

Children's Services Committee

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| Report title: | Schools' Capital Programme 2017-2020 |
| Date of meeting: | 13 November 2018 |
| Responsible Chief Officer: | Sara Tough, Executive Director Children's Services |
| Strategic Impact <p>The County Council has a duty to secure sufficient pupil places to meet the demands of the school-age population. It receives schools' capital grant funding from the Education and Skills Funding Agency to support its strategic plans for the provision of additional places and for improving the quality of existing LA-maintained school buildings. The well-planned and cost-effective provision of high-quality places make a key contribution to the overall education landscape in Norfolk. In particular, it supports the County Council's objective to ensure that every child has access to high quality education and training that meets their needs, stimulates a passion for lifelong learning and enables them to achieve well, so that they live fulfilling, independent and economically viable lives.</p> | |

Executive summary

The County Council's schools' capital budget and programme 2018-21 were approved in February 2018 and the schools' capital programme for 2018/19 was reported to Committee in May 2018.

We now have to propose priorities for the development of the 2019+ capital programme as part of the corporate prioritisation process. The requirement is for Committees to consider (a) emerging major proposals, (b) significant changes to the existing programmes.

Prioritisation for the schools' capital budget is undertaken by Capital Priorities Group using Terms of Reference approved by Committee in January 2015. This report builds on the May 2018 report, identifying emerging capital priorities for 2019 onwards. It asks Committee to recommend these for further consideration and discussion by Capital Priorities Group at their November and January meetings;

Recommendations:

- 1. to note changes to the capital programme since May 2018; and**
- 2. to endorse the emerging priorities for further consideration.**

1. Background

- 1.1. This report forms part of an annual Committee reporting cycle as follows:
- November – identification of emerging capital pressures and priorities for forward years
 - January - Growth and Investment Plan (summary of strategic pupil place pressures)
 - May/June – proposed revisions to capital programme in the light of funding allocations

- 1.2. In May 2018 the Committee agreed to continue the basis of the programme priorities as follows:

A - Growth – developing the capacity of the estate to meet pupil number growth
 B - Implementing specialist, targeted and improvement strategies
 C - Improving the condition and efficiency of the estate.

Schemes can seek to address any combination of sufficiency, suitability and condition need, according to the overall need, but the main driver of the programme continues to be growth, responding to new housing in primary and the existing primary growth consolidating into the secondary sector.

- 1.3. There have been no subsequent capital announcements since May 2018 and the position is set out below.

| | 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|------------------------------------|---------|---------|----------------|---------|
| Basic Need (£m) | 25.526m | 2.526m | 25.732m | 0.00m |
| LA Capital Maintenance (£m) | 7.712m | 6.713m | Tbc early 2019 | |
| VA Schools maintenance (£m) | 1.080m | 1.013m | Tbc early 2019 | |
| SEN Sufficiency capital | - | 0.908m | 0.908m | 0.908 m |
| Healthy pupils capital fund | - | 0.455m | | |

- 1.4. The Basic Need Allocation is a grant from the Department for Education, in response to pupil number forecasts submitted on an annual basis. The grant is non-ringfenced, but Members have, in previous years, allocated this exclusively for schools' growth. It is anticipated that all residual Basic Need funding will be required to ensure the statutory provision of mainstream school places. The available funding is augmented by developer contributions, where these are available. Any shortfall in this funding will need to be met by Norfolk County Council.
- 1.5. The Schools' Local Growth and Investment Plan will be presented to this Committee in January and will set out the refreshed priorities for pupil pressure.

Targeted Capital

- 1.6. Along with other Local Authorities, Norfolk received a central government grant of SEND capital totalling £2.73m over a three-year period for new place provision and condition improvement. The first instalment of £0.908m was received this financial year as set out in paragraph 1.3.

- 1.7. The government has recently invited bids from Local Authorities for a small amount of capital funding to develop school-based nursery places to benefit disadvantaged children, and a bid is being prepared to meet the criteria. Other than provision of nursery places as part of opening a new primary DfE Free School, there is no additional allocation for early years capital.
- 1.8. The Childcare Sufficiency Assessment is reported to this committee annually alongside the Schools Local Growth and Investment Plan.

2. Review of the current programme

- 2.1. A number of schemes were completed from November 2017 to present and these are set out in detail at Annex A, with a total value in excess of £43m.
- 2.2. The following schemes are currently under construction with a total value of over £23m:
 - Sprowston White House Farm – new 2FE Primary
 - Downham Market Hillcrest Primary – permanent expansion to 3FE
 - Roydon Primary – expansion to 2FE
 - Scarning Primary – expansion to 2FE
 - North Walsham – minor capacity adjustment to 3FE
 - Fakenham Infant School – minor capacity adjustment to 3FE
 - Costessey Infant and Junior – reorganisation onto a single site
- 2.3. Healthy Schools Capital formed a one-off allocation this financial year to Responsible Bodies' alongside the annual condition allocation of funds resulting from the Sugar Industry Levy. The Local Authority received £455,000 and will continue to work alongside Public Health and Active Norfolk colleagues to evaluate bids from schools within the defined criteria.

