

**AGENDA ITEM**

**REPORT TO CABINET**

**13 OCTOBER 2022**

**REPORT OF CORPORATE  
MANAGEMENT TEAM**

**CABINET DECISION**

**Lead Cabinet Member - Leader of the Council – Councillor Bob Cook**  
**Lead Cabinet Member - Children and Young People - Councillor Lisa Evans**

**AN INVESTMENT STRATEGY FOR SCHOOLS, SEN AND EARLY YEARS – UPDATE**

**SUMMARY**

The previous investment strategy in schools reported to Cabinet in April 2021 included allocations to support investment in Secondary school expansion and the Pupil Referral Unit and an indicative amount, subject to a further report to Cabinet for Primary Development based on available Basic Need Grant and estimated Section 106 contributions. This report provides an update on works delivered to date and recommends proposals to address priorities and proposes the allocation of additional available resources for incorporation into the Capital Programme.

**REASONS FOR RECOMMENDATIONS/DECISIONS**

To continue to ensure that all children and young people in Stockton Borough continue to benefit from education in high quality environments.

**RECOMMENDATIONS**

1. Cabinet approve the revised programme outlined in this report.
2. Cabinet delegate variations caused by cost movements within the approved programme to the Director of Finance, Development and Regeneration and Deputy MD and the Director of Children's Services in consultation with the Leader of the Council and the Cabinet Member for Children's and Young People.

**DETAIL**

1. In the April 2021 School Investment Strategy Report £5.355m of Basic Need funding was identified for future Primary School development subject to further detail being provided to Cabinet. In addition to this we have now received Section 106 contributions of £2.158m from a variety of developers which can be added to the programme. There has also been £5.46m of SEND capital grant received; covering 21/22 -23/24 financial years. Whilst £1.2m of this has been utilised to meet additional costs associated with the PRU approved by members in the MTFP Draft Outturn Report to Cabinet on 14<sup>th</sup> July 2022, there is still £4.26m remaining to be allocated. A total of £11.773m is therefore available for investment.
2. Stockton did not receive any further Basic Need Grant in the current year and given the surplus places available across the primary sector, we are unlikely to receive any further funding. Further developer contributions may be received as part of future housing developments and

the allocation of such funding would need to be considered when the funding is secured. A two year allocation of the SEND capital grant means it is unlikely we will receive any additional amount in the short-term.

3. It is proposed to utilise the £4.26m of SEND capital grant to deliver the interventions at the Bishopton Centre (PRU), Ash Trees and Abbey Hill referenced at paragraphs 7, 14 and 15 and to subsequently release the equivalent amount of Basic Need Grant for investment in the wider programme. It should be noted that a large proportion of the currently approved £5.7m budget allocation for the PRU was originally funded from Basic Need Grant, and we are now in a position to be able to allocate the SEND funding to this and the other aforementioned schemes. These current interventions reflect the Council's continued commitment to the most vulnerable and follows historic capital investment in the sector significantly above any specific SEND funding.
4. The investment plan is a significant opportunity to ensure a number of proposals associated with Academies and Diocesan schools are supported, and it is worth noting that schools are also making some additional contributions from their own resources. This demonstrates the Council's commitment to supporting the best learning facilities for all children and young people irrespective of the governance of the schools.

### **Changes to Approved Schemes**

5. Members will be aware from previous reports that there are significant inflationary pressures that are currently having a financial impact on the Local Authority. These are also impacting on Capital developments and as a consequence it has been necessary to review allocations to existing schemes.
6. It is acknowledged that current approved schemes will all be at a different stages and as such the financial risk against each budget will vary depending on this. Work has been undertaken to reassess the costs required to complete each scheme and thus ensure that the desired outputs and outcomes are not adversely affected. The interventions that need to be addressed are identified in the paragraphs below.
7. The Pupil Referral Unit (PRU) at the Bishopton Centre currently has £5.7m approved. Tenders have recently been received and exceed the total allocation. Value engineering to come within the funding envelope would have been extensive. This would have compromised the scheme, removing areas that were required in terms of the curriculum or functional suitability of the school. There is also expected to be a delay to the original programme of 3-6 months. Allowing for the inflation element of a delay and ensuring the revised programme costs can be met it is therefore recommended that a further £300,000 is allocated to this scheme.
8. Members will recall that the work around Egglecliffe Secondary School is a multi-phase scheme containing a new build element, followed by further demolition and then landscaping. The new build element is progressing well with the programme just passed half way. There are complexities around the requirement to provide a new sub-station to power the new teaching block and the associated costs were captured within the original design. However, Northern Power Grid have now stated that they will not allow two separate electric supplies to the school complex and require us to install a new sub-station to combine the electric supplies to the whole school complex. We have also updated the estimated demolition costs of the teaching blocks and external works elements which are programmed to start on completion of the new teaching block which have increased due to the inflation in the market experienced since the base estimate was completed. It is therefore necessary to increase this budget by £1.35m.

