well as at maintained schools in order to ensure there are sufficient school places, and sufficient and suitable provision for SEND.

Funding for the Children's Services Capital Programme

5. The full capital programme for the current year is shown in Appendix 1. The columns to the right show the various funding sources and sums available.

Basic Need Grant

6. Basic need grant (sometimes known as basic need allocations) is paid to local authorities (LAs) by the Department for Education to support the capital requirement for providing new pupil places by expanding existing maintained schools, free schools or academies, and by establishing new schools. The allocated sum is based on the annual school capacity (SCAP) survey returned to the DfE, giving details of the capacity of schools and academies in the LA area, and forecast future pupil numbers. The sum currently available for the program is £0.8 million with £0.3 million committed to projects. This is un-ringfenced capital funding that is not time-bound, so that LAs can make the best decisions for their local area. Providing it is used for school-related capital works basic needs allocations are flexible. The full details of the allocation can be seen in Appendix 1.

Condition grant

7. Condition Grant (also known as school condition allocations (SCA)), are funds paid by the Department for Education to eligible bodies responsible for maintaining school buildings and children's centres on a formula basis. In the case of local authorities SCA is for condition works at local-authority-maintained schools, including maintained nursery schools, and children's centres. Academies, voluntary aided and other categories of school receive their SCA via other routes, such as the Education and Skills Funding Agency. The school condition grant as at 1 April 2021 was £1.9 million, and a further in-year allocation of £1.2 million has been received. Of these sums, £1.9 million remains uncommitted and available for future projects.
8. Maintained schools in BCP were the responsibility of the three predecessor authorities with responsibility for Children's Services until the establishment of BCP Council on 1st April 2019. Each of these had its own approach to managing condition works. A rolling programme of condition surveys led by surveyors in the BCP asset investment team is taking place, categorising the priority and timescale of required maintenance works. These surveys provide the basis for prioritising condition works. Urgent health and safety works always take top priority. In addition to planned maintenance works, some funding is reserved for reactive works where repairs are required unexpectedly, such as failure of mechanical or electrical systems.
9. The full details of the school condition allocation can be seen in Appendix 1.

SEND Grant

10. SEND grant is provided by the Department for Education to fund capital works in respect of special educational needs and disabilities. The programme comprises £0.6 million of SEND grant, with the majority committed to current projects

High Needs Capital Grant Funding

11. An in-year allocation of high needs capital grant funding has been made by the Department for Education. The sum allocated to this programme is £2.4 million with £1.3 million currently uncommitted and available for new projects.

Sundry small grants

12. There is a sum of £58k in the capital programme relating to “sundry small grants”.

Housing capital receipts

13. Hillbourne school capital works are to be part funded from the transfer of surplus school land to the Housing Revenue Account (HRA) for housing development. The disposal of surplus school land has been approved by the Secretary of State for Education. The expected value of land transferred to the HRA is £4.7 million. This will not result in a cash receipt. It will instead result in a £4.7 million reduction in the council's general fund borrowing requirement (and corresponding £4.7 million increase in the HRA's borrowing requirement). As explained in paragraph 18, the financial benefit of the school land transfer is ringfenced to reinvestment in the council's school estate.

Section 106

14. Section 106 of the Town and Country Planning Act 1990 (as amended) provides for agreed sums to be paid by housing developers to mitigate the effect of increased numbers of children on schools. This is usually ringfenced to a school or schools, or to a specified geographical area, and is paid on completion of a set number of homes. S106 housing contributions of £0.8 million are included within the capital programme as funding towards Hillbourne School. This represents housing related capital works that are required to be completed within the school build project.

Supported borrowing

15. Supported borrowing is money borrowed by the council, repaid through revenue. The sum currently in the programme is £4.8 million, and relates to a number of projects, usually combined with other funding sources.

SEND Infrastructure Loan

16. The SEND infrastructure loan is a £10 million loan approved by Council for the purposes of delivering capital projects associated with the SEND Strategy. This funding must be invested carefully and in line with the SEND Strategy currently in development. The Medium-Term Financial Plan (MTFP) currently assumes the loan will be taken out in October 2021, with 6 months interest incurred in 2021/22 and repayment of principal commencing in 2022/23. As the SEND Strategy underpinning utilisation of this loan will not now be considered by Council until February 2022, the financial implications of interest and borrowing repayments on the £10 million loan will be similarly deferred within the MTFP. The SEND Strategy will support greater inclusion in mainstream schools, through the creation of new resourced bases for a range of types of special needs. This provision will be co-produced in partnership with the school community. Where required, the accessibility of school buildings will be improved.

Other capital

Devolved formula capital

17. Devolved formula capital are small Department for Education capital grants determined by formula allocated to individual maintained schools. These enable schools to undertake small capital projects of their own choosing. These are determined by governing bodies and headteachers. They do not form part of the council's capital programme.

