

DECISION-MAKER:	COUNCIL		
SUBJECT:	CHILDREN'S SERVICES CAPITAL PROGRAMME 2013/14		
DATE OF DECISION:	17 JULY 2013		
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SERVICES		
<u>CONTACT DETAILS</u>			
AUTHOR:	Name:	Oliver Gill	Tel: 023 8091 7594
	E-mail:	oliver.gill@southampton.gov.uk	
Director	Name:	Alison Elliott	Tel: 023 8083 2602
	E-mail:	alison.elliott@southampton.gov.uk	

STATEMENT OF CONFIDENTIALITY

N/A

BRIEF SUMMARY

This report sets out proposals for the Council's spending priorities within the Children's Services Capital Programme for 2013/14 and future years, in line with corporate priorities and the objectives of the Primary Review: Phase 2, approved by Cabinet on 14 March 2011 and subsequently added to on 16 April 2012; 16 October 2012; and 19 February 2013.

The report seeks approval to add £4,470,000 of expenditure to the Children's Services Capital Programme. This report also seeks approval for variations totalling £758,000 to the latest capital programme. Finally, approval to spend is sought for £6,098,000 of expenditure within the Children's Services Capital Programme for works taking place in 2013/14.

RECOMMENDATIONS:

- (i) To add, in accordance with Financial Procedure Rules, a sum of £1,963,000 to the Children's Services Capital Programme, to the Primary Review Phase 2 programme as detailed in Appendices 1 and 2, funded from non-ring-fenced future allocations of Department for Education capital grant.
- (ii) To add, in accordance with Financial Procedure Rules, a sum of £2,507,000 to the Children's Services Capital Programme, to the Capital Maintenance programme as detailed in Appendices 1 and 3, funded from non-ring-fenced Department for Education capital grant.
- (iii) To approve, in accordance with Financial Procedure Rules, capital variations totalling £758,000 to the Children's Services Capital Maintenance planned programme, funded from the budgets shown in Appendix 1.
- (iv) To approve, in accordance with Financial Procedure Rules, capital

expenditure of £6,098,000 in 2013/14 within the Children's Services Capital Programme to carry out works as detailed in Appendix 1.

- (v) To note that assumptions have been made about the likely level of Basic Need Grant to be awarded in 2015/16. If the final award is less than anticipated any shortfall in funding would need to be met from borrowing for which provision would need to be made in the revenue budget forecast.
- (vi) To note that approval for the later phases of the Primary Phase 2 expenditure will be brought forward to Cabinet when sufficient detail can be provided to effectively inform decision making.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council has a number of urgent priorities for investment within Children's Services, which are highlighted within this report. As such, the above recommendations seek to ensure that the resources available to the Authority are allocated to these proposals, in order that the relevant projects can be commenced. It is proposed that Basic Need funding will be used to address the school expansions required under the Primary Review: Phase 2, in line with previous Cabinet Decisions.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The proposals contained within this report represent the means by which the Council can best deliver its stated objectives and responsibilities in terms of school organisation and estate maintenance. The option of not carrying out these proposals would necessarily result in a delay in project commencement and, potentially, a failure to deliver on key objectives for the current financial year and beyond.
3. In particular, there is an urgent need to deal with Health & Safety issues that have been identified within recently undertaken Fire Risk Assessments. There are also a significant number of school estate-related capital schemes which, due to budget limitations, have had to be rolled-over from the previous financial year. These schemes have significant priority and require immediate investment.
4. In developing the proposals presented in this paper, two other investment options for the non-Primary Review element of the programme were considered. The first of these (Option 2) proposed investing an additional £759,000 in additional planned R&M works, as well as Solar PV and Renewable Heat Incentive (RHI) sustainability projects. The second (Option 3) proposed a further investment of £441,000 (relative to Option 2), with this additional investment being targeted at eliminating all Priority 1 issues identified within the condition surveys of maintained schools. After consideration of the various options, it was decided to go with the options presented in this paper, on the grounds that the other two options could not reasonably be afforded within the Council's available budgets.

