



Direct Dial/Ext: 03000 412421
e-mail: Emma.West2@kent.gov.uk
Ask for: Emma West
Date: 23 July 2020

Dear Member,

CHILDREN'S, YOUNG PEOPLE AND EDUCATION CABINET COMMITTEE - THURSDAY, 30 JULY 2020

I am now able to enclose, for consideration at the Children's, Young People and Education Cabinet Committee meeting on Thursday, 30 July 2020, the following report (*Item 10 - Budget Reallocations Update*) that could not be made available at the time of agenda publication.

Agenda Item No

10 **School Alterations/Expansions (Pages 1 - 8)**

Yours sincerely

Benjamin Watts
General Counsel

This page is intentionally left blank

From: Matt Dunkley CBE, Corporate Director of Children, Young People and Education

To: Children's, Young People and Education Cabinet Committee – 30 July 2020

Subject: **Basic Need Programme 2020-23: Update and Process for School Organisation Proposals**

Classification: **Unrestricted**

Past Pathway of Paper:

Future Pathway of Paper: Cabinet Member decisions

Electoral Division: All

Summary: This report summarises the present position of the CYPE Basic Need Programme in respect of the current 2020-2023 MTFP and sets out changes to the costs of some individual capital projects, agreed in previous years, which require budget reallocations in order to proceed. In addition, the report reminds the Committee of the redesigned approval process for school organisation proposals, previously endorsed by this Committee.

Recommendation(s): The Children's, Young People and Education Cabinet Committee is asked to:

- (i) to confirm that the Children's, Young People and Education Cabinet Committee agrees that school organisation proposals which are subject to a formal Cabinet Member decision will be presented to Cabinet Committee at an early stage for the required consideration of proposed Executive Decisions.
- (ii) note the overall budget position; and
- (iii) note the reallocate capital funds within the Children, Young People and Education capital programme outlined in this report and decision reports following this item.

1. Background

1.1 In May 2019, the Cabinet Committee considered a Cabinet Member Decision which also outlined the use of a new process for how Cabinet Committee could consider proposed Executive Decisions related to school organisation proposals. These decisions predominantly fall into three categories:

- (a) The Local Authority is the decision maker for proposals to significantly enlarge a maintained school. Significant enlargement is defined in Regulations. A Public Notice must be issued outlining the changes to

the provision, in which it is necessary to explain how the project will be funded. The final decision is made after the statutory public notice period. Where the Local Authority is providing the funding, which is in most cases, the decision also approves the capital allocation from within the budget. Generally, the Local Authority is the promoter for such proposals, but exceptionally a governing body may bring forward self-funded proposals for the Local Authority to determine.

- (b) In respect of academy expansions, the Secretary of State for Education determines the proposal following the submission of a business case. The Local Authority's role is commissioner, determining the need and providing the requisite funding. The Local Authority may either enter into a funding agreement with the academy trust to enable self-delivery, or the Authority may deliver the scheme. In both cases, the decision by the Local Authority is to commission the places and to approve the capital allocation from within the budget.
 - (c) Structural changes of maintained schools, such as amalgamation or change of age range, can be brought forward by the Local Authority or by certain governing bodies. The Local Authority remains the decision maker in many cases, although governing bodies can determine some changes themselves (this depends upon the change and the status of the school). Proposals may or may not have cost implications.
- 1.2 This report seeks to confirm that the CYPE Cabinet Committee agrees that school organisation proposals which are subject to a formal Cabinet Member decision, will be presented to Cabinet Committee at an early stage for the required consideration of proposed Executive Decisions under s12.34 of the KCC Constitution. This includes noting that the final decisions will be taken by the Cabinet Member in due course, without further consideration by the Cabinet Committee, following completion of the detailed design and planning stages, at which point more detailed costs and delivery timescales will be known.

The early stage consideration will provide the normal opportunity for the Cabinet Committee to endorse the proposals, make comments or specific recommendations to the Cabinet Member or indeed to object to the proposals.

