

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

14 JUNE 2012

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

Children & Young People – Lead Cabinet Member – Councillor McCoy

CAPITAL INVESTMENT IN SCHOOLS

1. Summary

This report outlines proposals for Capital investment in the Borough's schools, in particular to address the short and medium term school capacity issues within Primary Schools and maintenance priorities. A report was presented to Members in October 2011 outlining the approach to prioritising investments in light of funding reductions and future funding uncertainty and the proposals in this report build on that approach.

Following the recent consultation exercise, work is ongoing assessing potential development sites to meet the Borough's housing needs and this could place additional pressures on school places in the future. There is also a significant level of uncertainty around future funding which will make the future delivery of additional places more difficult.

2. Recommendations

1. Agree the investment programme for increasing capacity and urgent maintenance outlined in the report with expansion of the following schools to meet demands for school places across the Borough:
 - Christ the King RC Primary (Thornaby)
 - Junction Farm Primary (Eaglescliffe)
 - Barleyfields Primary (Ingleby Barwick)
 - St Francis of Assisi C of E (Ingleby Barwick)
 - St Mary's C of E (Stockton)
2. Agree to the principle of disposal of the school sites, with resources utilised to contribute to the developments outlined above and the reconfiguration of Northfield School. Details of specific disposals will be presented to cabinet in due course.
3. Note that the bids for funding from the Priority Schools Building Programme for Ian Ramsey CofE, Grangefield, St Michaels RC and Mandale Mill have been successful but that details of the funding allocation and timescales are still to be confirmed.

3. Reasons for the Recommendations/Decision(s)

To agree the programme of Capital Investment in Schools.

4. Members' Interests

Members (including co-opted Members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (**paragraph 8**) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest (**paragraphs 10 and 11 of the code of conduct**).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting considering the business is being held -

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;
- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (**paragraph 12 of the Code**).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter), and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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RECOMMENDATIONS

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DETAIL

Priority Schools Building Programme

1. The Government announced in September 2011 the introduction of a £2bn programme designed to improve schools in the worst condition. Following consultation with Government Bodies, assessment of condition and criteria for bids and Cabinet approval in October 2011,

the Council submitted bids against the scheme for 3 schools – Ian Ramsey C of E, Grangefield and Mandale Mill Primary. A submission was also made on behalf of the Diocese in respect of St Michael’s RC school.

2. On 24 May 2012 the Council were informed by the Department for Education that all four schools have been included in the scheme and will receive funding to address the maintenance issues. Whilst this is extremely welcome news, further details are awaited around:
 - Level of funding allocated
 - Timescales for work to be delivered
 - Procurement methods and project management
3. It had been announced previously that the programme would be delivered by PFI and the recent announcements confirm that this is the case for the majority of schools. Ian Ramsey CofE however, was one of 42 schools nationally that were identified as having significant urgent works which would be funded by Capital Grant. The Government are also reviewing the current PFI methodology and again we are awaiting further details of how this will operate.

Academy Developments

3. The Council is leading on the procurement and management of major Academy developments. The £18m Northshore Academy development incorporating a MyPlace youth facility is well underway and on target to open in September 2013. The investment of £5.8m in Thornaby Academy is also progressing with a similar completion date.

Current Funding Availability

4. The funding available for investment is outlined below:
 - The Council have £2.56m available from previous years allocations
 - The Government funding allocation for 2012/13 was £1.8m for School Capacity and £2.3m for Maintenance. The Government announced an additional £600m national allocation for School Capacity in April 2012 and Stockton’s share of this allocation is £270,000 (This is covered in paragraph 5 below)
 - Through the School Forum, Stockton schools agree to top slice Delegated School Grant to utilise on priority maintenance. This is £1,035,000.
 - There are a number of Reserves specific to supporting schools which have been reviewed and £500,000 can be released.
 - Funding earmarked to develop a Youth Café in Ingleby Barwick of £150,000 will no longer be required and can be released to support the programme following the agreement to utilise Beckfields Community Centre.
 - Although all funds are unringfenced, if monies allocated for maintenance were used for this purpose, this would mean that the following investment can be supported from current resources:

