

KENT COUNTY COUNCIL – PROPOSED RECORD OF DECISION

DECISION TO BE TAKEN BY:

Beverley Fordham, Cabinet Member for Education and Skills

DECISION NUMBER:

25/00073

For publication**Key decision: YES**

Key decision criteria. The decision will:

- a) *result in savings or expenditure which is significant having regard to the budget for the service or function (currently defined by the Council as in excess of £1,000,000)*

Subject Matter / Title of Decision

Release of capital for the second phase of works to increase the Designated Number at Nexus Foundation Special School

Decision:

As Cabinet Member for Education and Skills, I agree to:

- a) APPROVE the allocation of £7,173,774 in funding from the Children Young People and Education Services High Need Capital Budget to fund the second phase of works to permanently expand Nexus Foundation Special School.
- b) DELEGATE authority to the Director of Infrastructure in consultation with the General Counsel and Director of Education to enter into any necessary contracts or other legal agreements as required to implement this decision.
- c) AGREE that the Director of Infrastructure be the nominated Authority Representative within the relevant agreements, with authority to enter variations as envisaged under the contracts. Variations to contract value to be no more than 10% above the capital funding agreed by the Cabinet Member without requiring a new Record of Decision.

Reason(s) for decision:

In July 2024, the Cabinet Member for Education and Skills approved (via key decision 24/00060) to permanently increase the Designated Number of places at Nexus Foundation Special School from 228 to 330 from September 2024 and to release capital to fund the first phase of works to permanently expand the school.

This decision seeks approval for the allocation of High Needs Capital Budget for the second phase of the planned works. These works, when combined with the completed first phase of works, will provide the physical capacity for Nexus to continue to admit the increased intakes on a permanent basis and ensure the school has appropriate facilities and accommodation to support provision for children with profound, severe and complex needs.

Financial Implications

Progression with phase 2 will permanently increase capacity at the school and avoid further pressure of placements in the independent and non-maintained sector, potential revenue cost avoidance of up to £1.75m per year. Whilst the capital cost of delivering phase 2 of the construction is significantly greater than previously estimated, it is in line with market prices, within the budget

available and will provide value for money to KCC whilst improving the provision for children with some of the most complex needs in the local community.

Comprehensive feasibility and design work has been completed in preparation for progression through the planning process for phase 2. This phase will provide the school with the main additional accommodation required to accommodate a total roll of 330 pupils on a permanent basis. It entails a single storey standalone traditional construction build, consisting of 4 general classrooms and a specialist science room. It also includes a calm space/room, 2 small group rooms paired with the classrooms, accessible toilets via a cloakroom between classrooms, a hygiene suite and suitable circulation space along with other ancillary accommodation to meet the needs of the pupils using the accommodation. Along with accommodation delivered in Phase 1, this will add teaching space to the school and enable the school to stop using space it has temporarily converted to teaching space.

The type and amount of accommodation proposed is based on the findings of a space needs assessment against BB104, which is Department for Education (DfE) guidance for space standards in special schools.

A detailed cost plan has been produced estimating that £7,173,774 of High Need Capital Budget funding is required to complete phase 2 of the project. The previous initial high-level feasibility, completed prior to phase 1, estimated that £2.88m would be required for Phase 2. However, this proved to be an underestimation when the more detailed feasibility work was completed taking into consideration specific site and operational constraints.

The revised cost estimate represents a significant increase from the original projection. To ensure accuracy, the County Council commissioned independent verification from chartered quantity surveyors, who confirmed that the figure of £7,173,774 aligns with current market expectations.

The cost increase can be attributed to three principal factors:

- **Macroeconomic Conditions:** Rising labour and material costs, coupled with global economic uncertainty, have contributed to higher inflationary pressures, which are now being reflected in contractor pricing.
- **Project-Specific Developments:** Detailed design and site investigations have progressed since the initial estimate, including assessments of building placement, ground conditions, site logistics and planning and environmental requirements. This has revealed additional cost elements that were not considered in the initial estimate.
- **Initial Estimation Optimism:** The original cost estimate was subject to a greater degree of optimism bias than was appropriate by the contractor that produced it.

The original estimate was independently prepared by contractors who were requested to produce realistic project estimates, albeit at an early stage of the project's development. This was informed by market rates and information available at the time (4Q 2023). Officers within the Infrastructure Division have since introduced improved processes to reduce the likelihood of similar issues arising in future projects.