Capital receipts

18. Where education sites and buildings are sold it is generally a requirement of the Secretary of State for Education that the sum raised is reinvested in the school estate. Such receipts could include the sale of caretakers' houses, and similar ancillary buildings. In the case of the disposal of a school site, including playing fields, the approval of the Secretary of State is required. Such large disposals are uncommon. Other than as listed above, there are no capital receipts in the programme.

Capital projects

Projects completed since 1 April 2020

19. This section briefly summarises larger projects (not including maintenance works) which have been completed since 1 April 2020:
 - a. Two form of entry (2FE) extension of Cornerstone Academy (previously Carter Community School) was completed in February 2021 for £7.2 million. This was completed on revised budget but not on time after the contract with the initial contractor was terminated in early 2020 and new contractor was appointed. It was a complex project and the works started around the time of the first lockdown. The second phase of the work was completed successfully This expansion was agreed by all Poole secondary schools through a series of meetings convened in response to rising pupil forecasts. BCP Council provided extensive support to United Learning Academy Trust through the pre-contract process, with the construction project managed by the Trust. Although the contract with the first appointed contractor was terminated in late 2019, the project was eventually completed to a high standard following the appointment of a second contractor in early 2020. This was a complex project involving multiple extensions to an aging building with the majority of the works taking place through periods of lockdown. The completed building provides a much more cohesive space, with a modern technology block, drama studio, learning resource centre, science labs, general teaching block and outdoor spaces and is an example of positive collaborative working between BCP and a large academy trust.
 - b. Canford Heath Junior School was remodelled in January 2021 to create a satellite classroom for Winchelsea Special School for 12 pupils. This project was arranged at short notice and delivered to a high standard so that pupils could begin to use the facility from mid-way through the school year. This was completed on time and to budget of £75,000.
 - c. Winchelsea Special School has recently completed an extension of a building to provide a Life Skills Base, the opening ceremony of which was on 2 September. This was completed on time and to budget of £130,000, including £50,000 of match funding.
 - d. Longspee satellite at Bournemouth Learning Centre is a 54-place expansion of Longspee School enabling it to provide for secondary age pupils with Social Emotional and Mental Health (SEMH) needs and Autistic Spectrum Disorder (ASD). The intention of the new provision is to reduce the need for places in independent and non-maintained special schools. Practical completion was achieved over the summer holidays ready for full occupation in September 2021. The project was delivered on

time and within the revised budget. The delivery of the proposed multi-use games area (MUGA) awaits resolution of planning issues, and is expected to be delivered later in the autumn term. The potential siting of solar panels on the roof awaits legal agreement between the Council (as freeholder) and the Ambition Academy Trust as lease holder. The school is now known as Longspee Secondary (Ensbury Park Campus) is now operating successfully in high quality remodelled accommodation.

- e. Winchelsea 20 student base (secondary) at Magna Academy completed on time under budget for £0.22 million.
- f. Broadstone Middle School 15 student resource base completed on time under budget for £39,000.
- g. Winchelsea 12 pupil satellite base at Old Town Primary completed on time under budget £45,400

(Note: a resourced base provides necessary accommodation for a mainstream school to provide education to children with a specific category of special educational needs. A satellite school – or base – is accommodation where a special school can provide education at another site, often within the site or building of a mainstream school.)

Project to be completed in November 2021

- 20. A new building for Hillbourne Primary School is due to be completed and handed over in November 2021. The handover of the whole site will take place in stages as the existing school building is demolished and the site made good. The rebuild of Hillbourne Primary School will also release land for housing development. This project fulfils a long-held ambition to replace the life expired existing buildings with a modern 2 Forms of Entry (420 place) Primary School. The new building also provides accommodation for a 35-place pre-school, maintaining an essential service in the area and giving it a stronger link to the school. The modern facilities include two Multi Use Games Areas, one of which will be open for use by the local community, and a Sport England approved sports pitch. The school will be open to pupils from 3rd November 2021, with external works continuing until April 2022. With the new school being developed on a space efficient site, the surplus playing field land will be used by Poole Housing Partnership to provide 109 homes.