DETAIL (Including consultation carried out)

5. The investment priorities for the Children's Services estate for 2013/14 and beyond are as follows:

Primary Review: Phase 2

6. The Primary Review: Phase 2 Cabinet Report of 14 March 2011 and the Wordsworth Infant School Expansion Cabinet Report of 11 April 2011 detailed initial proposals for the expansion of the primary school estate. Further papers were taken to Cabinet on 16 October 2012 and 19 February 2013 that added a further four schemes to the programme.
7. It is now proposed that the previously approved programme should be expanded by a net amount of £1,963,000, in order to enhance the proposals set out in the above referenced Cabinet Reports. An updated expenditure profile for this programme of work is included with this report as *Appendix 2*.
8. The most significant element of the additional amount required is the need to provide a new budget for furniture, equipment and ICT. At the inception of the programme, it had been anticipated that schools would largely be able to fund their own Furniture & Equipment (F&E) and ICT. This was reflected in the fact that the schools in the programme had collectively committed to fund £720,000 worth of this themselves, as part of their contribution towards the programme. However, for those schools experiencing large scale expansions (i.e. doubling or tripling in size), this has proved unachievable and this issue has been compounded by cuts to their capital budgets. This, combined with the fact of the constant surge of birth rates beyond projections (which has resulted in a growth in the number of large expansions) has resulted in the need for the Authority to dedicate £1,000,000 worth of capital to contributing to the provision of new F&E and ICT for expanding schools.
9. In addition, a number of the schemes within the programme have been amended since the original Cabinet reports, as detailed below:
10. **Banister, Moorlands and Wordsworth Batched Procurement (increase of £1,117,000)**

There have been a number of changes to the scope of these schemes that were not envisaged within the original budgets that have led to an increase in cost across the three schools. Chief amongst these changes (representing approximately 50% of the cost uplift) are planning requirements that have been imposed and have resulted in alterations being made to the schemes. Conditions imposed include the requirement for fritting the windows on the east and north elevations of Banister school; reconfiguration of the car park layouts; provision of additional cycle storage; additional CCTV; improvements to the specification of the playing field at Moorlands strategic highways contributions; and site-specific highways contributions. Legislative changes to the 2012 design codes have also resulted in a cost uplift in terms of the foundation solution (representing 10% of the overall increase). In addition, 25% of the cost uplift is attributable to alterations to requests from the school(s), e.g. additional access control; changes to the layout of the building at Banister; and increases in the specification of the external works. Finally, 15% of the cost uplift is comprised by an increase in the fees associated with these schemes, as a consequence of the increase in scope.
11. **Highfield CE Primary School (increase of £106,000)**

It had originally been anticipated that the Diocese would be able to deliver and fund the vast majority of this project, with a 10% contribution from the

local authority (equating to £44,000). However, a reduction in the capital maintenance budget provided to the Diocese has meant that a more significant contribution is now being requested. Since the Diocese have been extremely supportive in expansions at their schools (in both financial and project management terms), it is reasonable for the authority to provide this additional capital.

12. Harefield Primary School (increase of £126,000)

The original cost estimate for this scheme was based on a high-level cost estimate, which has been further refined through the feasibility and design development stage. A cost uplift has resulted from the fact that the building that it is intended to refurbish has more inherent condition issues than had originally been anticipated.

13. Springwell School (increase of £141,000)

The original high-level estimate for this scheme was based on the new building being located on a flat area of the site and its being developed in line with a standard design solution. However, the school have requested that the design be amended to bring the aesthetic in line with the existing built form and the location has had to be amended, due to accessibility issues with the originally envisaged location. These factors have combined to result in an overall cost uplift on this scheme.

14. There are a small number of less material changes to schemes which are highlighted in *Appendix 2* and which have arisen as each project has progressed and more definite cost estimates have been produced to deliver the required expansion of places.