The combined cost of Phase 1 and 2 construction works would be £8,433,774; which is £82,684.06 per place across the 102 additional places. This is slightly below the average of £85,738 per place based on 74 schemes completed nationally and included within the June 2025 National School Delivery Cost Benchmarking Report, which was compiled by Local Authorities and the DfE.

The proposed expenditure enables delivery of the Council's statutory services and requirements at a minimum possible level as set out in KCC's Spending Control Guidance and avoiding the need for Independent Placements will support the County Council to prevent the current situation from getting worse.

Revenue Funding: Should the scheme progress, £6,000 per new learning space would be provided towards the cost of furniture and equipment. This would be provided to the school to purchase required equipment. In addition, an allowance of up to £2,500 may be payable to outfit each new teaching room with appropriate ICT equipment, such as touch screens or projection equipment. The school would receive funding for the additional pupils that it admits in line with the funding allocated to special schools through KCC's funding formula. This is a total of £42,500 one-off revenue costs. All school related revenue costs highlighted will be met from the Dedicated Schools Grant, a ring-fenced grant from the Department of Education.

Both the Capital and Revenue funding requirement are expected to be met in full from DfE specific grants. The Capital funding will come from the High Needs Capital Grant with a combined allocations totalling over £70m (between 2023-26). The cost avoidance outlined above also impacts expenditure funded from the high needs block, a specific grant from the DfE which the Council is currently overspending and is aiming to recover through the implementation of the Safety Valve Agreement, of which this proposal will support this plan.

There is no direct General Fund costs or savings associated with this proposal. However, if this decision did not proceed, any feasibility costs to date would be classed as "abortive" and could no longer be classed as capital expenditure, therefore these costs would become a one-off revenue costs on the General Fund. The estimated costs to date with phase 2 are £0.4m.

Legal Implications

Planning permission will be required for the new accommodation to enable the expansion of the school's accommodation.

The Council will procure a contractor in line with procurement law and KCC policy. This will be done in consultation with Strategic Commissioning, General Counsel and implemented by Director of Infrastructure. Appropriate contracts and licenses, which include provision for premises access (the school owns the freehold of the land) to enable the required works, will need to be put in place and will be drawn up by KCC Estates.

Whilst the first smaller phase of construction was managed by the school under a formal Development Agreement with KCC, the second phase is proposed to be managed by KCC through a build contract with a main contractor, with authority sought for the Director of Infrastructure to enter into such contract in consultation with the General Counsel and Director of Education.

Equalities implications

Equality Impact Assessment (EqIA) has been produced, and no issues were identified in the early-stage EqIA, the assessment will be reviewed as the project continues. The design of the buildings has fully incorporated the access needs of the pupils with Profound, Severe and Complex Needs.

Data Protection implications

KCC and the school are the 'controllers' under the General Data Protection Regulation and will ensure that any personal information is processed fairly and lawfully within any consultation work.

Cabinet Committee recommendations and other consultation:

To be completed following consideration at 16 September 2025 Children's, Young People and Education Cabinet Committee.

Any alternatives considered and rejected:

Do nothing - Nexus is the only special school for children with profound, severe and complex needs in Tonbridge and Malling and without the delivery of the phase 2 accommodation, the school would not be able to permanently continue to admit as many pupils as it has done on a temporary basis

and the number of places available each year would decrease.

Currently, the school has 294 pupils on roll (as at June 2025) and have been commissioned to support 330 from September 2025. The school is utilising non-teaching and shared/communal spaces and facilities on a temporary basis to support the children, but this approach is restricting how and where staff can undertake planning and preparation and also non-teaching activities, which cannot be sustained in the longer term.

If phase 2 was not progressed the school’s designated number would have to reduce from 330. This would also involve the initiation of a statutory process, including public consultation and require KCC to pay for independent places when otherwise it would not need to.

The number of places the school could accommodate on a permanent basis without further accommodation would be greater than 228, detailed work would need to be carried out to determine the final figure, it is however estimated at approximately 260.

This would mean 70 fewer permanent places would be available within the state maintained sector and KCC may then be required to place those children within the independent sector, with places likely to be further away from children’s homes and at a significant cost to KCC, including placement and transport costs.

The annual cost of a state-funded special school place is approximately half the cost of an independent school place. The resulting impact of not providing the permanent additional places would be an increase to the on-going financial revenue pressure on the High Needs Block, of up to £1.75m per year. Along with additional transport costs which would be dependent on where children are placed.

Any interest declared when the decision was taken and any dispensation granted by the Proper Officer:

.....
signed

.....
date