



COUNCIL CABINET
11 March 2020

ITEM 9

Report sponsor: Andy Smith, Strategic Director
– People Services
Report author: Diane Whitehead, Head of
School Organisation and Provision

School Capital Programme 2020/2021 – Phase 1 – Mickleover Primary

Purpose

- 1.1 The Council is currently awaiting notification from the Department for Education (DfE) of confirmed school capital condition maintenance allocations for 2020/21.
- 1.2 Early approval for essential school capital condition works at Mickleover Primary School is required in order to complete necessary works during the school summer holiday period, and prior to September 2020.
- 1.3 It is proposed to seek scheme approval based on indicative 2020/21 condition budget allocations of circa £1,230,000. A breakdown of the indicative schools capital programme funding for 2020/21 is set out within Appendix 1, along with this proposed first scheme of the school capital programme for 2020/21. It is proposed to bring forward further schemes for Council Cabinet consideration and approval in April 2020.
- 1.4 The proposal is to allocate £1,560,000 to the school capital programme to undertake a major project at Mickleover Primary School by replacing the two storey-six classroom block. Cost estimates are provided following initial feasibility works and are subject to full design, specification and procurement.
- 1.5 Feasibility appraisals have been undertaken on a range of options, with all options requiring decanting arrangements due to the size and scale of this project. The recommended option requires temporary decanting of two year groups to Hackwood Primary Academy, Mickleover, in order to minimise disruption to teaching and learning.
- 1.6 As this is a major project on a tight site, detailed consultation has been undertaken with Mickleover Primary School to develop the most appropriate decanting solution. The Council and school are working in very close partnership to develop the most appropriate solution to minimise impact on learning for our children and young people, and for parents, carers and families. A communication strategy has been developed to support the school, children and parents and carers before and during the decanting arrangements.

Recommendation(s)

- 2.1 To approve, subject to recommendation 2.4 below, the Schools Capital Programme priority scheme for Mickleover Primary for 2020/21 outlined in Appendix 1 and the allocation of up to £1,560,000 to the Council's capital programme, to be funded from Basic Need, School Condition and Mickleover Primary contributions as set out in paragraph 7.2 to 7.6 and Appendix 1.
- 2.2 To approve, subject to recommendation 2.4 below, scheme commencement and the addition of the Mickleover Primary School partial rebuild to the 2020/21-2022/23 capital programme.
- 2.3 To approve a revision to the Schools Capital Programme total for 2020/21 to remove a previous indicative allocation of £3,785,000, as detailed in paragraph 7.4.
- 2.4 To note that final DfE school condition allocations, and a further phase of proposed priority schemes, will be reported to Council Cabinet for consideration in April 2020.

Reason(s)

- 3.1 An on-going programme of work is required in school premises to deal with essential condition and health and safety issues, across the schools estate, to ensure that school buildings remain safe and open. In order to complete as much work as possible during the school summer holiday period, early approval of this essential scheme at Mickleover Primary school is necessary.
- 3.2 In accordance with Financial Procedure Rules, amendments to the Council's capital programme are required to be reported to Cabinet.

Supporting information

- 4.1 The Council is allocated capital funding by the DfE to address priority building condition issues in schools. The DfE also allocate Basic Need funding for the provision of sufficient school places.
- 4.2 An on-going programme of work is required in all school premises to deal with essential condition and health and safety issues to ensure that school buildings remain safe and open. There remains a significant condition backlog across the schools estate, which is in excess of £22m for priority works.
- 4.3 Priority works include roof and window replacement, boiler and heating works, and electrical re-wiring. The condition backlog only covers building condition issues and excludes costs associated with betterment (unless required to comply with Building Regulations), asbestos identification/removal, work identified as a result of fire risk assessments or any water hygiene remedial work.
- 4.4 The Council's Capital Programme Budget for 2020/21 to 2022/23 (with 2021/22 and 2022/23 being indicative only) was approved by the Council, on 26 February 2020, based on indicative DfE allocations for future years funding. At the time of reporting in February, the Schools Capital Programme was estimated to be £36.218m for 2020/21 to 2022/23. This requires a reduction of £3.785m to remove indicative Basic Need funding for 2020/21, as detailed in paragraph 7.4. The Council currently has an unallocated Basic Need budget of £7,405,959 for the provision of sufficient school places, as proposed projects are developed.

4.5 The indicative school condition funding for 2020/21 is yet to be confirmed by the DfE, however, this is expected to be approximately £1,230,000. This funding is allocated to address priority condition works in schools.

4.6 **Mickleover Primary School proposal:**

In order to commence scheme development, complete essential work during the school summer holiday period and secure completion for September 2020, early approval of a scheme at Mickleover Primary School is necessary.