3. Changes to the Programme

- 3.1. Since the May 2018 report, decisions on the following schemes were made by the Executive Director of Children's Services on advice from CPG, as changes to the current programme:

July 2018

- Budget adjustment for modular building to accommodate pupil pressures for September 2018 first admissions - Hethersett Woodside Infant (£150K) and Harleston VA Primary (£150K)
- Hingham mobile replacement and minor capacity adjustment (initial £50K allocation)
- Chapel Green Complex Needs School - final budget uplift for relocation and expansion (£529,075). The account has now been finalised and residual funding returned to unallocated Basic Need
- North Denes Primary modular accommodation following closure of Alderman Swindell Primary (£350K)
- Roydon Primary - change to foundations for new build area under removed mobiles (£187K uplift)

September 2018

- Mousehold Infant - uplift for replacement of boundary railings agreed prior to academy transfer (£63K)
- Bignold Primary - removal of lead pipes identified prior to academy transfer (£35K)
- Dereham Neatherd High SRB - expansion to accommodate additional pupils (£50K initial allocation)
- Drayton Junior - remodelling of internal space relating to removal of mobile classrooms (£50K initial allocation)

4. Capital Prioritisation - Strategic pressures

Special Educational Needs and Additional Needs

- 4.1. The Department's SEND Sufficiency Strategy has been presented twice in its development now to this Committee, and subsequently a request for capital and revenue investment in the region of £120 million to support the transformation of the system for special educational needs and disability (SEND) was taken to NCC Policy and Resources Committee on 29 October. This transformation of services will be achieved through the creation of new specialist provision and a programme to dramatically support and challenge mainstream inclusion.
- 4.2 The capital investment will
- Build up to 4 new special schools to accommodate 400 children in state-funded provision
 - Build suitable classroom/small group rooms across the county in order to expand specialist resource base places for an additional 170 children
 - Explore the possibility of further school-based nurture provision and residential provision to meet social, emotional, mental health and specialist /complex needs.
- 4.3 To do this we estimate that capital and revenue borrowing in the region of £120million is required, within a 2-phase programme. Phase 1 will run across years 1-3 of the programme and phase 2 will begin in year 2 and run to year 5. Phase 1 can begin as soon as capital becomes available. Feasibility for the first project is already under way, funded through the Schools Capital Programme. Early projects are being scoped out, locations for new builds are broadly agreed and aligned with the sufficiency plan. Phase 2 planning will begin immediately, however the implementation will start in year 2 of the programme.
- 4.4 The capital element of our SEND transformation programme will focus on a mix of new build and refurbishment/reuse of existing buildings. The programme will include infrastructure investment in mainstream schools to build capacity to meet the needs of children who may need light touch, or short term intensive intervention. The draft phase 1 includes the reuse of the Alderman Swindell Primary site, which has already seen £500K of basic need investment to take it forward to a planning application.
- 4.5 The estimated expenditure profile for the SEND programme is set out in the table below. The real expenditure against this estimate will form part of future reporting:

| Year 1 | Year 2 | Year 3 |
|--------|--------|--------|
|--------|--------|--------|

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|---------|----------|----------|
| 4.8% | 35% | 60.2% |
| £4.800m | £35.000m | £60.200m |

- 4.6 Capital Priorities Group will form a key element of the governance structure for monitoring the capital aspects of the SEN strategy as it develops.

Mainstream school prioritisation

- 4.7 All the remaining schemes for prioritisation are currently funded from existing capital grants and housing developer contributions.

Secondary growth pressures:

- 4.8 Detail will be developed for January's Committee report to establish the secondary phase areas likely to generate pressure in the next few years. A number of high school masterplans have been developed and formed individual schemes for expansion to meet increased need. A similar process has now commenced for Sprowston High Academy (part of the North East Growth Triangle) prior to the further development for a potential new high school in this area.

Continuing primary pressures:

- 4.9 In the primary sector there continues to be pressure in a number of areas, but overall pressure is diminishing, given the capital investment made to schools to date. Existing agreed local policy determines our approach for dealing with growth to maximise opportunities for improving the structure of the education landscape.

Condition prioritisation

- 4.10 The fragmentation of the education landscape and potential impact of this on condition and asset management of the School Estate has been the subject of previous reports to this Committee. At the behest of this Committee, officers have worked with Academy Trusts and other Responsible Bodies to secure where possible high-quality learning environments for Norfolk children.
- 4.11 It is proposed that Capital Priorities Group reflect on the implications of the past five years and whether a greater understanding of the remaining stock would be beneficial and cost effective. This would allow a more strategic view of the demands of capital maintenance expenditure in future years budget allocation.

Corporate priorities for 2019/20

- 4.12 Taking all the above into account, Capital Priorities Group considered priorities for 2019/20 at their September meeting. The proposals are at Annex B and Committee is asked to endorse these for transmission to Policy and Resources Committee.

