

Report of:	Rob Brown - Director of Education, Prevention and Partnerships Councillor Mieka Smiles - Executive Member for Communities and Education
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Submitted to:	Executive - 11 May 2021
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Subject:	Schools Capital Programme 2021
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Summary

Proposed decision(s)
That Executive approves the new schemes included in Appendix 1 be added to the Schools Capital Programme for delivery in 2020/21 and 2021/22.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Decision	Yes	No	Non-urgent

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Ensuring that Middlesbrough has the very best schools. The report will ensure that all pupils can access an appropriate school place and provide a safe and welcoming environment in which they can learn and achieve.	The report recommends investment in improving learning environments and providing new school places, supporting the delivery of new homes and a growing school-age population.	

Ward(s) affected
The capital programme covers schools widely distributed across the town. There are no specific ward implications. Ward members will be consulted on individual building schemes where appropriate as part of the normal process of securing planning permission.

What is the purpose of this report?

1. To seek approval of new schemes to be added to the schools capital programme for delivery in the academic years 2020/21 and 2021/22.

Why does this report require a Member decision?

2. The report concerns capital investment in school infrastructure in excess of £150k.

Report Background

3. Middlesbrough Council shares responsibility with governing bodies for the maintenance of 12 community and foundation school buildings across the town:
 - Responsibility for general maintenance, repairs and minor capital works is devolved to schools;
 - The Council is responsible for major capital schemes such as the replacement of substantial parts of buildings, the provision of new buildings and other high-value, strategic schemes that would be unaffordable by schools on their own.
4. The Council is also responsible for ensuring there are sufficient school places across the town to be able to meet demand. Investment can be in both locally maintained schools and Academies.
5. The schools capital programme, maintained and delivered by the Assets Team within Corporate Property, sets out all of the centrally funded school capital works being undertaken to discharge these duties. It is a multi-year, rolling programme of capital improvements to school buildings.
6. Schemes are selected to address maintenance, sufficiency and other strategic priorities. Schemes are prioritised to address those elements of schools with the most urgent need or to secure value for money as part of a larger programme of work.
7. Appendix 1 sets out the programme proposed for delivery during the 2020/21 academic year running into 2021/22. It includes schemes aimed at improving the condition of schools - roof works, fire alarms, improvements to heating systems, and structural works – and investment to provide more school places.
8. The following new schemes and investments, included at Appendix 1, are proposed to be added to the programme for 2021:
 - **The Kings Academy (Ofsted – Good)** - £2,393k to provide an eight classroom extension, toilet facilities and internal re-modelling of rooms. The scheme will provide accommodation to make permanent a temporary 121 place increase in the school's capacity, avoiding the need for the school to reduce its offer of places at a time when demand is high. A further 128 places will also be delivered to meet a projected shortage of places in September 2022 and 2023 and provide additional flexibility to accommodate demand from planned housing development. The scheme will be delivered by the Emmanuel Schools Foundation.
 - **Nunthorpe Primary Schools** - £750k of Section 106 housing developer contribution to be allocated equally to primary schools in Nunthorpe to fund enlargement schemes. This contribution to Chandler's Ridge (no Ofsted rating), St Bernadette's (Ofsted – Good) and The Avenue (no Ofsted rating) will ensure there are sufficient places to be able to cope with demand from Grey Towers Village with the provision of 6 classrooms and associated facilities. Each scheme

will be led and delivered by the schools and their trusts. In addition to the Council's allocation the schools will provide supplementary funding of £150k, £35k and £40k respectively towards their schemes.

- **Priory Woods School (Ofsted – Outstanding)** - £350k to investigate and repair the boiler and heating distribution network. The school recently had to close for a short period to remedy an issue with the system after a history of problems. This is preventative work to avoid the system failing or creating more significant problems in the future. It is anticipated that the school will contribute £100k towards the scheme.
- **Whinney Banks Primary School (Ofsted – Good)** - £100k is proposed to be set aside to investigate and remediate structural problems on the clock tower. This is preventative work to avoid more significant work in the future and will ensure the safety of staff and pupils. The school is required to contribute £15k towards the scheme.
- **The Cleveland Unit Child Development Centre (Ofsted - Outstanding)** for children with special educational needs and/or disabilities is temporarily based at the Hemlington Initiative Centre, having relocated from James Cook University Hospital to free up space during the pandemic. £150k is proposed to be used to refurbish accommodation at Stainsby Nursery, co-located with Whinney Banks Primary School, to provide a permanent location.
- **Redcar & Cleveland Special Free School (no Ofsted rating)** – A £61k contribution towards the new special school in Grangetown, Redcar and Cleveland. Middlesbrough Council is one of four partner Local Authorities jointly commissioning places at the school, and led on the initial bid to the Department for Education (DfE). The contribution is a quarter share of the charge levied by the DfE towards site abnormal costs, covering remediation of site contamination and localised works to meet the conditions of planning approval.