4.7 As part of the Council's routine condition survey programme, monitoring of buildings at risk and capital prioritisation feasibility process, it has been established that the two storey, six classroom, block at Mickleover Primary School is in very poor condition and past the point of practical repair. Essential works are now required to replace the school's two storey, six classroom block.

4.8 Careful consideration has been given to the proposed works to ensure they present the minimum disruption to teaching and learning for our children and young people. Feasibility appraisals have been undertaken on a range of options, before recommending a proposed partial block replacement.

4.9 The proposal is for the demolition and replacement of the two storey block and replacement with six modular classrooms, toilets and a breakfast/after-school club room. The proposed new classroom block would be single storey with each room having its own fire exit and fully accessible ramps. The classrooms would be predominantly sited over the existing two storey building foundations. It is proposed to undertake key demolition works during school holiday periods to minimise disruption to the school.

4.10 The overall cost of the scheme is estimated to be £1,560,000. The budget estimate is provided following initial feasibility works and is subject to a detailed design development, planning permissions and procurement process. It is proposed to fund the scheme through existing school capital programme funding initially, as set out in paragraphs 7.2 to 7.6. To maximise opportunities to join up funding and to meet out-of-school sufficiency demands, a breakfast/after-school club room is also a priority for the school, and the school are proposing to contribute £217,000 towards this project, as set out in paragraph 7.2.

4.11 All options considered during feasibility works would require some decanting as this is a major project, with the recommended option requiring temporary decanting of two year groups (year 5 and year 6) to Hackwood Primary Academy, Mickleover. The Council is working in close partnership with Hackwood Primary Academy and The Harmony Trust, of which the Academy are part of, to ensure the decanting proposals are developed and delivered as smoothly as possible.

4.12 This major project is being developed in very close partnership with Mickleover Primary school to minimise disruption to learning. A comprehensive communication strategy has been developed to ensure parents and carers are fully informed throughout the project, providing details of the benefits and improvements to be made, the proposed decanting arrangements, details of the transport arrangements to be provided and the planning in place to support children with the move. A parents

evening is also planned in order to share information, answer questions and support the smooth delivery of the scheme.

- 4.13 Once confirmed by the DfE, final capital allocations will be reported to Cabinet and the Schools Capital Programme 2020/21 will be updated. It is proposed to take a second phase of proposed school capital schemes to Cabinet for consideration and approval in April 2020.

Public/stakeholder engagement

- 5.1 The Council have developed the priority project set out in this report in conjunction with the school. Subject to scheme approval, it is proposed to invite parents and carers of the year groups needing to decant to Hackwood Primary Academy to a meeting at Micklegate Primary school, in order to share further details of the proposed decanting arrangements.
- 5.2 This priority scheme has been reported and reviewed under the Council's Programme Management Office (PMO) governance requirements for major capital projects.

Other options

- 6.1 Available condition capital funding is prioritised to deal with the most urgent condition and health and safety issues within schools.
- 6.2 The Council has very carefully considered different options for addressing the urgent condition works required at Micklegate Primary, and has worked closely with the school to put forward the most suitable scheme having given full consideration to available funding sources, decanting implications and achievable works.

Financial and value for money issues

- 7.1 The Council's school condition maintenance allocation for 2020/21 is expected to be approximately £1,230,000. Appendix 1 outlines the anticipated funding for the Schools Capital Programme for 2020/21 to be invested across the schools estate, and outlines the proposed school project. A further Phase 2 schemes report will be presented to Council Cabinet once DfE Condition allocations are confirmed, and the Council Capital Programme will be updated accordingly.
- 7.2 The proposed Micklegate Primary scheme is expected to cost £1,560,000, subject to detailed design, specification and procurement. The total Council contribution to the proposed scheme will be £1,343,000, with the school making a contribution of £217,000. The full scheme funding proposals are set out in Appendix 1.
- 7.3 The DfE previously announced Basic Need capital allocations (for school place planning) for 2019/20-2020/21 in relation to the Council's statutory duty to ensure sufficient school places. The Council has a remaining unallocated balance of £7,405,959. Whilst this funding is not strictly ring-fenced to new school places, the Council will be required to report, to the DfE, the proposed re-allocation towards the urgent condition scheme at Micklegate Primary.

- 7.4 The £7,405,959 balance of available Basic Need funding is £3,785,000 lower than the amount currently included in the approved Council's budget for 2020/21, as the total budget reported in February also included an indicative allocation for 2020/21. The Council are not due to receive this indicative budget, which now needs to be removed from the capital programme. This will not have any impact on the Schools Capital Programme as the £3,785,000 had not been allocated or treated as being receivable.
- 7.5 Balances of existing available funding, the proposed allocations as a result of this project, and then remaining balances are set out in Appendix 1. Very careful consideration is being given to the allocation of the remaining funding and a further phase of proposed condition projects will be reported to Council Cabinet in April 2020 for consideration and approval.
- 7.6 If final DfE allocations are lower than expected scheme savings will be prioritised accordingly. Revenue funding implications as a result of any additional costs associated with decanting, for the proposed Mickleover Primary School scheme, are accounted for and will be managed from within the proposed scheme budget.

