

Cabinet – 11 December 2013

Rushall Primary School- Education Development Centre

Portfolio: Councillor Adrian Andrew, Deputy Leader, Regeneration
Councillor Rachel Andrew, Children's Services

Service: Property Services

Wards: Rushall-Shelfield

Key decision: Yes

Forward plan: Yes

1. Summary

- 1.1 At its meeting on the 23 April 2013 Cabinet approved the disposal of the surplus school sites, formerly Little London Junior School, Lakeside Junior School and Clothier Street Junior School.
- 1.2 In addition to the above approval Cabinet agreed to allocate the full proceeds of these sales, projected to be £3m, to be invested in the Primary School Estate, with the investments of the proceeds as required under Section 77 of the School Standards and Framework Act 1998 (as amended) (the 1998 Act) identified for use at Rushall Primary School.
- 1.3 A feasibility study has explored the opportunity to remodel the existing buildings, resolve significant condition items and to provide additional accommodation from the existing Education Development (EDC) to enable the school's vision for the future to be delivered. Costs are expected to be in the region of £3m.
- 1.4 This work has included a review of the current and future uses of the EDC and proposals contained within this report also promote the retention of this building.
- 1.5 This report recommends an alteration to the proposed source of funding for the proposed works to include the S.77 receipts from the sales of two additional school sites.

2. Recommendations

That Cabinet

- 2.1 approve the allocation of £3m from the anticipated capital receipts identified from the disposal of the five former school sites detailed in this report, to be expended on the works identified for Rushall Primary School and associated additional accommodation.

- 2.2 delegates to the Executive Director for Regeneration in consultation with the relevant Portfolio Holder authority to award contracts (including authorising execution/signature of the contract and ancillary documents) to the most suitable contractors having regard to Best Value for the works/services as set out and subject to a maximum budget of £3m.
- 2.3 approves the option to use an appropriate form of procurement and contracting arrangements determined by the Head of Property Services to provide the most efficient and value for money means of delivering the projects. This shall include consideration of traditional procurement and EU compliant framework contracts available to local authorities.
- 2.4 notes that the timing of expenditure will be in advance of receipt of income from the sale of the five sites and therefore there will be a cash flow implication for the council, and approves that detailed design, procurement and construction can proceed prior to the capital receipts being obtained for the sale of the five sites.
- 2.5 agrees that there will be no mainstream council funding required over and above the allocation of the five schools sites and the scheme is delivered within the £3m set out.
- 2.6 approves the revenue proposals to support the management and maintenance of the conference facilities to be provided as part of this project until the facility can become self financing.

3. Report detail

- 3.1 Cabinet will recall approving the disposal of 3 sites previously Little London Junior School, Lakeside Junior School and Clothier Street Junior School at the Cabinet meeting on 23 April 2013.
- 3.2 In addition to the above approval Cabinet agreed to allocate the full proceeds of these sales, projected to be £3 million, to be invested in the Primary School Estate, with the investments of the proceeds as required under Section 77 of the School Standards and Framework Act 1998 (as amended) (the 1998 Act) identified for use at Rushall Primary School.
- 3.3 Cabinet is advised that, whilst the former Little London School site is not subject to the requirements of S.77, the other two sites are, and also that the applications for DfE consent under S.77 cannot be made until detailed costings have been established as government office requires this information as part of the consideration process.
- 3.4 Cabinet is further advised that S.77 consent will also be required for the future sale of Beechdale School and Daw End Special School.
- 3.5 A feasibility study has explored the opportunity to remodel the existing building, resolve significant condition items and to provide additional accommodation from the existing Education Development Centre (EDC) to enable the school's vision for the future to be delivered.