School Capacity	£5.3m
Maintenance	£3.3m

Future Funding Availability

School Capacity

5. Funding associated with school capacity is uncertain from 2013/14. For each of the past two years a national baseline sum of £800m has been allocated by DfE to support the creation of additional school places (Basic Need Capital Funding). For 2011/12 the allocation was distributed on the basis of forecast growth in pupil numbers and half on the basis of forecast shortfall in capacity. Although the revised methodology included a dampening/protection mechanism, the allocation to Stockton reduced from £2.9m to £1.8m. A further allocation of funding (£600m) in respect of additional school places was announced in the Autumn Statement 2011. We have now been advised that this has been distributed entirely on the basis of forecast shortfall in capacity (as was an earlier additional allocation in 2011 of £500m). This latest announcement has resulted in an allocation of £270,000 to Stockton. We are concerned that this trend may continue and that this could result in a significant decrease in the funding received from any future baseline allocation, possibly to around £350,000 from a figure of £2.9m in 2011/12.

Maintenance

6. The government are implementing a national database of condition information which will be used to inform allocations from 2014/15. Although we carry out condition surveys regularly, the position nationally is not clear and the Education Funding Agency have appointed surveyors to survey schools nationally. It is not yet clear how this will work in practice and how the surveys we undertake will be considered as part of this process.

Although funding after 2013/14 is uncertain, the 2013/14 allocation should be on a similar basis to 2012/13 so we could assume a similar allocation.

7. The current funding position makes long term planning extremely difficult, however, given the issues with pupil number and condition, we need to agree schemes to progress. Condition and Basic Need are considered separately below.

Primary School Places

8. The report to Members in October outlined an emerging picture of pressure in places across a number of areas of the Borough, together with potential changes in school capacity which would help address this issue. This report outlines a range of minor works which have been undertaken to increase capacity. Options for expansion of other schools in each area have been considered and proposals to address the remaining current and medium term capacity issues in each area are included below.
9. The information has also been updated to reflect the 2012 admissions. However, projections for future years should be treated with some caution as they are in the process of being updated by TVU to reflect the 2012 position. Members will also be aware of potential significant housing developments across the Borough and the exercise ongoing to assess future housing requirements, and whilst this strategy and plan has incorporated some capacity, the extent and timing of developments may increase pressure further. This is something which will be considered further as details of preferred housing sites emerge.

Thornaby

Current PAN	Estimated Admission			
	2012 Applicants	2013	2014	2015
279	326	292	307	287

Minor works are planned at Bader primary which will increase capacity of this school by 16, increasing the overall capacity to 295. There are however still pressures within this area and further analysis has indicated that these pressures are particularly prevalent within the Roman Catholic schools.

Discussions have been held with the Roman Catholic Diocese of Middlesbrough who have identified their preferred solution would be the expansion of Christ the King primary from a PAN of 30 to 45. The school have been consulted and are in full agreement with the increase. They received 45 applications for places in 2012 and have agreed to admit all of these children, utilising some space within the school. If this is to be a permanent increase, it will require extension to the school estimated to cost £1.2m.

The bid for the Priority Schools Building Programme was based on a 60 place school which will increase the capacity in the area further as and when the school is developed.

This would increase the number of Catholic places available in the area and increase the overall capacity to 310, with potential for a further 30 at Mandale Mill, which would cover the current requirement.

Billingham

Current PAN		Estimated Admission		
	2012 Applicants	2013	2014	2015
459	454	449	464	440

Minor works have been undertaken at a number of schools that have increased capacity to 495 places. These are:

- Billingham South - increased from 50 to 60
- Oakdene - increased from 30 to 45
- Priory Mill - increased from 72 to 75
- Our Lady of Most Holy Rosary - increased from 22 to 30

No further works are proposed given the capacity available.