5. Financial Implications

- 5.1 The approval by NCC Policy and Resources Committee last month for the capital investment to increase places in Complex Needs Schools and Specialist Resource Bases in the County totalling £120 million over a three-year period.
- 5.2 We will continue to work proactively with colleagues from the corporate Finance Directorate to utilise all available funding to minimise borrowing costs where possible.

6. Issues, risks and innovation

- 6.1 The approach to risk has remained broadly the same for the capital programme for a number of years. In response to both construction industry changes and a review of the Capital Programme delivery from 2014 onwards, it is proposed that Capital Priorities Group consider a more transparent approach to costed risks for the future programme, including the delivery of the SEND capital programme.
- 6.2 Risks to the programme however, remain mostly unchanged, essentially:
- Standard risks within any capital and construction programme around timeliness, quality and cost
 - The pace of development around the SEN strategy and its capital delivery strand
 - The availability of sufficient funding from section 106 agreements and the Community Infrastructure Levy
 - The need to secure land for expansion
 - The need to develop strong partnerships with academy trusts in areas of pupil growth, especially now moving into the secondary sector
 - Risks to timeliness arising from the County Council's regulatory function as Local Planning Authority for NCC schemes and as Lead Local Flood Authority
- 6.3 There are opportunities for innovation in the strategic development of the programme, which might include:
- Model designs, following on from the Norfolk model primary school concept, for special needs and secondary school growth
 - New, more cost-effective construction methods including off site construction
 - Continued benchmarking of costs nationally
 - Collaboration with Corporate Property team in the acquisition of sites for new schools
 - Further developing collaboration on joint schemes between NCC and the Education and Skills Funding Agency

7. Background reports

Committee papers

Children's Services Committee – May 2018 Schools Capital building programme, page 103

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1468/Committee/8/Default.aspx>

Policy and Resources Committee – October 2018 Transforming the system for Special Educational Needs and Disability (SEND) in Norfolk, page 20

<http://norfolkcc.cmis.uk.com/norfolkcc/Meetings/tabid/128/ctl/ViewMeetingPublic/mid/496/Meeting/1421/Committee/21/Default.aspx>

Officer Contact

If you have any questions about matters contained or want to see copies of any assessments, e.g. equality impact assessment, or if you have any questions about matters contained in this paper, please get in touch with:

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Annex A

Completed projects between November 17 and November 2018

- Chapel Green - new complex needs school building
- Rosecroft Primary, Attleborough - reorganisation to 3FE primary
- Northgate Primary, Gt Yarmouth - reorganisation to primary
- Attleborough Junior School - reorganisation to 2FE primary
- Barford Primary School - two classroom mobile replacement
- Taverham CE VC Junior School - two classroom mobile replacement
- East Harling Primary School - suitability to ensure 1FE
- Falcon Junior School - expansion to 4FE
- Poringland Primary School - expansion to 2FE
- Suffield Park Infant School - expansion to 3FE
- Ashleigh Infant School, Wymondham - reorganisation to 2FE

Annex B

| Project | Description | Project Delivery * | Priority |
|------------------------------------|---|------------------------------|----------|
| New SEMH school, Great Yarmouth | Reuse of Alderman Swindell School site for 100 place SEMH school and possible residential accommodation as part of SEN Sufficiency Strategy Costs not yet known | 2018-2021 | 1 |
| Blofield Primary School | Relocation and expansion of existing school onto a new site Costs not yet known and funded via Basic Need and CIL contribution for 2018/19 | 2018-2021 | 6 |
| Brundall Primary School | Improvement to existing school to secure accommodation for 1.5FE Costs not yet known and funded via Basic Need | 2019/20 | 7 |
| Swaffham Infant School | Reorganisation to 1FE primary school in response to growth and organisational changes Costs not yet known and funded via Basic Need | 2019/20 | 2 |
| Swaffham Junior School | Reorganisation to 2FE primary school in response to growth and organisational changes Costs not yet known and funded via Basic Need and S106 contributions | 2019/20 | 3 |
| Admission pressures 2019/20 | Works to address pressures identified via the Admissions round Costs not yet known and funded via Basic Need | 2018-2021 | 4 |
| Temporary Classrooms 2019/20 | Placement of modular temporary accommodation at school sites | Target delivery by Sept 2019 | 5 |

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| | <p>experiencing either a bulge year of entry or the first year/continuing years of sustained pupil number growth.</p> <p>Pupil numbers are not yet known. Dependent on closure of admissions round.</p> <p>Costs not yet known and funded via Basic Need</p> | | |
| Land costs for new schools | <p>Part funding required for land available through housing developments.</p> <p>Funding for new school provision to ensure sufficient school places for Bowthorpe</p> <p>Costs not yet known and funded via Basic Need</p> | All years | 8 |
| (i) Capital Maintenance and (ii) Academy transfer funds | <p>(i) Projects of approximately £500,000 not covered by schools' devolved formula capital based on assessment by NPS surveyors.</p> <p>(iii) Liabilities for NCC properties on conversion to academies, case by case, each subject to CPG approval</p> <p>Costs not yet known and funded via capital maintenance grant</p> | 2019 | 9 |