

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

Rebecca Spore, Director of Infrastructure.

To: Property Sub Committee, Policy and Resources Committee

Subject: Delivery of construction projects under the **Priority School Building Programme** Round 2 at Swadelands School, Lenham and Benenden C of E Primary School, Benenden, on behalf of the Education Funding Agency.

Key decision

Classification: Unrestricted

Past Pathway of Paper: None

Future Pathway of Paper: None

Electoral Division: Jenny Whittle; Maidstone Rural East for Swadelands School
Sean Holden; Cranbrook for Benenden C of E Primary School

Summary: The Education Funding Agency (EfA) has asked Kent County Council to deliver construction projects within Kent as part of the Priority Schools Building Programme Round 2. Kent County Council will receive the necessary funding for the construction project at each school and a Project Delivery Grant to cover all appropriate costs to manage the project.

Recommendation(s):

The Cabinet Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to:

- a) Authorise the Director of Infrastructure in Consultation with the General Counsel to enter into any necessary contracts/agreements on behalf of the County Council and
- b) Authorise the Director of Infrastructure to ensure that the appropriate level of funding is received from the Education Funding Agency to cover the costs of these projects to ensure the Kent County Council does not incur any unforeseen costs and
- c) Authorise the Director of Infrastructure to be the nominated Authority Representative within the relevant contracts/agreements and to enter into variations as envisaged under the contract terms.

1 Introduction

- 1.1 On 1 May 2014, the Minister of State for Schools announced that the Government would fund a further phase of the Priority School Building Programme (PSBP), with a value of around £2 billion. The new phase, known as PSBP2, will be a five year programme operating between 2015 and 2021 and will undertake major rebuilding and refurbishment projects in schools and sixth form colleges in the very worst condition.
- 1.2 The Priority School Building Programme is not intended to replace those wider efforts to support local authorities, dioceses, sixth form colleges, academies and multi-academy trusts in addressing the condition needs of their estates. Rather it will run alongside these in order to address individual projects that are of such a significant scale that it would be difficult to pay for them through regular formulaic maintenance allocations.
- 1.3 On 9 February 2015, The Secretary of State for Education and the Minister of State for Schools, , announced that 277 schools across the Country have been successful in their applications. KCC were successful for 7 of the schools in addition 6 further schools across Kent where Academies bid directly.
- 1.4 This programme and its predecessor PSBP Round 1 was instigated following the demise of the Building Schools for the Future Programme in 2012. The PSBP1 successfully secured investment into 13 schools across Kent, all being delivered directly by the Education Funding Agency (EFA), which in the main are whole school replacement projects.
- 1.5 For PSBP2 the criterion has been amended and does not always replace all of the school's accommodation. The emphasis is more upon a block replacement and is based on poor condition rather than any other criteria such as suitability or sufficiency. Only in exceptional circumstances will a whole school be replaced.
- 1.6 To allow for KCC to include Basic Need expansion on PSBP schools, where this was appropriate, a budget allocation was set aside for these particular projects. A budget amount of £9.6million has been approved within the Budget Book in total for both the PSBP1 and PSBP2 schemes.
- 1.7 To aid the delivery of the PSBP2 programme, the EfA have decided to offer Local Authority's the opportunity to deliver a scheme locally, using local procurement arrangements and local supply chains. These schemes will be funded by the EfA, but the opportunity for the Local Authority to contribute additional funds for basic need expansion is also available.
- 1.8 It is being proposed that two schemes proceed through this Local Delivery approach:

- 1.8.1 Swadelands School, Lenham – replacement of Science Block
- 1.8.2 Benenden C of E Primary School – relocation and expansion on a new site
- 1.9 KCC has entered into a Memorandum of Understanding to develop the schemes and will receive up to £150K for each scheme to manage the design and construction of each project through a Project Delivery Grant.
- 1.10 KCC will be the contracting body and will receive the capital funding to deliver each scheme. This is an agreed approach and a Funding Approval Letter will be issued prior to KCC entering into a construction contract.
- 1.11 A Risk profile will be agreed with the EfA to ensure that all risks and costs are understood and risk to KCC has been mitigated.
- 1.12 KCC has a good working relationship with the EfA, following the successful delivery of the Batched Academy's programme between 2009 and 2014, together with the Trinity Free School in Sevenoaks in 2015/16.