2. Basic Need Programme Update

- 2.1 The current CYPE Basic Need Programme consists of 68 projects across primary, secondary and special schools ranging from bulge years and expansions through to completely new schools. The current total value of the programme is £207,663,771 over the period 3 years which includes KCP 16, 17 and 18. As work is underway on finalising the programme for KCP 19 this is not included within this report, but the value of the pending KCP 19 forecast is £69,239,926 to deliver 30 projects.
- 2.2 The programme has, over the past eight years, been managed such that any cost pressures have been contained within the budget approved by County Council. In order to manage this budget effectively a programme

management approach has been adopted which involves CYPE, Infrastructure and Finance.

- 2.3 The cost of providing additional school places is met from Government Basic Need Grant, prudential borrowing by KCC and developer contribution monies. The Medium-Term Financial Plan and the KCP are clear that KCC is no longer in a position to undertake any additional prudential borrowing to support new provision (as it has done in the past - notably with the Special Schools programme). To do so would place the Council in breach of one of its key fiscal indicators that net debt should not exceed 15% of its net revenue expenditure. Delivery of the additional school places will rely more than ever on a timely and appropriate level of funding from Government and securing the maximum possible contribution from developers where relevant.
- 2.4 The table below summarises the current programme, detailing the budget, the current forecast and any variance between these. It also shows the number of projects at each stage of the design and build process (RIBA), and how many projects are over or under budget.

FINANCIAL SUMMARY							
KCP 16		KCP 17		KCP 18		TOTAL	
CP Budget	£30,864,228.00	CP Budget	£108,893,851.00	CP Budget	£58,950,626.00	BUDGET	£198,708,705.00
Forecast	£38,187,788.00	Forecast	£123,692,842.00	Forecast	£45,783,141.00	FORECAST	£207,663,771.00
Variance	£7,323,560.00	Variance	£14,798,991.00	Variance	-£13,167,485.00	VARIANCE	£8,955,066.00
RIBA SUMMARY							
RIBA 0 (Pre Contract)	0	RIBA 0 (Pre Contract)	3	RIBA 0 (Pre Contract)	7	RIBA 0 (Pre Contract)	10
RIBA 1 (Pre Contract)	0	RIBA 1 (Pre Contract)	0	RIBA 1 (Pre Contract)	1	RIBA 1 (Pre Contract)	1
RIBA 2 (Pre Contract)	0	RIBA 2 (Pre Contract)	3	RIBA 2 (Pre Contract)	4	RIBA 2 (Pre Contract)	7
RIBA 3 (Pre Contract)	1	RIBA 3 (Pre Contract)	4	RIBA 3 (Pre Contract)	1	RIBA 3 (Pre Contract)	6
RIBA 4 (Pre Contract)	3	RIBA 4 (Pre Contract)	5	RIBA 4 (Pre Contract)	0	RIBA 4 (Pre Contract)	8
RIBA 5 (On Site)	7	RIBA 5 (On Site)	5	RIBA 5 (On Site)	1	RIBA 5 (On Site)	13
RIBA 6 (Handover)	1	RIBA 6 (Handover)	0	RIBA 6 (Handover)	0	RIBA 6 (Handover)	1
RIBA 7 (Defects/In Use)	1	RIBA 7 (Defects/In Use)	1	RIBA 7 (Defects/In Use)	0	RIBA 7 (Defects/In Use)	2
TOTAL LIVE	13	TOTAL LIVE	21	TOTAL LIVE	14	TOTAL LIVE	48
BUDGET POSITION							
Under Budget	12	Under Budget	25	Under Budget	18	Under Budget	55
Over Budget	5	Over Budget	4	Over Budget	4	Over Budget	13

- 2.5 The table identifies that 55 of the 68 projects are currently underbudget. Budget pressures of £7.3m relating to projects first identified in the KCP 2016-20, and £14.8m against those identified in the subsequent KCP. These pressures are currently significantly offset by a forecast underspend of £13.2m against projects included in the KCP 2018-22. Overall, there is a £9m pressure, however work has been undertaken to review developer contribution agreements which has identified funds to cover this gap, subject to formal approval through the budget setting processes.