Winchelsea School satellite at Somerford Primary School

- 21. In April 2020 Council approved the programme of capital grant funded SEND works including £1 million for SEND satellite provision at Somerford. A decision to create a satellite of Winchelsea School at Somerford Primary School was taken by Cabinet on Wednesday 10 February 2021. This project was paused when a range of issues were discovered on site associated with the condition and structure of the existing Somerford building. In addition, the “2021 Appreciative Inquiry into Inclusion Practice in BCP Schools” led by Anthony Douglas CBE, the recent Ofsted inspection of SEND provision in BCP, and the appointment of a Director of Education has prompted the commissioning of an updated SEND Strategy which will result in a programme of SEND capital works across BCP to improve inclusion practice.
- 22. The pausing of the Winchelsea Satellite at Somerford Primary School project was communicated to both schools in April 2021 to enable the scope of the project

fully to take account of the new strategy. Senior officers led by the Director of Education have had discussions with governors and headteachers about the way ahead. It is important that the project at Somerford fits into the broader SEND strategy, and therefore that it should not proceed until that strategy has been developed, consulted on and adopted. This report therefore recommends that the establishment of a satellite at Somerford is formally deferred and put back to 2022-23 pending a future decision about the overall strategy for SEND and inclusion in BCP.

23. Planned condition and suitability works at Somerford main school campus have similarly been paused until Winchelsea satellite works are confirmed. A new business case for development at Somerford Primary School (including satellite) will be brought forward for Council approval once the SEND strategy is complete and revised costings are understood. It is therefore recommended that the existing approved Somerford Primary School (including satellite) capital budget is removed from the capital programme at this time.

Projects under development

24. It has been recognised that a higher proportion of children with SEND living in BCP are educated in the independent and non-maintained special school sector than in the majority of local authorities. Such provision often requires long journeys to school, or residential accommodation. It is significantly more expensive than special school provision provided through maintained special schools and academies. In addition, a greater proportion of children in BCP are educated in special schools rather than mainstream schools.
25. The Director of Education is developing a new SEND Capital Investment Strategy to develop and improve inclusion practice in mainstream schools. That strategy will underpin a programme of capital works which could include:
 - a. works in mainstream schools and academies to improve accessibility and suitability to cater for a wider range of special educational needs and disabilities
 - b. the development of resource bases in mainstream schools and academies staffed with specialist teachers, support assistants and therapists with expertise in various types of SEND such as speech, language and communications needs and autistic spectrum disorders who work in the base and with mainstream teachers
 - c. improvements to the special school and academy estate – including the potential creation of new “satellite” bases enabling additional capacity to be located in local communities, often within the site and buildings of mainstream schools
 - d. other capital investments that could improve SEND provision
26. The process for the development of the SEND capital investment programme will be as follows:
 - a. The development of a new SEND Strategy, led by the Director of Education, involving close consultation with schools and academies, and other key partners

- b. Detailed analysis of past and forecast numbers of children with different categories of SEND and by geographical area to shape high level plans for the development of new capacity
 - c. Discussion with schools and academies, collectively and individually, to develop specific proposals for capital improvements, including any new resources bases or satellites
 - d. Detailed options appraisal and feasibility studies conducted by or commissioned through the Council's Asset Investment Team of professional surveyors to:
 - i. investigate all relevant estates, site, and buildings issues
 - ii. develop sustainable outline designs in consultation with the schools involved and BCP SEND professionals, and
 - iii. to provide reliable cost estimates
 - e. Develop a proposed programme of projects, each of which has its own business case and supporting information,
 - f. The proposed programme to be approved through the Children's Capital Projects Board chaired by the Director of Education, The High Needs Board chaired by the Chief Executive prior to presentation to Council for approval as part of the capital programme.
27. It should be noted that in 2015 the Department for Education published Building Bulletin 104, "Area guidelines for SEND and alternative provision including special schools, alternative provision, specially resourced provision and units", which sets out recommended standards for SEND accommodation. Whilst these are not statutory, they are recommended as a starting point for the design of new SEND provision. It is intended that any proposals for capital works will have regard to these guidelines.
28. In addition to purely construction considerations, any SEND project will take account of the following:
- a. The willingness and professional capacity of school to manage and deliver inclusive practice and an improved SEND offer and the involvement of the school in developing plans
 - b. Parental and community support
 - c. Evidence of need – by category of SEND and geography leading to a robust business case for individual projects
 - d. Analysis of the revenue implications at school/academy level and at local authority level for the development and long-term operation of new capacity
 - e. Sustainability
 - f. Public health
 - g. Equalities

Options Appraisal

29. Options relating to capital projects consist of deciding what projects to take forward.

30. **Condition projects** are usually driven by condition survey information, and in response to problems that arise, such as boiler failure or the discovery of asbestos. The prioritisation of condition works is guided by condition surveys conducted on all schools whose buildings are the responsibility of the council.
31. **Sufficiency projects** to add new school capacity take into account where the growing demand is arising, parental preference, the capacity of sites to accommodate additional buildings and hence additional pupils, and a range of other factors, such as the willingness of governing bodies, diocesan boards of education, and academy boards to participate in the project.
32. **SEND projects** must be informed by the SEND strategy as set out above.