9. In addition to the schemes at Appendix 1, a number of previously approved schemes, with residual works outstanding, will be completed. Emergency works will also be undertaken if/when they occur and other schemes of moderate value where they are time sensitive e.g. preventative schemes to avoid higher costs later on, or schemes that address Health and Safety concerns and ensure compliance.

What decision(s) are being asked for?

10. That Executive approves the new schemes included in Appendix 1 be added to the schools capital programme for delivery in 2020/21 and 2021/22.

Why is this being recommended?

11. To ensure that that the grant funding available is spent in a timely manner on improving teaching and learning environments and outcomes for young people.
12. To deliver the Council's statutory obligation to ensure there are sufficient school places to meet demand, in particular at secondary age or as a result of housing development, and to meet suitability and condition requirements.
13. There is no obligation for the Council to consult over these schemes. Schools named in the programme have been engaged on a tentative basis to ensure that, where a school contribution to the cost of schemes is required, this can be agreed.

14. The Schools Capital Programme has not been examined by the Overview and Scrutiny Board or by a Scrutiny Panel.

Other potential decisions and why these have not been recommended

15. The Executive could choose not to approve the schemes for inclusion in the Schools Capital Programme. In the short term this could lead to elements of the buildings identified failing, resulting in lost teaching and learning time, inappropriate learning environments, Health and Safety risks, and a shortage of school places.
16. In the longer-term, such an approach would lead to the gradual decline of the condition of the schools, children being out of school unnecessarily and escalating costs for both the schools and the Council.

Impact(s) of recommended decision(s)

Legal

17. The decision would assist the Council in meeting its statutory duty, under Section 14 of the Education Act 1996, to ensure there are sufficient school places to meet demand.
18. The decision would assist the Council in meeting its statutory duty under Section 22 of the School Standards and Framework Act 1998 as amended by the Education Act 2002 and the Education and Inspections Act 2006 to maintain schools in its area.

Financial

School Condition Allocation (SCA)

19. Capital maintenance schemes are funded from the Council's annual Schools Condition Allocation (SCA). This is formulaic capital grant funding received from the Department for Education (DfE) to maintain the buildings of schools it has responsibility for.
20. New maintenance schemes with a total value of £450k have been identified to be added to the programme for delivery in the 2020/21 academic year. Schools are required to contribute to capital maintenance schemes from Devolved Formula Capital or revenue budget shares, reducing the Council's commitment to £335k.
21. The DfE have not yet announced local authority SCA allocations for the 2021/22 financial year but, on the basis of the DfE's allocation formula, this is estimated to be at least £471k. Without the 2021/22 allocation there are sufficient funds in the SCA block budget of £459k to cover the cost of the schemes, leaving a balance of £104k.

Strategic schemes Funded through Section 106

22. Funding for the Nunthorpe primary school enlargement schemes has been secured through a S106 Agreement with the developer of Grey Towers Village. Payments to the schools will be dependent on the funding being received by the Council from the developer. The first payment to schools, totalling £350k, is anticipated to be made in the 2021/22 financial year using funds already received. The Council is expecting to receive the balance of £400k in 2023 and pay this to the schools in the same year. The whole of the £750k contribution will be used on the schemes.

Strategic Schemes funded through Basic Need

23. Sufficiency schemes are funded from the Council's Basic Need allocation. This is capital grant received from the Department for Education to provide new school places, allocated on the basis of demonstrated need.
24. The enlargement scheme at King's Academy, part of the relocation of The Cleveland Unit and contribution to the new special free school in Redcar & Cleveland will be funded through Basic Need capital grant, as each scheme provides new places or re-provides existing places. The total commitment to these schemes is £2,504k.
25. After funding these schemes there will be a balance of £5,871k Basic Need funding in the 2021/22 financial year to pay for future schemes as they are identified and agreed with schools. A further grant of £1,645k has been confirmed for 2022/23. No allocations beyond this have been announced but it is expected that, as allocations are based on demand, these are likely to be of low or zero value.