9. In regard to Outwood Academy Bishopsgarth tenders have recently been received and are beyond the current approved funding element of £5m. Whilst significant attempts have been made to value engineer the figures, this wasn't feasible, given the requirement to increase the pupil numbers by 60 per year group, a total of 300 pupils. In light of the increased costs being witnessed in tenders as a consequence of the economic impact referenced in paragraph 5 the costs associated with the subsequent works to the existing school have been refreshed. It is proposed to allocated a further £1.2m to this scheme.
10. Members will recall that the current Investment Strategy has £385,000 allocated for Early Years grants. These have been hugely successful in enabling providers to create 30 hrs of provision alongside the creation of vibrant outdoor play facilities within a range of nursery establishments. It is proposed to allocate a further £200,000 in order to provide the opportunity for more establishments to ensure a holistic and varied provision for our youngest children as they start on their educational journey.

### **Update on Secondary Schemes**

11. The previous Schools Investment Strategy report approved that £1.3m was delegated to the Director of Finance, Development and Business Services and the Director of Children's Services in consultation with the Leader of the Council for expenditure towards Secondary School Improvements. Work remains ongoing with Ian Ramsey relating to the creation of new changing facilities. Discussions with St Michael's are progressing in connection to the establishment of outdoor play areas including an all weather pitch (AWP). There is also work underway at North Shore associated with SEN provision, through the creation of an Enhanced Mainstream School (EMS). This will subsequently result in an increase in admission numbers. Dialogue is being had with the Trusts responsible for the aforementioned schools regarding them contributing some match funding to these schemes.

### **Planned investment**

12. The redevelopment or reprovision of Oxbridge Lane school has been a key priority for investment from the remaining capital funding. Given the location of the school, there are no available sites within the vicinity which would allow a new build facility. A number of options for the redevelopment of the existing site have therefore been developed and discussed with the Head Teacher and the Governing body. Given the significant surplus of primary places across the Borough, and including this planning area, the option of reducing the Planned Admission Number (PAN) from 60 to 30 has also been considered. This option would allow for the best quality teaching space and communal space and also allow the relocation of the currently separate early years space onto the main site enabling a cohesive early years offer. The Governors have made the decision to pursue this option and consultation on the reduction of PAN is anticipated to commence imminently. This is the preferred option, and subject to the outcomes of consultation it is proposed to allocate £7.5m to this intervention
13. As Members will be aware from previous reports over recent years there has been significant financial pressure on local authorities in respect of expenditure on children with SEND. The SEND strategy identifies the need for additional high quality SEND provision in the Borough, and the allocation of SEND capital funding enables this strategy to be realised over the next 2 years.
14. Ash Trees Academy capacity is constrained by the physical limitations of their current site. However, a satellite model has been explored whereby provision can be located on a separate site but still be delivered by the aforementioned provider. A feasibility study has been carried out, around building 2 new classrooms at Billingham South Primary School, thus ensuring that their capacity isn't compromised. This would result in an additional 20 special school places being made available within the Borough in order to support some of our most vulnerable

individuals. Taking account of the feasibility study from earlier in the year and allowing for inflationary pressures referenced throughout this report it is suggested that £1,000,000 is allocated for this.

15. Abbey Hill have had an existing arrangement with Northshore Academy for a Satellite provision within their school site (community zone building) for the last 5 years. This provision houses a small group of pupils (up to 8) who require specialist provision, teaching and resources to meet their needs, but have a moderate learning difficulty (MLD) and are still able to access some elements of mainstream education, such as unstructured times and social opportunities. This provision offers a hybrid model appropriate to individual pupil needs. Recent years have seen demand for this provision grow. Early feasibility work has been undertaken to assess whether the number of classrooms can be increased. In light of the aforementioned studies it is recommended that £185,000 is earmarked to enable this to be delivered effectively.

## Summary

16. The overall investments can be summarised as follows:

<u>Resources available</u>	<u>£'000</u>
Primary indicative allocation	5,355
Developer Contributions	2,158
SEND capital grant	<u>4,260</u>

**Total** **11,773**

<u>Proposals</u>	
Ash Trees Satellite at Billingham South	1,000
Abbey Hill Satellite at Northshore expansion	185
Oxbridge	7,538
PRU	300
Outwood Bishopsgarth	1,200
Egglescliffe	1,350
Early Years capital grants	<u>200</u>

**Total** **11,773**

## COMMUNITY IMPACT IMPLICATIONS

17. This will benefit the schools and parents through increasing capacity which should also increase choice.

## CORPORATE PARENTING IMPLICATIONS

18. There are no specific implications for children in our care. The proposals outlined will continue to ensure that all children and young people in the Borough continue to benefit from education in high quality environments.

## FINANCIAL IMPLICATIONS

19. Approval of the available funding of £11.773m outlined in the report.

## LEGAL IMPLICATIONS

20. None

### **RISK ASSESSMENT**

21. This (subject matter of report) is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

### **WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS**

22. Given this report is an update on the overall School Investment Programme it is not specific to an individual ward and no individual consultation has taken place.

### **BACKGROUND PAPERS**

23. Cabinet report 14 June 2012 Capital Investment in Schools;  
Cabinet report 14 September 2017 An Investment Strategy for Schools, SEN and Early Years;  
Cabinet report 18 July 2019 An Investment Strategy for Schools, SEN and Early Years – Update;  
Council Report 24 February 2019 Medium Term Financial Plan Update and Strategy.  
Cabinet Report 22<sup>nd</sup> April 2021 An Investment Strategy for Schools, SEN and Early Years – Update;

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