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|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Report subject             | <b>Education and Skills Capital Programme</b>                                                                                                                                                                                                                                                                                                                                                                                          |
| Meeting date               | 5 March 2025                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Status                     | Public Report                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Executive summary          | This report set out the Education and Skills Capital Programme for the period 2025/26 – 2027/28. The report summarises available capital funding totalling £22.6 million and provides an indicative programme of investment of £21.4 million set against key budget headings aligned to improvement priorities across the service. The planned expenditure of available capital is set out in this report and shows a balanced budget. |
| <b>Recommendations</b>     | <p><b>It is RECOMMENDED that Cabinet:</b></p> <p>agrees the capital programme as set out in the report, including the budget allocations set against the capital funding available for the period 2025/26 – 2026/27.</p>                                                                                                                                                                                                               |
| Reason for recommendations | Utilising investment in the school estate to discharge the council's statutory duties to delivery good estate management and secure sufficiency of places aligned to the Childcare Sufficiency Assessment, Wraparound and Expanded Entitlements Delivery Plan, SEND Sufficiency Strategy, Belonging and Improvement Strategy and DSG Recovery Plan.                                                                                    |
| Portfolio Holder(s):       | Councillor Richard Burton (Cabinet Member for Children, Young People, Education and Skills)                                                                                                                                                                                                                                                                                                                                            |
| Corporate Director         | Cathi Hadley (Director of Children, Young People, Education & Skills)                                                                                                                                                                                                                                                                                                                                                                  |
| Report Author              | Tanya Smith - Head of Service Place Planning and Admissions                                                                                                                                                                                                                                                                                                                                                                            |
| Report Contributors        | Jason Moors – Schools Capital Programme Manager<br>Anna Fresolone – Finance Manager<br>Hammad Majid – Capital Accountant                                                                                                                                                                                                                                                                                                               |
| Wards                      | <u>Council-wide</u>                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Classification             | For Recommendation                                                                                                                                                                                                                                                                                                                                                                                                                     |

## Background

1. The Council's Constitution sets out the budget and policy framework. The Council is required to calculate budget requirements for each financial year and to set a balanced budget. The Capital Programme supports the delivery of the Council's strategic Asset Management Plan and is consistent with the Medium-Term Financial Plan and with Children's Services strategic plans for the provision of sufficient and well-maintained education infrastructure.

2. Capital expenditure is defined as spending that creates an asset for the Council i.e. buildings, vehicles and equipment and spending on non-current assets i.e. buildings not owned by the council (academy schools where the trust holds the freehold) and the award of capital grants and funding agreements.
3. The programme was last approved in February 2022 which set out the priorities for the period of 2022/23 – 2024-25. The updated programme for the period 2025/26 – 2027/28 includes details of the progress of schemes previously approved and new proposals for investment summarised under strategic headings.
4. Academies, Free Schools, and Voluntary Aided Schools are directly allocated condition funding through the Education and Skills Funding Agency, so maintenance works in these types of establishments are not part of this capital programme. The Council funds sufficiency 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.
5. **Sources of [Estimated] Funding:** The estimated capital funding sources available for the 2025/26 Capital Programme are contained in Table 1. Including the estimated allocations for future years, the total amount of capital available for the financial years 2025-28 is £22.6 million. This is made up of the following sources of funding:
  - Basic Need Grant estimated funding for the supply of new school places - £0.91 million
  - School condition allocations (SCA) for school estate related works (SCA) - £5.96 million
  - SEND High Needs Funding – specialist provision capital estimated at £15.4 million
  - Wraparound Care & Expanded Entitlements Grant – £0.28m remaining of what was allocated by the Department for Education (DfE) in 2024.
  - The remaining £7k is Healthy Pupils Capital Grant Funding that was allocated by the DfE in 2017.

**Table 1: Capital Funding Sources**

|                               | 2024/25       | 2025/26      | 2026/27      | 2027/28      | Total         |
|-------------------------------|---------------|--------------|--------------|--------------|---------------|
| Basic Need                    | 349           | 561          | 0            | 0            | <b>910</b>    |
| SCA                           | 4,394         | 511          | 522          | 531          | <b>5,958</b>  |
| High Needs Capital Grant      | 12,401        | 1,000        | 1,000        | 1,000        | <b>15,401</b> |
| Early Years Expansion         | 277           |              | 0            | 0            | <b>277</b>    |
| Other                         | 7             | 0            | 0            | 0            | <b>7</b>      |
| <b>Total Funding Received</b> | <b>17,428</b> | <b>2,075</b> | <b>1,522</b> | <b>1,531</b> | <b>22,556</b> |