Other Additions

15. R&M Planned Programme (£1,935,000)

There is presently a backlog maintenance schedule of £36 million at maintained schools in Southampton. Many of these condition-related items have a direct bearing on schools' ability to function (e.g. boilers, roofs, windows) and, as such, it is important that capital is set aside on an annual basis to address the most pressing of these demands. The capital allocation proposed by this report will deal with the majority of Priority 1 issues identified in maintained schools' condition surveys and, as such, should serve to ensure that school buildings are retained in a functional state. Should in-year issues arise, the Council should be able to deal with these reactively from the Unplanned Capital Maintenance budget (see §22), with minimal chance of impacting on the planned programme. The proposed programme of work for this element of the programme is appended to this report as *Appendix 3*.

16. Health & Safety (£375,000)

Although other ad-hoc Health & Safety issues may arise during the year, it is proposed that the vast majority of the budget for 2013/14 should be used to deal with works arising out of Fire Risk Assessments (FRAs). FRAs are a statutory requirement for premises, as stipulated within the Regulatory Reform (Fire Safety) Order 2005. The assessments have to be carried out by a "competent person", this term being defined within the Southampton City Council Safe Working Procedure (SWP) Fire. The SWP Fire was updated in December 2010, following consultation with Hampshire Fire and Rescue

Service, and was refined to include the level of competence and qualification required to complete the assessments. These changes have resulted in new assessments having to be undertaken across the Children's Services estate.

17. Cedar School Unilateral Undertaking (£200,000)

In May 2012, the Council was notified that two of its applications for new build schools under the Priority School Building Programme had been successful. The Cedar School was one of these and has also been selected as the sample school for the first batch of investment in the South. The scheme is currently in the design development phase and is due to have an associated planning application made in the next couple of months. In line with the Government stipulations for investment, the Council will be required to fund any of the planning obligations that are imposed on the scheme by way of a Unilateral Undertaking. Although the full extent of these costs is unknown at present, based on previous experience with the Lord's Hill Academy (which is situated next to the Cedar School) it is recommended that £200,000 be allocated to this purpose in the first instance.

18. Pupil Referral Unit Capital (£150,000)

It is proposed that the budget for the project to relocate the city's Pupil Referral Unit to newly refurbished facilities at the old Millbrook Community School site be increased to allow for the augmentation of the scope to include for collocation of multi-agency partners. This would enable better integration of working practices and, ultimately, improved educational and social outcomes for the learners at this establishment.

19. Academies Management (£100,000)

It is proposed that the management budget for the city's two new build academy projects be increased by £100,000 to account for the fees of the professional team during the defects liability period.

20. Sholing Technology College Access Control (£40,000)

At present, the general public are able to gain access to the College site without any restrictions. A number of recent incidents with unauthorised individuals accessing the site have highlighted this significant safeguarding issue and the point has been reiterated by Ofsted. Initial conversations with technical advisors have indicated that reconfiguration of the car park, alongside the provision of an electronically-controlled gate and onsite vehicle waiting area (alongside negotiation with the neighbouring Infant School, with whom they share an access) would provide a solution to this issue. An estimate of £40,000 has been provided in relation to this work package.

21. Swaythling Primary School Drainage (£40,000)

A number of the properties that neighbour the school site experience surface water run off from the site into their property, which has resulted in complaints being made to the Council. As landowners have a legal responsibility to ensure that such issues do not occur, together with a potential liability for damage resulting from the same, it is proposed that £40,000 be invested in a drainage solution for the site that would mitigate this issue.

22. Unplanned Capital Maintenance (£300,000)

It is important that a certain element of the identified funding is "held back", in

order to provide for unforeseen issues/events that may arise throughout the course of the year, such as emergency roof repairs or boiler replacement, over and above the planned programme. In the event of an unforeseen occurrence, in the first instance, the current Children's Services planned capital programme will be looked at to see if any reprioritisation can be made before drawing on this budget.

23. Project Management (£125,000)

The cost of project management time for these proposals is £125,000 for 2013/14. This will fund three Project Manager posts in the Strategy & Capital Programme Team in the People Directorate.

RESOURCE IMPLICATIONS

Capital/Revenue

25. The changes to the programme contained in this report are summarised in the table below and detailed in Appendix 1. An updated cost profile for the whole Primary Review Phase 2 scheme is included with this report as Appendix 2.