High Needs Provision Capital

26. High Needs Provision Capital is provided by the DfE to deliver new places and improve existing provision for pupils with Special Educational Needs and Disabilities or who require alternative provision.
27. The DfE have recently announced that Middlesbrough will receive £1,160k in the 2021/22 financial year. This is a significant uplift on previous years' allocations. A small amount of £100k will be used to part-fund the relocation of The Cleveland Unit with the balance from Basic Need as above. Due to the timing of the announcement, no further schemes have been identified from this funding but work has started to identify priorities for investment based on an analysis of identified need.
28. The costs identified in the appendix and main body of the report are indicative until such a time as full feasibility studies can be undertaken and are subject to change until schemes have returned from tender. All of the schemes in Appendix 1 will be treated as a programme of works, with savings in schemes being used to offset increased costs in others and the programme being managed within the overall funding envelope.
29. Where there is a significant deviation from the estimates in individual schemes these will be revisited and appropriate action taken, which could include reducing the scope of works, re-tendering, or postponing of the scheme. Where there is a significant effect on the cost of the programme, which would result in a key decision being required, this would be brought back to Executive for decision.

Policy Framework

30. The recommendations do not affect any part of the Council's Policy Framework.

Equality and Diversity

31. A Level 1 (Initial Screening) Impact Assessment (IA) accompanies this report at Appendix 2.
32. The impact assessment identified that the proposal would have a positive impact on the local community and would not represent a concern to equal rights, disability discrimination or the impingement of human rights.

33. The decision being sought aims to positively affect educational outcomes for young people aged 5-16, improving their learning environment or removing the need for these children to travel to schools outside of the town to access appropriate education.

Risk

34. The relevant risks this decision would influence are cited below, with an explanation as to why they are relevant and how it would affect each risk.

Register No	Description of risk	Explanation as to why they are relevant and how it would affect each risk
O4-012	If the department fails to meet statutory responsibilities , due to lack of resources or staff knowledge, then this will lead to reduced effectiveness and increased costs.	The Schools Capital Programme will ensure that the Council complies with its statutory duty to supply sufficient school places to meet demand.
O4-023	Insufficient primary school places in Middlesbrough continues and the Council will need to consider further capital projects to extend school sites in Middlesbrough Primary Schools.	The proposed primary school enlargements will have a positive impact on mitigating this risk.
O4-026	There may be insufficient year 7 school places available to meet demand over the next 5 years which could result in Middlesbrough children not being able to attend school in the town, leading to a failure to fulfil our statutory obligations, and placing a financial burden for funding additional places. It could also damage our reputation and lead to dissatisfied parents.	The proposed secondary school enlargement will have a positive impact on mitigating this risk.
O4-010	The lack of sufficient services and placements locally to meet the needs of children and young people with SEND 0-25 will result in significant pressures on the High Needs budget as the Council has to source services from outside the area.	Securing a permanent location for the Cleveland Unit will have a positive impact on mitigating this risk.
O7-026	If the Council fails to comply with the Health and Safety at Work Act 1974 , other legislation and good practice, then avoidable deaths and accidents may occur, resulting in charges under the Corporate Manslaughter and Corporate Homicide Act 2007; and HSE prosecutions with corresponding financial and reputational loss.	The Schools Capital Programme prioritises schemes to ensure that the schools are structurally sound, ensuring the safety of pupils and staff and having a positive impact on the risk.

Actions to be taken to implement the decision(s)

35. Following approval of the schemes, officers in Corporate Property's Assets Team will commence the delivery of the schemes to the specified timescales. This includes the detailed design, commissioning and completion of all works.
36. Funding agreements will be put in place for Academies that are proposing to undertake their own sufficiency/enlargement schemes.
37. The Capital Investment Strategy will be adjusted to include the new schemes identified in the report.

Appendices

Appendix 1 – Draft Schools Capital Programme – academic years 2020/21 and 2021/22

Appendix 2 – Equality Impact Assessment

Background papers

No background papers were used in the preparation of this report.

Contact: Gary Maddison, Strategic School Planning Manager

Email: gary_maddison@middlesbrough.gov.uk