*\*Funding is estimated based on current data and previous allocations*

*\*\*In the last financial year, two schools that were previously maintained by the Local Authority, Poole High School and Christchurch Infant School, have converted to academy status and this will result in a commensurate reduction in the School Condition Allocation that BCP Council can expect to receive from the DfE*

## Issues

6. **Capital Programme 2025/26 – 2027/28:** For ease of reporting, the proposed capital programme for the period 2025/26 – 2027/28 comprises schemes grouped under two headings as follows:
  - **Schemes with Prior Approval:** these include carried forward amounts from schemes with prior approval that are currently in progress.
  - **New schemes requiring Approval:** details of schemes and priority budget allocations requiring approval necessary to maintain the school estate, deliver new school places and expand access to childcare.
7. **Schemes with Prior Approval:** Schemes with prior approval nearing completion total £2 million with spending profiled across financial years 2025/26 and 2026/27. Details of schemes are contained in **Appendix 1**.
8. **New Schemes Requiring Approval:** New schemes requiring approval set out a proposed investment in the school estate totalling £19.1 million - see Table 2. A commentary for each of

the headline budgets is set out below. Further details of schemes funded by the School Condition grant are contained in **Appendix 2**.

**Table 2: Proposed New Schemes for Capital Programme 2025/26– 2027/28**

| Headline Budget                              | 2025/26   | 2026/27   | 2027/28   | Total      |
|----------------------------------------------|-----------|-----------|-----------|------------|
| <b>Basic Need (mainstream school places)</b> | <b>50</b> | <b>50</b> | <b>50</b> | <b>150</b> |

|                                               |              |            |            |              |
|-----------------------------------------------|--------------|------------|------------|--------------|
| Planned Repairs and Maintenance               | 3,565        | 200        | 200        | <b>3,965</b> |
| Urgent Works sub total                        | 100          | 100        | 100        | <b>300</b>   |
| Condition Surveys                             | 50           | 50         | 50         | <b>150</b>   |
| Climate Change/Low Carbon Reduction           | 550          | 50         | 50         | <b>650</b>   |
| <b>Toal School Condition Allocation (SCA)</b> | <b>4,265</b> | <b>400</b> | <b>400</b> | <b>5,065</b> |

|                                                  |                                                                                               |              |            |               |
|--------------------------------------------------|-----------------------------------------------------------------------------------------------|--------------|------------|---------------|
| SEND Advanced Design Fees                        | 200                                                                                           | 200          | 200        | <b>600</b>    |
| SEND Adaptations: Access                         | 100                                                                                           | 100          | 100        | <b>300</b>    |
| Specialist Places 0-19                           | Individual cost of schemes to be developed in line with the timeline of relevant bid process. |              |            |               |
| Alternative Provision and Inclusion Models       |                                                                                               |              |            |               |
| <b>Specialist Provision Capital (High Needs)</b> | <b>8,300</b>                                                                                  | <b>5,000</b> | <b>300</b> | <b>13,900</b> |
| <b>Total Commitment Proposed</b>                 | <b>12,615</b>                                                                                 | <b>5,750</b> | <b>750</b> | <b>19,115</b> |

+ Best endeavours have been used to estimate costs based on existing data but due to construction inflation since the surveys were complete, availability of labour and materials and the potential for surveys to uncover additional issues, these costs may increase. These figures should not be viewed as final at this early stage.

++None of the Proposed New Schemes include potential CIL or Section 106 funding.

9. **Basic Need:** A budget headline referring to basic need is in anticipation of accelerated in-year pressure for places as the academic year unfolds. In order to respond to localised pressures, proposals to increase the supply of primary and secondary school places will be developed working with school leaders. This work depends on a change to the Council's revenue growth funding policy. At the time of writing this report, details were due to be reported to the Schools Forum at their meeting in January 2025. Associated plans for investment will follow in future report where approvals for budget allocations will be sought in line with BCP Financial Regulations. In the meantime, it is proposed that a budget of £50k pa is allocated for surveys, feasibility investigations and design works required to develop the brief for projects to deliver mainstream places.
10. **School Condition Allocations:** Priority works for investment in the maintained school estate are proposed under 3 categories as follows:
  - **Planned Repairs and Maintenance:** Proposed allocations of £3.9 million are based on a robust analysis of condition surveys conducted over the last 5 years and consultations with school leaders. The programme will address building elements identified as necessary to address condition and areas of compliance within the next year
  - **Urgent Works:** A budget of £300k is set aside in order to address urgent works identified during the course of the year which cannot be anticipated or otherwise planned in the R&M programme. Further details of urgent works are provided in **Appendix 3**.
  - **Condition Surveys:** Condition surveys will continue to be carried out for maintained schools every five years in line with the School Capital Team policy. A budget of £150k has been recommended to fund condition surveys in line with the programme agreed with BCP Facilities Management.
  - **Climate Change/Carbon Reduction:** The Capital Programme will contribute £650k to the Council's carbon emission reduction targets and to the delivery of the Climate Change Strategy by reducing using capital funding to install carbon reducing systems that benefit schools and pupils. Opportunities to include renewable energy and energy efficient

