

From: **Gary Cooke, Cabinet Member for Corporate and Democratic Services**

Rebecca Spore, Director of Infrastructure

To: **The Policy and Resources Cabinet Committee – 1 July 2015**

Decision No: **Not applicable**

Subject: **Basic Need Delivery Update and Outturn Costs**

Classification: **Unrestricted**

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: All

Summary: This report seeks to update the Policy and Resources Cabinet Committee on the Basic Need Outturn Costs and a delivery update of the Basic Need Programme, consisting primary and secondary school expansions and new primary school provision.

1. Introduction

- 1.1 The Basic Need Programme is built up from the County Council's Commissioning Plan for Education Provision in Kent. The Plan sets out the future plans as Strategic Commissioner of Education Provision across all types and phases of education in Kent. The 2015 to 2019 Commissioning Plan was presented to Education and Young People's Services Cabinet Committee on 24 September 2014 and the Cabinet on 13 October 2014.
- 1.2 The aim of the Basic Need Programme is to provide new educational provision in Kent as identified in the Commissioning Plan for Education.
- 1.3 In Kent, we have seen a 25% increase in the number of births between 2002 and 2012. We will continue to see a significant increase in pupil numbers in our schools, and consequently a need for new provision as the larger cohorts work through the system. In 2013-14 we created 12.2 permanent forms of entry (FE) in Primary schools and 2.85FE in Secondary schools, together with 380 temporary places to cover short-term pressures for Reception aged pupils.
- 1.4 The number of Primary age pupils is expected to continue rising significantly from 114,275 in 2013-14, to 129,338 in 2018-19, which is more than 15,000 extra pupils, or the equivalent of 500 extra classes or 71.5FE over the next five years. The number of pupils continues to rise slightly further until the start of the next decade, following which they are expected to decline in all District, except Dartford. There will be a need to continue to make new provision available in some Districts on both a permanent and temporary basis.
- 1.5 The number of Secondary age pupils (Years 7-11) in Kent schools is expected to rise significantly from 78,222 in 2013-14 to over 94,000 in 2023-24. Beyond this point the longer term strategic forecasts indicate a slight fall in pupil numbers,

although this estimate is heavily influenced by projections of new housing development beyond 2026.

2. Governance

- 2.1 To ensure a co-ordinated approach, three levels of governance have been put in place; a Programme Board, Steering Group and Regular meetings with the relevant Area Education Officers.
- 2.2 There are two distinct processes which need to be followed to enable the additional places to be provided. The first is the formal Education consultation process which relates to obtaining the proper permissions to permanently expand the operations of a school. This process requires individual consultations being undertaken by the Area Education Officers for each school. Where expansion of an academy is proposed, the process involves a business case being sent to the Secretary of State for Education, rather than a public notice being issued, as he is the decision maker.
- 2.3 The second and parallel process is the procurement process and the formal permissions required to enter contract for the building work. This includes submissions to Procurement Board, Project Approvals Group (PAG), Strategic Property Asset Forum (SPAF) and Policy & Resources Committee followed by Member sign off as applicable prior to entering contract.
- 2.4 The timing is very tight for a number of schemes and it is noted that on the majority of schemes, initial design work, obtaining planning permission and detailed work is being undertaken in parallel or ahead of the education consultation process.

3. What has been achieved to date

- 3.1 The current Basic Need Programme consist of 85 projects over the period 2013/14 to 2015/16, one of the largest capital programmes the County Council have had to deliver. The programme is broken down as follows:
 - 2013/14 – Successfully delivered all 35 primary expansion projects
 - 2014/15 – Continue to successfully deliver all 36 expansion projects which consists of 35 primary and 1 secondary school expansions. Although some works are ongoing as some of these projects reflect the more permanent physical expansion of schools and increase the school by a full form of entry (210 pupils in seven year groups in a Primary school all 36 schools had the provision of accommodation to receive the additional class that started in September 2014.
 - 2015/16 – Continue to deliver 14 projects which consists of 8 primary expansions and 6 new brand new primary schools.

3.2 Kent County Council will have provided over 300 new classrooms to provide education for over 9,300 children as a result of this Basic Need Programme 2013/14 to 2015/16.
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4. Achieving Value for Money

- 4.1 It has been increasingly crucial to look at how we design and deliver the school expansions and new schools to be able to deliver the basic need programme, within the resources available in time for each new academic year but still providing quality educational facilities.
- 4.2 A benchmarking exercise by KCC and other Local Authorities in the SE7 grouping along with the Education Building and Design Officers Group (EBDOG) has been undertaken to benchmark KCC and SE7 build costs against the National Average. It is worth noting that the sample projects chosen include projects delivered by a variety of different procurement routes that have been used.

The benchmarking showed the follows:

4.2.1 National vs SE7

- The national rates varied from £2,073 to £3,970 for New build costs which averaged out (across 61 schools) as a GROSS cost of £2,531.
- The SE7 rates varied from £2,156 to £3,201, averaging out across 25 schools as £2,653 – over £120psqm more expensive when compared to the national average.