2 Swadelands School, Lenham

- 2.1 The PSBP2 project is to replace the Science Block, which is in poor condition throughout the building. The roof and roof lights are in bad condition and leak frequently. The structure of the building is an old style CLASP building with metal crittal windows, single glazed and drafty. The building has a large amount of asbestos and suffers from poor insulation to the walls and floor. The Science facility is undersized for current standards.
- 2.2 Swadelands School is currently transferring to Academy status with the Valley Invicta Academy Trust (VIAT). The project was successful under PSBP2 prior to the change to Academy status. The new Academy Trust are very keen for this project to be delivered as part of the transformation of the school from Ofsted Special Measures status.
- 2.3 A feasibility report has been issued to the EfA for approval which is expected imminently.
- 2.4 Subject to appropriate agreement in place, it is proposed that the project is procured using KCC's Principal Contractor Framework. At this point the EfA will then agree a funding package and issue a Funding Approval Letter. KCC will then enter contract and manage demolition and construction of the new Science Block.
- 2.5 KCC have worked well with the EFA and have secured additional classroom space taking the new building to a size of 1,068m² from the original size of 651m². Planning Approval has already been granted for the new Science Block.

3 Benenden C of E Primary School, Benenden

- 3.1 The PSBP2 project is a full replacement of the school to a new site within the Benenden village. The current school consists of 4 undersized and poor quality buildings. The school also uses the local village hall and playing fields for sports and assemblies.
- 3.2 This project has been an aspiration of the school and governors for some time and the successful bid to the EFA under PSBP2 has brought this to reality. However due to the new site being in an Area of Outstanding Natural Beauty there are a number of site constraints and local objections which need to be managed; thereby making this scheme more expensive than other similar projects. There have been lengthy discussions with the local parish council about additional parking on the Village Hall site, although these discussions have not proved successful as yet.
- 3.3 KCC require through Basic Need funding the pupil numbers at the school to increase to 210 from the current 175. An additional 35 places are required. KCC and the EFA are in discussion about the extent of KCC's contribution to this scheme, but will be commensurate with the increased size of building.
- 3.4 This scheme is currently at the Feasibility stage, and is expected to be approved by the end of March 2017. At this stage, it will be procured through the Kent Contractors Framework. There is an existing Planning Approval for this scheme which expires in October 2017, so every effort is being made to ensure this date is met for start on site.
- 3.5 The extent of external works on the new site have increased the cost of this project considerably, but following an extensive site search, no other site offered the benefit of the current proposed new site, with the additional space required to enable the school to expand to a full 1FE PAN.
- 3.6 Costs are currently being negotiated with the EFA, and there is acknowledgement of the unique factors that may increase the overall costs of this scheme above what would normally be expected. This could be up to £2.4 million. This is however over and above the normal EFA levels and agreement is required on how these additional costs will be apportioned between the parties and within the funding that is available to KCC through its Basic Need contribution and PSBP budget line.

4 Financial Implications

- 4.1 The cost of the Swadelands School, Lenham project is expected to be in the region of £2.5 to £3 million, which will be fully funded by the EFA.
- 4.2 The cost of the Benenden Cof E Primary School project is expected to be in the region of £5.5 million, of which KCC will contribute to the additional Basic Need requirement of 35 pupils. The EFA will fund the majority of the project costs and there is also discussion to be held with the diocese who will have a land receipt against the land sale.. Any additional capital requirement from KCC will be through agreement from the Cabinet Member for Education and Health Reform.