systems as part of the planned repairs and maintenance programme will be identified. As part of this process, the School's Capital Team will look to support schools to apply for a Salix energy efficiency loan and where suitable may be asked to contribute a proportion of the total cost of any funded using over a period of 8 years.

11. **Specialist Provision (High Needs Capital):** Sustained growth in the number of children with complex needs in the BCP area has resulted in a shortage of specialist and alternative provision locally. This has increased unit costs and intensified budget pressures. Actions contained and delivered in the Council's SEND Improvement Plan include a SEND Sufficiency Strategy and a Belonging Strategy. Both strategies set out short to medium term priorities to increase the availability of local specialist and alternative provision places and shape and inform investment decisions in our school estate. For this purpose, investment is proposed as follows:
- **Development of Specialist Places:** In line with the continuum model of provision contained in the SEND Sufficiency Strategy, it is planned to invest in the development of specialist places. This includes informal and formal legal models of provision including Bespoke, Resource Base Provisions and SEND Satellite sites. Capital funding will support the development of SEND spaces and accommodation necessary. Projects will address short-medium term priorities identified in the SEND Sufficiency Strategy. Investment will comprise several schemes identified following a bid process and will be brought forward for approval in line with the delegation thresholds contained in the Financial Regulations.
  - **Development of Alternative Provision & Inclusion Models:** It is planned to invest in the development of schemes that deliver alternative provision and inclusion models. Work is underway with Academy Trusts to discuss innovative models of provision to better manage demand for alternative provision. It is anticipated that capital investment will be necessary to support inhouse models of provision based on evidence of what works and working in partnership with our local school partners. Investment will comprise several schemes identified following a bid process and will be brought forward for approval in line with the delegation thresholds contained in the Financial Regulations.
  - **SEND Advanced Design Fees:** To develop schemes that have been identified as having the potential to substantially address BCP SEND sufficiency needs, it is recommended that a budget of £ £600k is allocated for the professional fees and surveys associated with the development of schemes. These relate to the costs necessary to progress feasibility studies and produce business cases to ensure schemes are viable and affordable. Budgetary approval for any schemes developed in this way will be sought in line with BCP Financial Regulations.
  - **SEND Adaptations - Access:** A budget of £300k is set aside to deliver access works necessary to facilitate access in the exception. Access to the fund is determined by the Council and typically supports the admission of children with complex needs who otherwise may require non local or higher cost provision. It is recommended that this budget is put in place for the next 3 financial years. Note: The fund is not available to support reasonable adjustments to school premises in line with normal duties and responsibilities contained in the Equality Act 2010.
12. **Wraparound Care and Expanded Entitlements:** Further expressions of interest are being sought from providers and capital funding will be awarded on a project-by-project basis in line with the agreed process. It is planned that the majority of the unallocated capital will be spent by the end of the 2024/25 financial year, but some spending may fall into the 2025/26 financial year and will be dictated by the efficiency of individual setting providing the necessary documentary evidence to facilitate the reimbursement of funding.
13. **Other Sources of Funding - Central Government Capital:** BCP Council has submitted successful bids for the 3 projects to be delivered by central government since the capital strategy was last reported. Updates from the DfE are anticipated containing the details of these schemes and the proposed programme for delivery. They are as follows:

- Somerford Primary School was accepted into the School Rebuilding Programme (SRP) in 2022. The DfE has stated that it will engage with the Local Authority in 2025 to develop and deliver this scheme.
  - Winchelsea School was accepted into the School Rebuilding Programme (SRP) in 2022. The DfE has stated that it will engage with the Local Authority in 2025 to develop and deliver this scheme.
  - In May 2024, the DfE announced that BCP Council was successful in its application to open a new special free school in the area for pupils with autistic spectrum disorder.
14. **Healthy Pupils Capital:** There is £7k of Healthy Pupils Capital Grant Funding that was allocated by the Department for Education (DfE) in 2017. It is recommended that this funding is allocated to the Planned Repairs and Maintenance programme for resurfacing play surfaces in accordance with the grant conditions.
15. **Summary Position:** Table 3 shows the balance of grant funding remaining taking account of total grant income, the cost of pre-approved schemes and schemes for approval as contained in this report. The majority of Grant funding remaining includes basic need funding (used to support the provision of mainstream places) and condition funding. It is prudent to retain basic need to coincide with the development of specific proposals as the academic year progresses. The remaining condition funding will be utilised to meet the delivery costs for the client project team.

