

## **Cabinet – 8 June 2011**

### **Education Capital Programme – 2011/12 – Further Schemes**

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

**Service:** Walsall Children's Services, Serco

**Wards:** All

**Key decision:** Yes

**Forward plan:** Yes

#### **1. Summary of report**

- 1.1 The report sets out schemes from the Education Asset Management Plan for approval. In order to support the raising of educational attainment and achievement, these projects will provide improved learning environments for Walsall pupils and are part of the continued and significant investment in the buildings of Walsall schools.
- 1.2 Details of schemes previously approved by Cabinet will be made available to Members in the group rooms and hard copies will be placed in the Members' rooms. In order to reflect the actual tender costs and final account figures for schemes previously approved by Cabinet, the opportunity has been taken to reprofile funding allocations across the whole programme to ensure that the whole programme of schemes is deliverable within available funding allocations.

#### **2. Recommendations**

- 2.1 That Cabinet approves the schemes and budgets set out in **Appendix A** of this report – including permission to seek tenders and appoint contractors to undertake the work identified.
- 2.2 Cabinet delegates to the Executive Director for Children's Services 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.
- 2.3 Cabinet delegates to the Executive Director for Children's Services in consultation with the relevant Portfolio holder decisions regarding the future movement of mobile units on school sites and to/from the Council depot.

- 2.4 That Cabinet 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 frameworks available to local authorities.

### **3. Background information**

- 3.1 The Education Capital Programme is made up of grant and borrowing powers from Government, Section 106 contributions and capital receipts. Capital schemes funded from the programme usually include a contribution from schools, from their devolved Formula Capital or revenue budgets. All government grants and borrowing powers and much of Section 106 contributions and capital receipts are ring-fenced to education use. Some money is ring-fenced to one phase or one type of accommodation and some targeted for projects at specific schools.

Opportunities to bid for additional funds sometimes occur and Walsall has been successful in drawing down significant additional capital funding for its school buildings.

Priorities for recommendation to Cabinet are made using the following priorities: health and safety; condition, suitability and sufficiency of the building; basic need; standards; opportunity to combine funding; deprivation; pupil number forecasts; parental preferences; deliverability; opportunities for changes to school status; access; and security.

With the exception of health and safety, these priorities are not in order of importance and usually a combination of a number of priorities result in schemes being recommended for funding.

These priorities have been agreed by Cabinet and the Department for Education (DfE) in the past through approval of the Education Asset Management Plan Statement of Priorities.

The aim of the education capital programme is to contribute to the delivery of the Local Authority's vision for education in nursery, primary, secondary and special schools; the raising of standards and opportunities of all Walsall pupils; anticipated changes in school population and curriculum needs; and delivering the Council's landlord duties in community and voluntary controlled schools.

To ensure that recommendations on the use of Education Capital complement the strategies of other Council developments, Property Services colleagues have always been consulted on the content of Education Capital Cabinet reports.

It was agreed by the Corporate Property Board in October 2009 that the recommendations to be made on the use of education capital be discussed at the Board. This suggestion was made to ensure that capital investment being recommended for school property is linked to Partnership and Council priorities.

Whilst the schemes detailed within this report are based on the best information available now, it is possible that external factors may mean that schemes approved by Cabinet will need to be reviewed in the future.

The government has reduced the amount of DFC distributed to schools.

On 8 April 2011, the government published the James Review of Education Capital Report which sets out recommendations for future arrangements for education capital investment and the procurement of schemes. The recommendations are provided as **Appendix B** of this report. It is understood that the Secretary of State intends to conduct a public consultation on the proposals over the coming months.

There may be changes of status in schools that affect how they access capital resources.

Any of these factors may affect the appropriateness or viability of schemes.

Any proposed changes to these recommendations will be brought back to Cabinet.

- 3.2 Cabinet will recall approving the first phase of a scheme at Hillary Primary School to provide additional pupil places following the completion of the associated statutory process. Phase one of this work has now commenced on site and the works are expected to be completed by September 2011. Cabinet is now asked to approve the second phase of this scheme which comprises the internal remodelling and refurbishment of the Key Stage 2 building. This work will be completed by September 2012 and will cost in the region of £350,000.
- 3.3 Section 106 developer contributions of £12,805 have been received in relation to the development at Atlas Works, Sandwell Street. It is recommended that this sum is added to the previously approved scheme to provide additional teaching accommodation for Music tech, Drama and associated rooms at Barr Beacon Language College.
- 3.4 There are mobile classrooms at Croft Primary School and Sneyd Secondary School that will require moving in the summer. It is proposed that these are used either to replace existing mobiles in poor condition or to be temporarily stored at a Council depot until future use is determined. It is recommended that the Executive Director for Children's Services in consultation with the portfolio holder be authorised to agree the movement and relocation of mobile classrooms.

