

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....14th October 2010

1. Title of Item/Report

Capital Investment Strategy for Primary and Secondary School Buildings

2. Record of the Decision

Cabinet considered a report that summarised the position facing Stockton Borough Council and its partners following the stopping of Stockton's Building Schools for the Future (BSF) programme and the anticipated suspension of the national Primary Capital Programme.

It was explained that the government had stopped the BSF programme in Stockton-on-Tees. A comprehensive spending review in October would determine the levels of capital funding to be allocated to each government department over the next three years. The Department for Education was carrying out a review of all its capital programmes, including the Primary Capital Programme, and expects to announce near the end of the year how it intended to distribute its capital allocation for the next spending review period.

The Council's BSF strategy, developed in partnership with schools and colleges, dioceses and other bodies, was based on the 'Campus Stockton' model of collaborative provision. This included a personalised curriculum for every student and new ways of learning supported by investment in remodelled buildings and new technology. The Council and its partners remained committed to this vision, which was about much more than rectifying defects in school buildings. Nevertheless those building issues remained and in some schools were particularly severe. It was now necessary to develop a new capital investment strategy to address them.

The stopping of BSF was a great disappointment. However it would mean that there was no longer a requirement for a Local Education Partnership or for externally managed Facilities Management and ICT services. The work carried out so far had provided a robust knowledge base, which would enable the Council to respond quickly to any new funding opportunities. Opportunities to integrate other services on school sites might be increased. We may now look at the needs of all our schools including those previously excluded by government from the

BSF Wave 6 programme.

The Council's strategy for the Primary Capital Programme sets out criteria for determining priorities for investment in primary school buildings subject to continuing government investment. Some work had already been completed, and design work funded in the current year was continuing on other specific school projects. The Council's Strategy for Change for the Primary Capital Programme was available on the Council website.

Two Academies had been established in the borough within predecessor school buildings. Academies were independent schools funded directly by government. They would be valued partners in Campus Stockton, but their buildings were not the responsibility of the Council. The Academy sponsors had been invited to bid for funding for new or refurbished buildings, and government had announced that some capital allocations would be made after the spending review, though the level of funding was not known.

Members noted that five of the ten secondary schools and seventeen of the sixty primary schools in the borough were voluntary aided schools. A full list of the schools maintained by the Council was provided. The buildings of voluntary aided schools were the property of the dioceses or trusts and were not the responsibility of the Council. The Council included those schools in borough-wide strategies for BSF and Primary Capital because those funding programmes each promised a single funding pot covering both categories of school. That was not normally the case with other schools funding programmes.

Cabinet noted that the Council had begun a review of Council assets and facilities. The review included school buildings, youth facilities, children's centres, community centres, libraries, sports and leisure centres. This review aimed to analyse information relating to the condition of premises and the use made of their facilities, and to consider options for rationalisation, co-location or shared use as part of a new borough-wide facilities investment strategy. Any school's capital investment strategy should contribute to this corporate review.

Ministers had stated that capital funding would continue to be made available for school building projects in the future, but had given no detailed information about the scale of future investment, the criteria for allocation or the manner of distribution. Early announcements from ministers had mentioned tackling the most serious condition issues in school buildings, allocating a greater proportion to primary schools, and supporting applications for Free Schools and Academies. Ministers had spoken of allocating increased amounts directly to schools. This could make it more challenging for the Council and its partners to implement a

coherent model across the borough.

It was noted that various methods had been used in the past for distributing capital for school building projects. It was possible that government would continue the current system of allocating to each local authority capital sums calculated by a formula based on pupil numbers, with discretion to spend it on locally-determined priority projects. A list of the allocations, for the last three years was provided. It was likely that devolved capital grants direct to schools would continue. Government may reintroduce bidding programmes so that local authorities would compete for a share of a global sum. It may be that individual schools would be invited to bid directly to government for capital funds. The Council would need to wait for clarity until the end of the year after the review of capital programmes were carried out by the Department for Education.

Members were informed that one specific element of capital funding had been reduced by 50% in the year. This was the Harnessing Technology Grant intended to support developments in the educational use of Information and Communications Technology (ICT). The original allocation to Stockton-on-Tees for 2010-11 was £717k, of which £225k would be retained by the Authority for broadband services and learning platform development. The remaining £492k was devolved to schools. The loss of in-year funding is £358k. Savings of £70k from the central spend had been identified but as the majority of the grant was devolved to schools it had been necessary to pass on the remainder of the reduction (£288k) to schools. This loss of funding in the current year will limit the ability of schools to purchase new equipment, particularly laptops and mobile devices, to access high-quality digital learning resources, to replace older computers and to provide information to parents through the secure use of online reporting systems. In the long term, the future development of the broadband infrastructure to ensure that the necessary capacity and services were available to schools was very much at risk. Any new capital investment strategy should include consideration of ICT infrastructure.

Members noted that the majority of government capital funding streams made separate allocations for community schools and voluntary aided schools, and it was not normally possible to transfer capital funding between projects at schools in different categories. It was unclear whether any new capital funding allocated after the spending review would consist of separate or combined allocations for community and voluntary aided schools.

Conversely many of the capital programmes (aside from BSF and Primary Capital) did not make separate allocations for primary schools

and secondary schools. Whether that would continue was also uncertain.

It was explained that two independent groups had made formal applications to the Secretary of State to establish a Free School in Ingleby Barwick. A Free School would be an additional secondary school, independent of the local authority and funded directly by government, like the Academies.