4.2.2 KCC vs SE7 and National

- KCC rates compare very favourably to those of both the SE7 and National rates.
- KCC average gross build rate across 6 new schools is £1,887psqm which is
- 28.7% less than the average SE7 rate and 25.5% lower than the national average rate.

- 4.3 Kent County Council have been able drive some significant benefits over the last two years including the reduction of programme delivery times throughout the lifecycle of a project from inception to completion as well as reducing costs, whilst still achieving quality educational facilities. Primarily, this has been achieved by:

- Working collaboratively with consultants, contractors and stakeholders to ensure that buildings are not over specified and are in line with the Education Funding Agency (EfA) guidelines;
- Procuring strong and experienced consultants and contractors;
- Implemented a standardised school and project delivery process;
- Effectively managing the market ensuring the right contractors are delivering the right product for the right cost;
- Education and Property working extremely closely, particularly around the early planning stages to ensure the right schools are chosen to be delivered, from both an education and buildability aspect.

5. Other benefits realised

- 5.1 There are mandatory KPIs in the national construction frameworks that have been used to deliver a proportion of the Basic Need Programme which included time and cost predictability, defects at completion, health and safety, client satisfaction (both product and service), waste management, employment and skills plan targets

achieved, local spend and local employment. Some key examples are given as follows:

- 92% of project spend within 20 miles of a primary school expansion in Sevenoaks
- 57% of labour from within 20 miles & 95% within 40 miles of a primary school expansion in Sevenoaks
- 9 local apprentices/graduates taken on by the National Minor Framework contractor in 2013/14.

5.2 To deliver the 85 projects, Kent County have supported the local economy by delivering over 68% of the projects through the County Councils Approved Contractor List, as well as delivering a further 28% through the two National Construction frameworks with two contractors whose delivery office are based in Kent.

5.3 KCC have been working with contractor organisations such as National Federation of Builders, which many of the Kent SME contractors are part of, to encourage partnership working and upskilling, for example, we have undertaken Building Information Modelling (BIM) seminars, workshops and training courses on different forms of contract.

5.4 In addition, we have sought to identify opportunities to use the build project as an opportunity to engage with the learning experience, by involving children, staff and parents by holding opening days, school assemblies, interview days run by the children, escorted site visits, time capsules as well as providing information boards throughout the schools showing progress and key activities.

5.5 Overall, the programme has been delivered on time and has meant that not a single child has missed a day's education even when faced with some extremely challenging timeframes.

6 The next phase of the Basic Need Programme

6.1 Since the current Basic Need Programme was approved, Education and Young People Services has reviewed the previous Commissioning Plan (2013 to 2018) and the published Plan (2015 to 2019) demonstrates a higher need for new school places.

6.2 EYPS and P&IS have been working together to establish the next phase of the Basic Need Programme. EYPS have confirmed that over 70 projects require deliver in 2015/16 (additional to what is reported in section 2), 2016/17 and 2017/18. Projects consist of further primary school expansions, secondary school expansions and new primary schools.

7. Financial Implications

7.1 The Basic Need Programme is funded primarily from Central Government allocations, made up of Basic Need and Targeted Basic Need allocations, capital receipts, developer contributions and a small amount of prudential borrowing.

- 7.2 On 12 February 2015, the Department announced an extra £92 million has been allocated to KCC by the Department for Education to help it meet the need for more school places across the county over the next three years.
- 7.3 This funding from the Basic Need Allocations is in addition to the £27.5million already promised for 2015-17.
- 7.4 It follows vigorous efforts by KCC to gain increased schools funding because of anticipated demand through population growth, housing developments and inward migration.
- 7.5 Kent's allocation from the Basic Need Allocations is the highest for any local authority in the country, the second highest being Manchester's £84.9 million. Kent's figures are as follows:
- 2015/16 top-up of £16.25 million in addition to £13.4 million already allocated;
 - 2016/17 top-up of £34.62 million in addition to £14.1 million already allocated;
 - 2017/18 allocation of £38.55 million, plus an extra £2.27 million for new primary schools
- 7.6 Although these funding allocations are very positive, it is envisaged there will be continued pressures on the budget. The budgets are being revised based on these allocations and will be taken to Cabinet Committee for approval in due course.

8. Increasing Opportunities, Improving Outcomes

- 8.1 *'Increasing Opportunities, Improving Outcomes'* replaces *'Bold Steps for Kent'* as the Strategic Statement for KCC and the delivery of the Basic Need Programme supports the achievement of two of the three strategic outcomes; Children and young people in Kent gets the best start in life and also that Kent Communities feel the benefits of economic growth by being in-work, healthy and enjoying a good quality of life.

7. Recommendation(s)

Recommendation(s):

The Policy and Resources Committee is asked to:

- (1) Note the achievements to date on the delivery of the Basic Need Programme

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