**Table 3: Balance of Capital Grant Funding**

|                          | Basic Need<br>£,000 | SCA<br>£,000 | High Needs<br>£,000 | Early Years<br>Expansion<br>£,000 | Other<br>£,000 | Total<br>£,000 |
|--------------------------|---------------------|--------------|---------------------|-----------------------------------|----------------|----------------|
| Allocation               | 910                 | 5,958        | 15,401              | 423                               | 7              | 22,699         |
| Pre-Approved             | 0                   | 542          | 1,490               | 277                               |                | 2,309          |
| Requiring approval       | 150                 | 5,065        | 13,900              |                                   |                | 19,115         |
| <b>Total Investment</b>  | <b>150</b>          | <b>5,607</b> | <b>15,390</b>       | <b>277</b>                        | <b>0</b>       | <b>21,424</b>  |
| Grant Funding Remaining* | 760                 | 351          | 11                  | 146                               | 7              | 1,275          |

\*Grant Funding Remaining: This includes funding necessary to support the development of works and schemes following receipt of updated information and data about the needs of the school estate. This includes admissions data on in year pressures for places and updated condition and works surveys.

### Summary of financial implications

16. This report sets out the financial position in respect of the spending of grant funding allocated to the Local Authority by the Department for Education.

### Summary of legal implications

17. This report sets out the current position of the capital programme. The contracts and funding agreements that Children's Services enters into as client for the projects that form part of the capital programme will be drafted and signed in conjunction with Legal Services. Capital funding is allocated to projects in line with the published terms and conditions.

### Summary of human resources implications

18. 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 Facilities Management 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**

19. Any new project will take account of sustainability at the design stage as set out above. A discrete budget has been set aside to fund condition works to the maintained school estate more sustainable.

### **Summary of public health implications**

20. 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. The provision of outdoor play space and facilities for physical education will be considered as part of any project in line DfE Building Bulletin design guidance, as will the promotion of walking and cycling to school by the provision of appropriate facilities. 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**

21. 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. An equalities impact assessment conversation screening tool has been completed and sent to panel to the EQIA Panel for review and discussion.

### **Summary of risk assessment**

22. This report sets out recommendations for budgetary approval for a number of schemes that will require further definition before final costs are known both as part of the SEND Sufficiency strategy and Planned Repairs and Maintenance Plan. The main risks and mitigations provided at Appendix 4.

### **Recommendation**

23. It is recommended that Cabinet:

Agrees the capital programme as set out in the report, including the budget allocations set against the capital funding available for the period 2025/26 – 2026/27.

**Spend profile - schemes in progress with prior approval**

|                                                | 2025/26    | 2026/27   | 2027/28 | Total      |
|------------------------------------------------|------------|-----------|---------|------------|
|                                                | £'000      | £'000     | £'000   | £'000      |
| Hillbourne – New School                        | 374        | 0         | 0       | 374        |
| Winchelsea Temporary Office Space              | 27         | 27        | 0       | 54         |
| Poole High Planned Maintenance                 | 50         | 0         | 0       | 50         |
| Winchelsea Interim Accommodation               | 32         | 32        | 0       | 64         |
| <b>School Condition Allocation – sub total</b> | <b>483</b> | <b>59</b> |         | <b>542</b> |

|                                              |              |          |          |              |
|----------------------------------------------|--------------|----------|----------|--------------|
| Broadstone First School Resource Base        | 68           | 0        | 0        | 68           |
| Link Building at Bourne Academy              | 5            | 0        | 0        | 5            |
| Parkstone Grammar School – SEND Facility     | 252          | 0        | 0        | 252          |
| Canford Heath Schools – SLCN Bases           | 75           | 0        | 0        | 75           |
| Victoria Education Centre – ASC Base         | 90           | 0        | 0        | 90           |
| Linwood Post-16 Satellite Ted Webster Centre | 1,000        | 0        | 0        | 1,000        |
| <b>SEND High Needs Sufficiency sub total</b> | <b>1,490</b> | <b>0</b> | <b>0</b> | <b>1,490</b> |

|                                                 |              |           |          |              |
|-------------------------------------------------|--------------|-----------|----------|--------------|
| Expanded Entitlements Capital Projects          | 272          | 0         | 0        | 272          |
| Wraparound Care Projects                        | 5            | 0         | 0        | 5            |
| <b>Early Years Programme of Expansion**</b>     | <b>277</b>   |           |          | <b>277</b>   |
| <b>Total allocated to pre- approved schemes</b> | <b>2,250</b> | <b>59</b> | <b>0</b> | <b>2,309</b> |