	Additions/ (reductions) £000s
2013/14	6,098.0
2014/15	(1,044.0)
2015/16	1,670.0
Later years	(1,496.0)
Total	5,228.0

26. Council/Cabinet has already approved the addition of the following budgets within the Children's Services Capital Programme:
- £21.489 M for Primary Review Phase 2 including the rebuild of Wordsworth Infant School.
 - £4.950 M for the expansion of Bassett Green, St John's and Bevois Town.
 - £399,000 for the expansion of Springwell School.
27. It is proposed that the additional expenditure will be funded from the following sources and it is anticipated that funding will be received in advance of expenditure taking place:

Funding Source	2013/14 Confirmed £000's	2014/15 Confirmed £000's	2015/16 Estimate £000's	Total £000's
Virement	758.0			758.0
Capital Maintenance Grant	2,507.0			2,507.0
Basic Need Grant		138.0	1,825.0	1,963.0
Total	3,265.0	138.0	1,825.0	5,228.0

28. The individual underspends making up the £758,000 virement listed in the table above are detailed in Appendix 1. The reasons for the two major underspends are as follows:
- Bitterne Park School (£500,000) - The project to carry out works at the school is no longer taking place, owing to the fact that the school is now scheduled to be rebuilt under the Priority Schools Building Programme.
 - Harefield Primary School (£153,000) - The initial project to rebuild the school had allowed for the demolition of the old school hall, as this was being replaced in the new build. However, it was subsequently decided that the hall could reasonably be refurbished to provide the school with additional space to accommodate an expansion under the Primary Review: Phase 2. The removal of the demolition works from the project scope has resulted in the saving indicated.
29. No announcements have yet been made about Department for Education capital grant allocations for 2015/16. However, it is anticipated that as future grant will be targeted at areas of need, that Southampton will receive similar allocations of Basic Need funding. The figure above for 2015/16 is therefore indicative and much less than the £4.8 million confirmed for 2014/15. In the event of future grant funding not being sufficient, funding would need to be set aside to cover borrowing costs.
30. The revenue costs of all schools are met from the Individual Schools Budget funded by the Dedicated Schools Grant. The amount of Dedicated Schools Grant that the authority receives each year is based on the number of children in the city. If the city's overall numbers grow, this will result in an increase in the amount of grant received which can be passed onto schools via budget shares calculated using Southampton's School Funding Formula.

Property/Other

31. It is anticipated that these proposals will assist in reducing the current overall backlog maintenance.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

32. The power to provide and maintain educational facilities as proposed in this report is set out in the Education Act 1996.

Other Legal Implications:

33. The proposals set out in this report are brought forward having regard to the Council's statutory responsibilities as a duty holder for health & safety in schools in accordance with the Health & Safety at Work Act 1974 and associated secondary legislation. Provisions for the increase of security of school sites are designed having regard to the Council's duties under s.17 Crime & Disorder Act 1998 (exercise of functions having regard to the need to reduce or eliminate crime or disorder). All services and works will be procured and implemented in accordance with national procurement legislation and the Council's Contract Procedure Rules and having regard to the Council's duties under the Equalities Act 2010.

POLICY FRAMEWORK IMPLICATIONS

34. The capital investment proposed for Southampton’s schools within this report will contribute to the outcomes of both the 14-19 Strategy and Children & Young People’s Plan by improving the condition, suitability and efficiency of the City’s school estate. Some of the investment that is brought forth under these proposals will likely have to be mindful of the Local Transport Plan. Alignment of the proposals with the aims of this plan will be achieved through the involvement of relevant officers on the appropriate project steering group(s).

KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
------------------------------------	-----

SUPPORTING DOCUMENTATION

Appendices

1.	Children’s Services Capital Programme Changes
2.	Primary Review: Phase 2 – Capital Programme
3.	Proposed Capital Maintenance Programme

Documents In Members’ Rooms

1.	None
----	------

Equality Impact Assessment

Do the implications/subject of the report require an Equality Impact Assessment (EIA) to be carried out.	No
--	----

Other Background Documents

Equality Impact Assessment and Other Background documents available for inspection at:

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
------------------------------	--

1.	None	
----	------	--