- 3.6 The school have been fully involved with this study at all stages and are supportive of the proposed works to upgrade, remodel and improve the existing and additional learning environments.
- 3.7 Initial estimates put the cost of the works detailed within the feasibility and condition assessments at £3 million.
- 3.8 The funding model for the project agreed at April Cabinet required a contribution from General Fund of £1.85 million. The total value of S.77 receipts from the five former school sites are anticipated to be circa £2.25 million, leaving some £750,000 to be found from General Funds which reduces the demand on General Fund by some £1.1 million compared to the funding model for the project agreed at April Cabinet.
- 3.9 A review of the current and possible future uses for the current EDC building has also been carried out. The school/EDC buildings sit within the Green Belt and, as a result, should the EDC element be declared surplus to requirements, the Council would only be able to redevelop the site to the extent of the existing footprint of the buildings. Further, the development of a housing estate utilising an access way shared with the school would be undesirable. For these reasons, the retention and re-use of the current EDC areas for office purposes is recommended.
- 3.10 Whilst the EDC site had been previously identified as one to be vacated under the Smarter Workplaces programme, work since this time and a more informed understanding of the requirements of the school and how Council services will use this accommodation has resulted in alternative proposals being considered and brought forward which address both financial and service objectives.
- 3.11 Part of the review of the EDC accommodation focussed on the impact of Schools potentially losing the large hall/conference/training facilities offered at present. A Task & Finish Group involving Headteacher representatives felt that if a high quality conference/training facility was available at the EDC this would be of real benefit from a Leadership & Management perspective and this would fit well with other training facilities etc across the Borough such as the Forest Arts Centre.
- 3.12 As a result, the proposal is that the works at Rushall Primary School include works to upgrade the entrance/Large Hall and associated facilities for refreshments and toilets at the EDC to provide a high quality conference facility that can be used by schools, Council colleagues and external partners etc.
- 3.13 It is proposed that the management of the above current EDC areas, as shown edged black on plan RU10C is transferred to the school under a Service Level Agreement. This action will safeguard future use of these upgraded facilities for the Council as they would not be considered to be a part of the School should an application for academy status be subsequently submitted.
- 3.14 It is envisaged that the conference/training areas will become self financing within 2 to 3 years and discussions are ongoing with finance colleagues as to how this facility can be supported for this intervening period.

4. Council priorities

- 4.1 Allocating financial resources to the Primary School Estate aligns fully with the Council Priority of *Making our schools great*, which was a key message from respondents to the Budget Consultation process, whilst targeting capital receipts at the “Outstanding” Rushall Primary provides a clear statement that the Council will continue to invest in success to maintain high educational standards.

5. Risk management

- 5.1 It is proposed to use an appropriate form of procurement and contracting arrangement to provide the most efficient and value for money means of delivering the projects. This shall include consideration of traditional procurement and EU compliant framework contracts available to local authorities.
- 5.2 The shared facilities shall be managed by the School under a Service Level Agreement to ensure that they do not transfer to School control should an Academy application be submitted in the future.
- 5.3 Cabinet is advised that ,whilst the former Little London School site is not subject to the requirements of S.77, the other four sites are, and also that the applications for DfE consent under S.77 cannot be made until detailed costings have been established as government office requires this information as part of the consideration process. Until such Consent is obtained, there can be no certainty that the sites can be disposed of.

6. Financial implications

- 6.1 The Section 77 process and later disposal of the 5 school sites will result in the Council needing to underwrite the capital expenditure on this project until the capital receipts are received for the disposal of the 5 former school sites.
- 6.2 Short term revenue costs will be incurred if this proposal is approved to ensure the additional accommodation managed by the school is viable until the facility can become self financing. These costs include cleaning and caretaking, utilities and management of the facility.
- 6.3 The existing Smarter Workplaces model had planned use of revenue reserves of £14,300 in the current financial year, but this was to be off-set by revenue savings of £189,912 from 2014 in perpetuity. Should the retention of the property be approved these revenue savings shall not be achieved.

7. Legal implications

- 7.1 Legal Services will prepare the required legal documentation for the sales.

8.0 Property implications

8.1 The proposal will see significant capital investment to assist an Outstanding school deliver its vision and will provide managed training and meeting facilities, with refurbished office accommodation for Council staff.

9. Staffing implications

9.1 Each sale will be carried out by Surveyors within Property Services. Legal Services will deal with the appropriate legal documentation.

9.2 There are possible TUPE issues dependant on how the reception to the remodelled and upgraded large hall/conference facility is operated.

10. Equality implications

10.1 None arising directly from this report.

11. Consultation

11.1 Consultation has been undertaken with ward councillors, legal services, finance, HRD, planning and building control, housing, strategic regeneration and development and delivery.

Background papers

24 April Cabinet report – Schools Capital Investment Programme
Plan RU10C

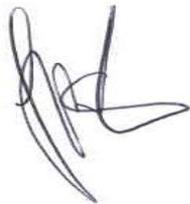
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Simon Nielson
Executive Director
Regeneration

3 December 2013



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Portfolio holder – Regeneration

3 December 2013