Summary of financial implications

33. Appendix 1 details the £15.6 million capital funding currently available to deliver the Children's Capital Strategy and programme of works once approved by Council in February 2022. The £15.6 million is stated before capital budget adjustments are made to reflect the postponement of Winchelsea satellite at Somerford School works (to be approved by Council). Of the £15.6 million, £11.4 million capital funding relates specifically to SEND provision, £1.9 million for school estate condition related works and £0.5 million Basic Need Grant funding for the supply of new school places. A further £1.8 million residual unapplied supported borrowing remains allocated to the children's capital programme. No new in-year basic need grant funding is expected in 2022/23.
34. In relation to the £2.4 million High Needs Capital Grant funding (included within £15.6 million overall funding available), the council is required to advise the DfE how this funding is intended to be spent. The service unit has responded accordingly, with reference to development of the longer term SEND Strategy.
35. Clearly the majority of capital funding available to meet future children's capital programme needs is focussed on SEND provision. No significant levels of funding have yet been identified / approved for non-SEND needs that could arise (for example additional school places arising from planned housing development or school condition works arising from condition surveys commissioned). The sufficiency of funding available will be assessed once the children's capital strategy is developed and resulting action plan of capital works required is understood.
36. In addition to the £15.6 million currently assumed, potential further capital funding could be available from the disposal of surplus assets from school premises. As stated in paragraph 18 capital receipts from these disposals are ringfenced to school estate improvements and their planned utilisation must be approved in advance by the Department for Education. The £15.6 million will also increase by in-year school condition grant in 2022/23, which is normally confirmed around February or March.

Summary of legal implications

37. This report sets out the current position of the capital programme. The recommendation to confirm the pause of the Winchelsea satellite at Somerford Primary School is required to defer the delivery of the project until the next school year. Any decision to initiate projects must be taken in accordance with the Constitution of the Council.

Summary of human resources implications

38. The commissioning of Children's Services capital projects rests principally with the Director of Education staff within the directorate. This includes client-side project management. Technical project management is provided by or commissioned through the Council's Asset Investment Team. The ongoing staffing of schools and academies is the responsibility of governing bodies and academy boards, with day-to-day professional leadership and management provided by headteachers and school staff. During the delivery phase of a capital programme additional technical staff, such as surveyors, may be required: such costs are generally capitalised.

Summary of sustainability impact

39. Any new project will take account of sustainability at the design stage as set out above.

Summary of public health implications

40. Children with special educational needs and disabilities often have associated health needs, in some cases lifelong medical needs. The health needs of children will be taken into account as part of the options appraisal and design works for any project. This would include, for example, the provision of hygiene and first aid rooms.
41. The provision of outdoor play space and facilities for physical education will be considered as part of any project, as will the promotion of walking and cycling to school by the provision of appropriate facilities.
42. An approach to SEND which enables more children to attend a school in their local community will reduce journey times and distances, and potentially reduce emissions.

Summary of equality implications

43. All proposed capital projects will be developed in accordance with the Council's Equalities Policy. Children with SEND often have a range of disadvantages, such as economic deprivation. Better SEND provision is a means of mitigating these disadvantages and enabling children to achieve more. Some types of SEND affect either boys or girls disproportionately. Proposals for new SEND accommodation will help to address any such disadvantage.

Summary of risk assessment

44. This report concerns ongoing projects. It also sets out a process for the development of a programme of works associated with the SEND Strategy, however it does not ask for approval of any new projects at this stage. The main risks and mitigations are set out below.
- a. Risk: **project costs exceed the approved budget**. Mitigation: all projects will be based on a professionally conducted feasibility study that takes account of all relevant site and building data, and current market conditions in respect of materials and labour.
 - b. Risk: **the project is not delivered on time**. Mitigation: all projects will have a professionally produced project plan setting out the timescale for critical products.

- c. Risk: **the project is not delivered to the quality expected**. Mitigation: all projects will have a clear specification in terms of service outcomes (usually defined within Children's Services), and technical specifications (usually defined within the Asset Investment Team)
- d. Risk: **the project does not deliver facilities that are required**. Mitigation: all projects will have a business case that clearly sets out the rationale for the project and the results that are expected from it.
- e. Risk: **there is not a clear understanding of the respective responsibilities of the council and academy trusts in the delivery of a project on an academy site**. Mitigation: a development agreement, or memorandum of understanding, or "letter of comfort" will be produced for every such project as appropriate to ensure responsibilities are understood and agreed.
- f. Risk: **an unexpected event such as a major storm or flooding leads to unforeseen capital costs**. Mitigation: some condition funding is reserved for reactive maintenance. In extreme circumstances funds are vired from other capital budgets. Insurance.

Background papers

Building Bulletin 104, "Area guidelines for SEND and alternative provision including special schools, alternative provision, specially resourced provision and units"
[Department for Education \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/274421/bb104.pdf)

Appendices

Appendix 1: Children's Services Capital Programme