#### **4. Resource considerations**

##### **4.1 Financial:**

- 4.1.1 Walsall has been advised of capital allocations for the 2011/12 financial year only although the DfE has confirmed that there is no spend deadline on this funding. Further schemes will be brought forward for consideration by Cabinet when details are finalised.
- 4.1.2 On 8 April 2011, the government published the James Review of Education Capital Report which sets out recommendations for future arrangements for education capital investment and the procurement of schemes. The recommendations are provided as **Appendix B** of this report. It is understood that the Secretary of State intends to conduct a public consultation on the

proposals over the coming months. No announcement has been made regarding the education capital allocations from 2012 onwards.

- 4.1.3 Every effort is being made to maximise the use of capital resources to secure the greatest benefit for the Borough and Walsall is on track to spend all allocations within the spend periods. Slippage figures include funding provided through grants for which the spend period is the academic year rather than the financial year.
- 4.1.4 Other than in exceptional circumstances, schemes detailed in this report are funded in partnership with schools in order to maximise the number of schemes that can be taken forward. Such a partnership approach also takes account of capital resources made available to schools by the DfE through devolved formula capital (DFC). School DFC allocations for 2011/12 have been significantly reduced and are approximately 20% of those for the previous financial year. In view of this, school contributions will not be at the same level as previous years. These contributions are negotiated on an individual basis by Walsall Children's Services – Serco, and are detailed in **Appendix A** of this report. Any individual schemes where school contributions are not yet finalised will be reported to a future Cabinet meeting.
- 4.1.5 The majority of schemes are to be managed by Walsall Council Property Services who will ensure compliance with all Walsall Council Finance and Contract Rules. For Schemes at Voluntary Aided schools, the trustees of the individual schools are responsible for ensuring compliance with the DfE contractual and financial requirements.

#### **4.2 Legal:**

- 4.2.1 The majority of schemes identified in this report will be managed through Walsall Council Property Services and they will ensure that all statutory obligations in relation to the schemes are adhered to. These issues include building regulations, planning approvals, Disability Discrimination Act (DDA) and Construction Design and Management Regulations (CDM). This is in addition to ensuring compliance with Walsall Council Financial and Contract Rules and compliance with the European regime and regulations covering the procurement of goods, services and contracts of work.
- 4.2.2 Schemes funded through the Local Education Authority Controlled Voluntary Aided Programme (LCVAP) will be managed by the trustees of the individual schools. The responsibility for complying with the legislation detailed in paragraph 4.2.1 will, in accordance with the provisions of paragraph 3 to Schedule 3 of the Schools Standards and Framework Act 1998 (which was amended by the Regulatory Reform (Voluntary Aided Schools Liabilities and Funding) (England) Order 2002), be that of the trustees of those schools.

#### **4.3 Staffing:**

- 4.3.1 There are no direct implications as a result of this report.

## **5. Citizen impact**

The schemes will contribute to an improved learning environment for Walsall pupils, their families and the wider community. .

## **6. Community safety**

Security issues will be considered as part of the development of schemes.

## **7. Environmental impact**

All schemes will incorporate the use of sustainable resources wherever possible and designs would incorporate developments to reduce the impact on the environment.

## **8. Performance and risk management issues**

### **8.1 Risk:**

- 8.1.1 Construction programmes are at risk of delays that might affect the timescales and cost of projects and these may require adjustments to the programme. These risks will be managed as far as is practicable on an ongoing basis.

### **8.2 Performance management:**

- 8.2.1 There are specific criteria established by the DfE for the project management of schemes funded by the Capital Programme within the designated timeframe.

## **9. Equality implications**

The proposed schemes would result in improved learning environments for pupils and families in Walsall schools.

## **10. Consultation**

Relevant stakeholders including schools, Diocesan Authorities and Foundation representatives, as appropriate. Walsall Council: Property Services, Transforming Learning and Children's Services Finance.