Yarm

Current PAN		Estimated Admission		
	2012 Applicants	2013	2014	2015
134	103	117	121	115

There are currently no issues on capacity in this area.

Eaglescliffe

Current PAN		Estimated Admission		
	2012 Applicants	2013	2014	2015
159	166	158	162	156

Minor work has been undertaken at Preston primary to increase admission numbers by 5 taking capacity in the area to 164. This allows very little capacity and there is a need to provide additional places in this area. Members will also be aware of proposed Housing Developments

in this area and whilst it is difficult to predict the overall impact and timing of demand for school places, while we are increasing capacity it would be sensible to build in capacity for future demand.

Feasibility work has been undertaken into expanding schools in the area and the site which could accommodate development and increasing capacity is Junction Farm. It is therefore proposed to increase capacity of this school by an intake of 30 per year which would increase capacity overall to an intake of 194.

Ingleby Barwick

The current position in relation to Ingleby Barwick is as follows:

Current PAN	Estimated Admission			
	2012 Applicants	2013	2014	2015
330	350	326	333	320

The number of applicants for 2012 exceeds the current capacity of schools in the area and there are no opportunities to increase capacity and intake without significant modifications and extensions to one or more of the existing school sites. Members will again be aware of ongoing Housing Developments and again it is suggested that we incorporate some capacity for future demand growth. Feasibility work has been undertaken to assess the existing schools for potential increases in capacity and there are two schools where this is feasible:

Barleyfields – It is proposed to increase intake by 30 children, to 90 per year. The school also provides, via 3rd party arrangements, childcare provision as well as the SureStart Childrens Centre which will now operated by 4Children, following the recent procurement exercise. The reconfiguration of the school will maintain these facilities given the pressure for provision of childcare in the area as well as make some additional improvements to the school hall which was already being planned by the school. It is estimated the cost to the Council will be approximately £1.2m. In order to resolve pupil place pressures in Ingleby Barwick in the current year, the school have agreed to allocate an additional 30 places in advance of this long term decision.

St Francis – The Diocese have undertaken a feasibility exercise and are keen to expand the size of this school. This has identified a scheme costing approximately £2m. The scheme is challenging due to space limitation and there are issues around levels of playing field provision and parking. Officers are working with the Diocese to attempt to overcome these issues to allow the scheme to progress.

The work outlined above will increase the capacity for primary aged children to be educated on Ingleby Barwick to 2,730, with an admission figure of 390 for reception aged children. This will provide places for the current estimated projected numbers as well as some capacity for growth in numbers through housing development. Clearly the position will be kept under review and the extent of any future development will impact on the overall situation.

Stockton

Current PAN	Estimated Admission			
	2012 Applicants	2013	2014	2015
1,013	1,035	1,022	1,061	1,017

Whilst overall there are sufficient places across Stockton, when the position is examined by geography there are issues around Fairfield and the area to the west of Stockton. Various options have been examined and the school which lends itself to development and expansion is

St Marks Church of England. The option of utilising Greengates to enable increased capacity and expansion was examined and is linked to an examination of Special School provision. Given there are no proposals for major reconfiguration of special school provision, this is no longer an option and the site will enable an expansion which is estimated to cost approximately £1.3m.

Estimated Resource Requirement

	Estimated Cost
Barleyfields	1,200
St Francis	2,000
Christ the King	1,200
St Marks C of E	1,300
Junction Farm	2,000
Total	7,700
Identified Resources	(5,300)
Estimated 2013/14 Allocation	(350)
	5,650
Funding Gap	(2,050)

The Council have a number of Section 106 agreement in place in respect of the Housing development, are expected to generate approximately £1.5m although the timing of the receipts would be dependent upon development.