**Note:** Early Years Programme of Expansion: The Wraparound programme consists of two distinct pieces of work seeking to increase the availability of childcare, these are:

- **Workstream 1:** Expanded Entitlements (EE) providing 15 hours of funded childcare for working parents of children aged two years old from April 2024 and from nine months old from September 2024. An increase to 30 hours of funded childcare for this group from September 2025.
- **Workstream 2:** Wraparound Childcare (WAC) providing access to wraparound childcare from 8am-6pm for all primary school aged children by September 2026 on a fee-paying basis.

The Wraparound Care Project Team has set up a panel of key stakeholders to review and approve the bids that providers have submitted for this funding. 8 Early Years projects have been approved to create 67 new places, with 3 further projects creating 146 new places conditionally approved pending confirmation of planning permission. In addition, 3 Wraparound Care projects have also been approved to create 31 new places.

**Proposed Planned R&M Capital Programme for Approval 2025/26– 2027/28**

| Name of Project/Budget                 | 2025/26      | 2026/27                                                                                                                                                            | 2027/28    | Total        |
|----------------------------------------|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|
| Burton Primary School+                 | 370          | As we work with the schools and appointed contractors to develop these schemes further, we will understand the works that need to be programmed into future years. |            | <b>370</b>   |
| Christchurch Learning Centre+          | 180          |                                                                                                                                                                    |            | <b>180</b>   |
| Highcliffe St Mark+                    | 480          |                                                                                                                                                                    |            | <b>480</b>   |
| Linwood+                               | 1,070        |                                                                                                                                                                    |            | <b>1,070</b> |
| Mudeford Infant School+                | 330          |                                                                                                                                                                    |            | <b>330</b>   |
| Mudeford Junior School+                | 110          |                                                                                                                                                                    |            | <b>110</b>   |
| Somerford Primary School+              | 200          |                                                                                                                                                                    |            | <b>200</b>   |
| Winchelsea School+                     | 125          |                                                                                                                                                                    |            | <b>50</b>    |
| <b>Planned Repairs and Maintenance</b> | <b>3,565</b> | <b>200</b>                                                                                                                                                         | <b>200</b> | <b>3,965</b> |

*+These are planned repairs and maintenance works. Best endeavours have been used to estimate costs based on existing data but due to construction inflation since the surveys were complete, availability of labour and materials and the potential for surveys to uncover additional issues, these costs may increase. These figures should not be viewed as final at this early stage.*

### Urgent Works

- Urgent Health and safety issues which could otherwise prompt an unplanned school closure or harm to life.
- Use of the emergency out of hours Property Maintenance Team where minor works are commissioned and resolved and subject to approval of the Schools Capital Team. Work will be funded from schools' devolved capital in the first instance.
- Safeguarding and security of premises issues arising from risk assessments.
- Mechanical and electrical components which are otherwise unaffordable by school use of DFC.
- Fabric of the building elements otherwise unaffordable provided that schools are able to demonstrate good estate management including an Asset Management Plan of priorities for which their DFC is used to contribute.

## Project Risks and Mitigations

- a. **Risk:** Project costs exceed the approved budget:

**Mitigation:** condition projects are based on condition surveys undertaken by building professionals. Budgets take into account recent price inflation in construction industry, statutory fees and surveys and allocate a contingency to mitigate project specific risks. Where cost information is not available, in-depth feasibility work will be carried out to provide greater cost certainty and further approvals will be recommended in line with BCP Financial Regulations.

- b. **Risk:** the project is not delivered on time.

**Mitigation:** all projects will have a project plan setting out the timescale for critical products and will be managed in accordance with the governance procedures overseen by the Children's Services Capital Board.

- 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 (that will be determined by specialists within the Facilities Management Team or 3<sup>rd</sup> party consultants as appropriate)

- d. **Risk:** the project does not deliver facilities that are required.

**Mitigation:** Condition works have been agreed in consultation with school senior leadership teams and professional building surveyors. All projects that propose to provide sufficiency places 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 agreed for every scheme to ensure responsibilities are understood and agreed.