## **Background papers**

Education Asset Management Plan

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Signed:  
Executive Director: Pauline Pilkington  
Date: 25 May 2011



Signed:  
Interim Managing Director, Walsall  
Children's Services, Serco: Graham  
Talbot  
Date: 20 May 2011



Signed:  
Portfolio Holder: Councillor R Andrew  
Date: 25 May 2011

Section 106 - Secondary				
School	Project	Project Cost £	School Contribution £	Allocation £
Barr Beacon Language College	Provision of additional accommodation - additional funding for previously approved scheme	589,327.81	TBC	12,805.00
Total				12,805.00

<b>Basic Need</b>		<b>2011/12</b>		
<b>Allocation</b>		<b>£2,650,018</b>		
<b>Commitments</b>		<b>£0</b>		
<b>Balance Remaining</b>		<b>£2,650,018</b>		
<b>School</b>	<b>Project</b>	<b>Project Cost £</b>	<b>School Contribution £</b>	<b>2011/12 Allocation £</b>
Hillary Primary	Internal remodelling/remodel of KS2 building	350,000	TBC	350,000
<b>Total</b>			<b>0</b>	<b>350,000</b>
<b>Balance Available</b>				<b>2,300,018</b>



## Extract from the James Review of Education Capital Report

Pages 68- 69 of the Report

### Appendix A – Summary of Recommendations

1	Capital investment and apportionment should be based on objective facts and use clear, consistently-applied criteria. Allocation should focus on the need for high-quality school places and the condition of facilities.
2	Demand-led programmes, such as Free Schools, are most sensibly funded from the centre and a centrally retained budget should be set aside for them.
3	The Department should avoid multiple funding streams for investment that can and should be planned locally, and instead apportion the available capital as a single, flexible budget for each local area, with a mandate to include ministerial priorities in determining allocations.
4	Notional budgets should be apportioned to Local Authority areas, empowering them fully to decided how best to reconcile national and local policy priorities in their own local contexts. A specific local process, involving all Responsible Bodies, and hosted by the Local Authority, should then prioritise how this notional budget should be used.
5	The local prioritisation decisions should be captured in a short local investment plan. There should be light-touch central appraisal of all local plans before an allocated plan of work is developed so that themes can be identified on a national level and scale-benefits achieved. This must also allow for representations where parties believe the process has not assigned priorities fairly.
6	Individual institutions should be allocated an amount of capital to support delivery of small capital works and ICT provision. Wherever possible, this should be aggregated up to Responsible Bodies according to the number of individual institutions they represent, for the Responsible Body then to use for appropriate maintenance across its estate, working in partnership with the institutions.
7	The Department ensures there is access to clear guidance on legal responsibilities in relation to maintenance of buildings, and on how revenue funding can be used for facility maintenance.

8	<p>That the Department:</p> <ul style="list-style-type: none"> <li>gathers all local condition data that currently exists, and implements a central condition database to manage this information.</li> <li>carries out independent building condition surveys on a rolling 20% sample of the estate each year to provide a credible picture of investment needs, repeating this to develop a full picture of the estate's condition in five years and thereafter.</li> </ul>
9	That the Department revises its school premises regulations and guidance to remove unnecessary burdens and ensure that a single, clear set of regulations apply to all schools. The Department should also seek to further reduce the bureaucracy and prescription surrounding the BREEAM assessments.
10	There should be a clear, consistent Departmental position on what fit-for-purpose facilities entail. A suite of drawings and specifications should be developed that can easily be applied across a wide range of educational facilities. These should be co-ordinated centrally to deliver best value.
11	The standardised drawings and specifications must be continuously improved through learning from projects captured and co-ordinated centrally. Post occupancy evaluation will be a critical tool to capture this learning
12	As many projects as possible currently in the BSF and Academy pipeline should be able to benefit from the Review's findings to ensure more efficient procurement of high quality buildings. This should be an early priority to identify where this could be done.
13	That the Central Body should put in place a small number of new national procurement contracts that will drive quality and value from the programme of building projects ahead.
14	That the Department uses the coming spending review period to establish a central delivery body and procurement model, whereby the pipeline of major projects – to a scale determined by the Department – is procured and managed centrally with funding retained centrally for that purpose.
15	The Department quickly takes steps to maximise the value for money delivered through maintenance and small projects and puts in place a simple and clear national contract to make this happen.
16	That the Department revisit its 2004 Cap Gemini report and implement proposals where they are appropriate.