Condition Data

11. An assessment of all schools condition data has been undertaken and this has identified high priority works of £6.6m. This excludes Grangefield school which is considered in paragraph 17. These schemes will in the main be delivered over the next two years, with a small number for practical phasing and delivery, completed in year three. The funding available for delivery of these schemes is outlined below:

	2012/13	2013/14	
DSG Maintenance	1,035,000	1,035,000	
Capital Maintenance Allocation	<u>2,300,000</u>	<u>2,300,000</u>	
	3,335,000	3,335,000	= £6,670,000

Surplus School Sites

12. There are 3 current or former school sites which will become vacant in the near future which have the potential to generate capital resources.

Norton	Currently vacant
Northshore Academy	Vacant from May/June 2013 upon transfer to new facility
Northfield (Campus)	Vacant from July 2013 following development of single site solution (Capital receipt is linked to the development of single site at Northfield)

13. There are rules and regulations and restrictions around disposing of school sites and procedures to follow:

- Consent is required from the Secretary of State to sell all school sites.
- This will include consideration of playing field provision.
- There is a need to demonstrate utilisation of resources with investment prioritised in:

- Sport and leisure facilities
- Education provision

14. It is intended that the potential disposal of these sites is explored which will include:

- Quantity of land available for sale
- Level of community facilities on site and extent of use
- Level and quality of open space and playing pitches

There may also be opportunities for links to the asset review to consider land from adjoining facilities and this will be considered as part of a wider asset disposal strategy.

Although it is difficult to quantify exact valuations until the exercise has been undertaken, it should be safe to assume this would cover the funding gap. Further details will be provided to cabinet on each site prior to disposal. The level of receipts and cashflow issues would be considered as part of the Council's Medium Term Financial Plan and this will identify the remaining resources available for future investment in schools, which will include the Section 106 monies.

Secondary Schools

15. The previous report outlined the position in respect of Secondary Schools and that there are no pressures around school places across the Borough. Members will be aware, however, of the position in Ingleby Barwick where there are pressures on places in the area and where:

- There is currently an application for a Free School which has progress to pre-opening stage.
- All Saints C of E are progressing an application to convert to Academy Status.

The position on places will be reviewed once the outcome of these decisions are known.

Northfield School

16. The report however outlined the need to increase the capacity and size of Northfield school site in order to enable the school to operate on a single site. As outlined above, this will free up the site of the former campus school. Work has been ongoing with the school and this is estimated to cost £3.6m, with the school contributing £800,000 from school reserves. The campus site incorporates a large sports facility (double Gym, Sports Hall, Swimming Pool) and also a new Technology block which are separate from the main school building. These facilities are relatively new and in good condition, with the sports facility heavily used by the community. It is proposed that the school retain the management of these facilities which will safeguard the community use and also improve the school provision. It is proposed that the remainder of the campus site will be sold (subject to the same considerations as outlined in paragraph 12) and utilised to fund the work at Northfield and this will also be incorporated into the Councils Medium term Financial Plan update for 2013/14.

Special Schools

17. There is currently a review of SEN underway which could influence the future requirement for places and provisions across the Borough. As there are no pressing needs in condition and physical capacity when compared to the situation described earlier in the report, therefore there are no changes proposed at this time.

FINANCIAL IMPLICATIONS

18. The overall costs associated with the developments to support school places is £7.7m with the £2m shortfall being funded from Capital Receipts and Section 106 monies. The development of Northfield school will be funded from the disposal of the former Billingham Campus site and the maintenance programme is fully funded.

LEGAL IMPLICATIONS

19. This report supports the Council's statutory requirements to provide sufficient school places across the Borough.

RISK ASSESSMENT

20. The programme is considered low to medium risk. The majority of funding is in place and it is proposed this is supplemented by Capital Receipts.

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

21. The development of educational facilities is integral to supporting and enabling achievement.

EQUALITIES IMPACT ASSESSMENT

CORPORATE PARENTING

22. N/A

CONSULTATION INCLUDING WARD/COUNCILLORS

23. Consultation has been undertaken with Ward Councillors, Schools, Governing Bodies and Diocesan representatives.

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