Legal implications

- 8.1 Planning permission approval will be sought prior to works commencing. Where there is an impact on school playing fields being able to provide team game playing field pitches, the Council will consult with Sport England.
- 8.2 The Equality Act 2010 places a duty on all schools and Local Authorities to plan to increase over time the accessibility of schools for disabled pupils. The new classrooms will provide increased accessibility for pupils at Mickleover Primary.

Other significant implications

- 9.1 None.

This report has been approved by the following people:

Role	Name	Date of sign-off
Legal	Olu Idowu, Head of Legal Services	25/02/2020
Finance	Alison Parkin, Head of Finance – People Services	03/02/2020
	Toni Nash, Head of Finance Organisation and Governance	05/02/2020
Service Director(s)	Gurmail Nizzer, Director of Commissioning	07/02/2020
Report sponsor	Andy Smith, Strategic Director – People Services	13/02/2020
Other(s)	Diane Whitehead, Head of School Organisation and Provision	04/02/2020
	Phil Derbyshire, Head of Property Projects and Technical Services	02/02/2020
Background papers:	None	
List of appendices:	Appendix 1 - Indicative School Capital Programme and proposed Phase 1 scheme allocation 2020/21	

Indicative School Capital Programme 2020/21 and proposed Phase 1 scheme allocation:

Proposed Changes to Schools Capital Programme	26 February 2020 approved Council Capital Programme	Current forecast Budgets	Mickleover Primary Funding Proposals	Remaining Balances
Existing remaining funding for Mickleover Primary Fire Risk Assessment works (as set out in the table below).	£85,000	£85,000	£85,000	
New 2020/21 Condition Funding Allocations (Indicative):	£1,500,000	£1,230,000	£303,000	£927,000
Existing remaining 19/20 Buildings At Risk phased in 20/21 (Indicative subject to 19/20 year-end):	£436,000	£409,695	£206,000	£203,695
Total available for school condition projects (subject to 19/20 year-end):	£1,936,000	£1,639,695	£509,000	£1,130,695
Basic Need Allocations				
Remaining Basic Need Funding 2019/20 unallocated	£7,405,959	£7,405,959	£749,000	£6,656,959
Basic Need 2020-21 (indicative)	£3,785,000	£0	£0	£0
Basic Need Subtotal:	£11,190,959	£7,405,959	£749,000	£6,656,959
School Contribution:			£217,000	
Total Mickleover Primary School Scheme			£1,560,000	

Proposed Mickleover Primary Funding streams and phasing:

Scheme proposal: demolition and replacement of the two storey block and replacement with six modular classrooms, toilets and a breakfast/after-school club room. The proposed new classroom block would be single storey with each room having its own fire exit and fully accessible ramps.			
Funding stream:	2020/21	2021/22	Total
Council School Capital Programme Condition Funding: Cabinet previously approved £90,000 from the school capital programme for priority fire risk assessment works to the two storey block, from which it is proposed to instead allocate £85,000 to the proposed partial block replacement scheme. By contributing this funding to the proposed partial block replacement scheme, including demolition of the existing block, the originally proposed fire risk assessment works will not be required.	£85,000	£0	£85,000
Council School Capital Programme Condition Funding: From the Council's existing school condition buildings at risk contingency budget.	£206,000	£0	£206,000
Council School Capital Programme Condition Funding: From the Council's anticipated 20/21 DfE School Condition allocation (to be cash-flowed by Basic Need funding initially)	£293,000	£10,000	£303,000
Council Basic Need Funding: In Basic Need funding for school places, plus additional Basic Need funding to cash-flow the above £303,000 future condition contribution ahead of final allocations being announced by the DfE. In allocating £749,000 Basic Need funding, this will still leave a remaining balance of £6,656,959 for further projects.	£739,000	£10,000	£749,000
Mickleover Primary School: Contribution of £217,000 from the school in funding allocated for a proposed breakfast/after-school club room, to now be included in the proposed block replacement scheme. The school contribution will be as follows : Devolved Formula Capital:	£40,000	£0	£40,000
Mickleover Primary School revenue: Revenue funding carry-forward approved by the school governing body.	£110,000	£0	£110,000
Mickleover Primary School revenue loan: The Council operates a Schools Loan Scheme, funded through the overall total schools' balances. Loans are subject to a maximum of 5% of the annual individual school's budget. In the event that a school converts to academy status, during the repayment period, the liability would transfer to the new academy school.	£67,000	£0	£67,000
Total	£1,540,000	£20,000	£1,560,000