3. Projects Requiring Additional Funding Allocations

- 3.1 As set out above, the process has been redesigned to enable budget allocations to be made once cost certainty has been secured. However, decisions made in previous years have not yet all worked through the

system. There are six live projects that require additional funding, as costs have increased above the levels set in the records of decision, which were based on feasibility estimates. As the projects are under construction, options to avoid these additional costs are extremely limited. Action will need to be taken elsewhere in the programme to secure the savings required, or additional funding found, which as mentioned above additional developer contributions which can be applied to projects in the programme have been identified.

- 3.2 The table below summarises the projects that require a revised Record of Decision:

Project	Existing RoD	RoD Required	Increase in RoD
St Peter's Hawkenbury relocation and expansion	£7.9M	£9.2M	£1.3M
Harrietsham Primary 1FE expansion	£3.6M	£4.2M	£600K
New Primary School at Ebbsfleet Green Primary 2FE School	£7M	£9M	£2M
Trinity Free School 2FE expansion with MUGA and Bus Carpark	£9M	£11.7M	£2.7M
Tunbridge Wells Boys Grammar expansion	£8.4M	£12M	£3.6M
Ursuline College	£3M	£4.3M	£1.3M
			£11.5m

- 3.3 A scheme by scheme summary explanation is provided below.

a) **School: St Peter's Church of England Primary School, Tunbridge Wells**

Proposal: To permanently expand and relocate St Peter's Church of England Primary School, from 140 places to 210 places, increasing the published admission number (PAN) from 20 to 30 Year R places from September 2019.

Original budget £7.9m in 2018. The proposal is to allocate an additional £1.3 million

Reason:

Since the commencement of work on site there have been further unforeseen and significant abnormal issues relating to the condition of the land on transfer to KCC. This has resulted in the need for the redesign of some elements of the school, such as the level of the playing field, the redesign process created delay to the programme. Additionally, costs and delays to the programme have been incurred due to the need for unanticipated remedial works to take place to enable construction to be completed.

Divisions / Local Member

Catherine Rankin -Tunbridge Wells,

b) **School: Harrietsham Church of England Primary School, Harrietsham**

Proposal: To permanently expand Harrietsham Church of England Primary School, from 210 places to 420 places, increasing the published admission number (PAN) from 30 to 60 for Year R entry in September 2018.

Original budget £3m in 2016 and £600,000 was allocated from the Children's, Young People and Education Capital Budget in June 2019 to enable the creation of an additional and necessary bell-mouth entrance. The proposal is to allocate an additional £420,000.

Reason:

Additional costs incurred due to significantly longer build time than originally anticipated; this is primarily as a result of unforeseen issues relating to planning, ecology and drainage. Supplementary design alterations to comply with planning requirements associated with a site within an Area of Outstanding Natural Beauty. The requirement for additional survey works to conform with ecological requirements following the acquisition of the adjacent land for the car parking area. This work included the identification and relocation of protected species such as Great Crested Newts. Unforeseen work to ensure the drainage within the car parking area and main site are sufficiently robust to accommodate the extra capacity needed following the expansion.

Divisions / Local Member

Maidstone Rural East, Mrs Shellina Prendergast

c) **School: New 2FE Primary School on the Ebbsfleet Green Development, Dartford.**

Proposal: To provide additional funding to support the provision of a New 2FE Primary School

Original budget £2.5m in 2018. Developer Contributions under the extant section 106 agreement 4.6m. The proposal is to allocate an additional £2 million

Reason

The project was first costed in 2017 and in line with inflation and other issues, the cost has been revised. There have been several design changes required by the planning authority, Ebbsfleet Development Corporation to achieve planning permission, not least that the building is now a 2FE fitout. There was an initial cost of temporary accommodation in mobiles which was aborted because the decision was taken to relocate of the temporary provision to another school for a period of one year to allow the school to start this September.

Divisions / Local Member

Gravesend East, Diane Marsh and Alan Ridgers

d) **School: Trinity School, Sevenoaks,**

Proposal: To permanently expand the secondary provision at Trinity School, Sevenoaks, from a PAN of 120 to 180, ongoing from September 2018.