4.3 The EFA will provide KCC with a Project Support Grant, which gives sufficient funds to cover initial feasibility report costs, surveys and pre-contract investigations, together with the Project Management costs to manage the scheme from the start to completion.

5 Legal implications

5.1 KCC has a statutory duty to provide pupil places and at Benenden a need for an additional 35 spaces has been highlighted.

5.2 KCC will accept the contractual responsibilities for the construction contracts to deliver the Swadelands School and Benenden C of E Primary School projects. These responsibilities are within the standard risk profile for a school construction contract and include issues such as asbestos and Section 278 works. We will mitigate the asbestos risk by undertaking early surveys to identify any asbestos that is present in the buildings and Section 278 by liaising with Planners and Highways .

6 Equalities implications

6.1 There are no equalities issues as these projects both replace existing facilities.

7 Risks

The following table provides an indication of the top 5 current risks associated with the PSBP2 local delivery schemes:

Risk Event	Impact 1-5 (a)	Likelihood 1-5 (b)	Risk Rating (a) x (b)	Mitigating Action	Risk Owner
Swadelands EFA funding contribution	5	2	10	Agreement of full contribution to scheme costs.	Esther Larner
Swadelands – Gas Pipe	4	4	16	Gas Diversion is required before the new building is constructed. To be fully funded by the EFA	Esther Larner
Benenden – Agree contract sum and funding envelope	5	4	20	Following tender process – detailed consideration of apportionment of costs between KCC for Basic Need expansion and EFA for school replacement.	Matthew Webster
Benenden – Site conditions	4	3	12	Detailed analysis of extent of external works to be finally agreed, as current proposal is for a considerable amount of ground works to level the site.	Matthew Webster

All PSBP schemes – S278 works, contractual claims.	4	2	8	All schemes will be reviewed to ensure that KCC is not exposed to unforeseen risks. However, the EFA expect KCC to accept an element of risks with this programme. Where appropriate these risks will be managed. On the Swadelands and Benenden schemes no risks of this nature are expected.	Esther Larner
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8 Other corporate implications

- 8.1 The Education and Young People Services (EYPS) Directorate are fully informed and engaged with the over PSBP programme support the delivery of both Swadelands and Benenden School projects.

9 Governance

- 9.1 The Director of Infrastructure in Consultation with the General Counsel will be authorised to enter into any necessary contracts/agreements on behalf of the County Council.

10 Conclusions

- 10.1 The opportunity for KCC to deliver construction projects directly for the EFA continues the working relationship which began with the delivery of the Batched Academy programme and the Trinity Free School project in Sevenoaks.
- 10.2 Swadelands School and Benenden C of E Primary School both have serious condition issues with the current school accommodation and the opportunity to deliver new accommodation is vital to both school's continued success.
- 10.3 KCC will have appropriate funding provided by the EFA to cover the costs related to these schemes. For the Basic Need requirement at Benenden C of E Primary School, funds have already been allocated within the Budget Book to fund the basic need element.
- 10.4 The EFA will provide a Project Support Grant to cover resources costs to deliver this scheme.

9. Recommendation(s):

The Property Sub-Committee is asked to consider and endorse, or make recommendations to the Cabinet Member for Corporate and Democratic Services on the proposed decision to:

- a) Authorise the Director of Infrastructure in Consultation with the General Counsel to enter into any necessary contracts/agreements on behalf of the County Council and
- b) Authorise the Director of Infrastructure to ensure that the appropriate level of funding is received from the Education Funding Agency to cover the costs of these projects to ensure the Kent County Council does not incur any unforeseen costs and in consultation with the Cabinet Member for Education and Health Reform agree apportionment of costs in excess of the £1million currently budgeted
- c) Authorise the Director of Infrastructure to be the nominated Authority Representative within the relevant contracts/agreements and to enter into variations

10. Background Documents

10.1 Forward Executive Decision notice to be issued in March 2017.

11. Contact details

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