Cabinet noted that the outcome of the Free School applications could have a considerable impact on the Council and on other schools. The Council had been invited by DfE to comment on the Free School application submitted by Barwick's Own 2nd Secondary School Ltd (BO2SS). The Council's response gave the view that the number of students resident in the three communities of Eaglescliffe, Ingleby Barwick and Yarm could not support four secondary schools of viable size. The establishment of a Free School on Ingleby Barwick might lead to the closure of an existing school and would therefore be contrary to the Council's objective of retaining a school in each community. The Council's response was provided to Members.

Primary and secondary schools in every area of the borough had pressing needs, whether in terms of building condition, suitability for the modern curriculum or sufficiency of school places to meet local demand. The sequence of projects planned for BSF was intended to form a coherent programme rather than a strict order of priority. It needed to conform to the national priorities for BSF – school standards and social deprivation – and it did not include the three schools in the south of the borough. The Council was now in a position to develop a strategy to identify a new priority order, taking account of the condition, suitability and sufficiency needs of the schools, the views of our partners and any new funding criteria announced by government after the spending reviews.

The Primary Capital Programme was different from BSF in that funding was to be spread over fourteen years rather than delivered in concentrated waves. The Primary Strategy for Change considered by Cabinet in February 2009 included agreed criteria for prioritising schools for investment and identified a small number of schools for investment in the first five years of the programme.

A new investment strategy should deal with all the schools across the borough. Prioritisation for investment should take account of:

- schools with particularly severe condition and suitability issues
- split-site schools
- increasing numbers of pupils in primary schools

- the distribution of school places across the Borough
- opportunities to co-locate other services on school sites
- opportunities to generate capital receipts from redundant sites.

It was important that the new strategy for capital investment was developed in consultation with elected members, partners, schools, colleges and the four dioceses and took full account of the corporate review of assets and facilities. Subject to the completion by the Department for Education of its review of national funding programmes, officers expected to be able to bring a first draft of the strategy to Cabinet in February 2011.

Specific points related to schools that were not previously included in BSF wave 6

The Council had acknowledged that demand existed for a greater number of secondary school places in Ingleby Barwick. In February 2010 Cabinet asked officers to review options for the three secondary schools in the south of the borough: All Saints Church of England School in Ingleby Barwick, Conyers School in Yarm and Eggescliffe School. The aim was to find ways of increasing the supply of school places in Ingleby Barwick while minimising any negative impact on the other two schools. At that time it was assumed that a second wave of BSF funding would become available at some stage.

The four options for investigation were

- A1 –to rebuild Eggescliffe School with 1,050 places at Allen’s West, to refurbish Conyers School for 900 places and to enlarge All Saints to 900 places (as set out in the BSF Strategy for Change Part 1 agreed by Cabinet in February 2009 and subsequently approved by government);
- A2 – as above but to rebuild Eggescliffe School on its present site;
- C1 – to enlarge All Saints to 1,050 places with a corresponding reduction at Eggescliffe to 900 places;
- D2 – as option A1 but to rebuild Eggescliffe School on a site in Preston Park.

D2, the Preston Park option, depended on government funding being made available for a footbridge linking the park to Ingleby Barwick, a prospect that seemed highly unlikely in the prevailing climate. During the feasibility work undertaken, the location of the proposed bridge also raised significant engineering issues. In addition to this, any additional traffic from a community school facility could not be accommodated without significant upgrading of the road network, which would not be in keeping with the access or be acceptable onto a principal road such as the A135 Yarm Road. To locate a school within the area of the park

would also require the re-location of the existing allotments. It was explained that those matters posed significant legal, logistical and financial challenges and taken together with the envisaged technical difficulties had led to a view that option D2 should no longer be considered.

Possible variants of option C1 including a further increase in pupil numbers had been discussed in positive meetings with the Diocese of York. This, and options A1 and A2, would need further consideration within the proposed borough-wide strategy for capital investment in schools. A solution could be identified only when the funding streams had been clarified by government and DfE, and when the outcome of proposals to establish a Free School in Ingleby Barwick was known. It was proposed that further detailed work continue on these options and variables.

RESOLVED that

1. a borough-wide strategy for capital investment in primary and secondary school buildings be developed in consultation with elected members, partners, schools, colleges and dioceses, taking account of the outcome of the government spending review, Free School applications and the Council's review of assets and facilities;
2. the strategy should not include any further work on option D2 of the four options proposed for investigation to deal with the demands for pupil places in the South of the Borough
3. a further report be brought to Cabinet, in February 2011, after the results of government reviews have clarified funding provision for Stockton's schools.

3. Reasons for the Decision

A review of the Council's strategy for capital investment in primary and secondary schools was necessary after the stopping of Stockton's BSF programme and the anticipated suspension of the national Primary Capital Programme. New funding streams may become available after the autumn spending reviews, probably in reduced amounts and possibly against different policy criteria. Capital allocations from government would be reduced in future in any event because they were based on pupil numbers in schools maintained by the Council: those numbers would be reduced by the two independent Academies in the borough, and the possibility of Free Schools could reduce them further. It would be necessary to identify other sources of funding to support capital

investment.

A new strategy for capital investment in schools would cover all schools in the borough including the three schools in the south of the borough not included in the BSF Wave 6 programme. In February 2010 Cabinet approved the investigation of four options aimed at dealing with the demand for pupil places on Ingleby Barwick. During those investigations, the potential of significant technical, legal and financial issues related to the D2 site (Preston Park) had been identified. These issues were of a nature that indicated the continued investigation of that option would be counter-productive. The other three options would require further consideration as part of the proposed strategy for capital investment.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

None

6. Details of any Dispensations

None

7. Date and Time by which Call In must be executed

By no later than midnight on Friday 24 October 2010.

Proper Officer  
18 October 2010