Original budget £9m in 2018. The proposal is to allocate an additional £2.7 million

Reason:

The initial Record of Decision was made prior to the planning permission being granted. This required further works than anticipated for a standard 2FE Expansion at the time. Due to pupil demand and time constraints the project has needed to be procured and delivered in six phases over a three-year period, adding cost to the Scheme and inflation costs. This was not envisaged when the initial ROD was approved.

Divisions / Local Member
Sevenoaks Town, Margaret Crabtree

e) **School: Tunbridge Wells Grammar School for Boys, Tunbridge Wells**

Proposal: To permanently expand Tunbridge Wells Grammar School for Boys, by increasing the published admission number (PAN) from 180 to 210 places from September 2019.

Original budget £8.4m in 2018. The proposal is to allocate an additional £3.6 million

Reason:

Unforeseen costs relating to ground conditions (including soft spot remediations), repairs to the existing gym roof, a larger water attenuation tank required and a new foul drainage system. An alteration to the scheme's design has been made which will increase the capacity of the new dining facility in the former gymnasium such that the school's current dining room, which is a rented mobile structure at the opposite end of the school to the kitchen will no longer be required. This will mean that KCC will no longer incur the monthly rental cost of this mobile unit, which would otherwise have been incurred in perpetuity. Additional costs incurred due to longer build time than originally anticipated; this is primarily related to unaccounted for additional works (as detailed above) and the associated scoping and design works.

Divisions / Local Member
Peter Oakford - Tunbridge Wells North

f) **School: Ursuline College, Westgate-on-Sea**

Proposal: Permanently expand the secondary provision at Ursuline College by 1FE from September 2019.

Original budget £3m in 2017. The proposal is to allocate an additional £1.3m.

Reason:

The build programme has had to be delivered in phases. It has now been identified that additional costs of £1.3m will be incurred due to the impact of key parts of the school having Listed Building status and the changes to the scope of the project which include:

- **Listed Building impact:** Fire Escape stairs have had to be replaced with like-for-like bespoke designed replacements. Specific materials were specified by Listed Buildings to be used in the project: lime-based plaster; re-use of or matched (bespoke) skirtings; like-for like replacements, including window casements & frames, stairs and fire escape.
- **Condition of existing building and unforeseen requirements:** emergency electric upgrade works (Phase 1) had had not been identified at feasibility stage. A new sub-station (Phase 2); failure to provide this supply upgrade would restrict the College's use of new facilities.
- **Scheme development:** St Cecilia building was originally planned to be refurbished to meet current regulations. Discussions with Planners now require it is replaced (new modular build block of 3nr classrooms and associated areas). Replacement of St Cecilia building to meet BB103 classroom sizes also requires demolition of Little Brescia building.
- Review of and improvements to on-site parking as part of planning requirements

Divisions / Local Member
Birchington & Rural – Emma Dawson & Liz Hurst

4. Equalities Impact Assessment

- 4.1 Equality Impact Assessments were completed for each scheme at the time of the original decisions. It is not envisaged that any changes would be required as a result of the proposals to vary the individual Record of Decisions. The proposal to change the sequencing of the decision-making process for school organisation proposals does not present any equalities issues.

5. Recommendation(s)

Recommendation(s):

The Children's, Young People and Education Cabinet Committee is asked to:

- (i) to confirm that the Children's, Young People and Education Cabinet Committee agrees that school organisation proposals which are subject to a formal Cabinet Member decision will be presented to Cabinet Committee at an early stage for the required consideration of proposed Executive Decisions.
- (ii) note the overall budget position; and
- (iii) note the reallocate capital funds within the Children, Young People and Education capital programme outlined in this report and decision reports following this item.

6. Background Documents

- 6.1 CYPE Cabinet Committee 7 May 2019 - Basic Need Programme 2019-22
Update and Proposed Process for School Organisation Proposals

<https://democracy.kent.gov.uk/documents/s90154/Item%2010%20-%201900043%20-%20Report%20-%20Basic%20Need%20Programme%202019-22.pdf>

7. Contact details

Relevant Director:

David Adams

Interim Director Education

03000 414989

david.adams@kent.gov.uk