

DECISION-MAKER:	CABINET
SUBJECT:	CHILDREN'S SERVICES & LEARNING CAPITAL PROGRAMME 2012/13
DATE OF DECISION:	16 APRIL 2012
REPORT OF:	CABINET MEMBER FOR CHILDREN'S SERVICES AND LEARNING
STATEMENT OF CONFIDENTIALITY	
None	

BRIEF SUMMARY

This report sets out proposals for the Council's spending priorities within the Children's Services & Learning Capital Programme for 2012/13 and future years, in line with corporate priorities and the objectives of the Primary Review Phase 2, approved by Cabinet on 14 March 2011.

The report seeks approval to add £18,323,000 of expenditure to the Children's Services and Learning Capital Programme, phased £6,879,000 in 2012/13, £7,281,000 in 2013/14, £344,000 in 2014/15 and £3,819,000 in 2015/16. This report also seeks approval to variations totalling £1.5M to the latest capital programme, as agreed at Council on 15 February 2012.

Finally, approval to spend is sought for £16,160,000 of expenditure within the CSL Capital Programme, phased £9,379,000 in 2012/13 and £6,781,000 in 2013/14.

RECOMMENDATIONS:

- (i) Subject to complying with Financial and Contract Procedure Rules, to delegate authority to the Director of Children's Services & Learning, following consultation with the Cabinet Member for Children's Services & Learning, to do anything necessary to give effect to the recommendations in this report.
- (ii) To add, in accordance with Financial Procedure Rules, a sum of £15,408,000 to the Children's Services & Learning Capital Programme, for Primary Review Phase 2, as shown in Appendix 1, funded from non-ring fenced Department for Education Basic Need Grant.
- (iii) To note that assumptions have been made about the likely level of Basic Need Grant to be awarded in future years. If the final award is less than anticipated any shortfall in funding will be met from borrowing for which provision has been made in the revenue budget forecast. If the final award exceeds the anticipated sum then this revenue provision will no longer be required and the additional grant will be available to fund other capital priorities as determined corporately.

- (iv) To add, in accordance with Financial Procedure Rules, a sum of £2,915,000 to the Children's Services & Learning Capital Programme in 2012/13, funded from non ring fenced Capital Maintenance Grant, for the following schemes, as detailed in Appendix 2:
- £1,000,000 Health & Safety
 - £500,000 Renewable Heat Incentive
 - £400,000 Lord's Hill Academy Offsite Works
 - £140,000 Fairisle Infant and Nursery School Lobby
 - £110,000 Bitterne Park Infant School Roof
 - £100,000 Glenfield Infant School Windows and Ventilation
 - £100,000 Schools Access Initiative
 - £100,000 Asbestos Management
 - £50,000 School Fencing
 - £290,000 School Capital Maintenance
 - £125,000 Project Management
- (v) To approve, in accordance with Financial Procedure Rules, capital variations totalling £1,500,000 to the programme approved by Council on 15 February 2012, as detailed in Appendix 2.
- (vi) To approve, in accordance with Financial Procedure Rules, capital expenditure within the CSL Capital Programme of £16,160,000, phased £9,379,000 in 2012/13 and £6,781,000 in 2013/14, for the following projects:
- £10,745,000 Primary Review Phase 2
 - £2,500,000 Pupil Referral Unit Capital – The sum to be approved also includes £1,000,000 which is already in the CSL Capital Programme as well as the £1,500,000, which this report is seeking to add to this scheme
 - £1,000,000 Health & Safety
 - £500,000 Renewable Heat Incentive
 - £400,000 Lord's Hill Academy Offsite Works
 - £140,000 Fairisle Infant and Nursery School Lobby
 - £110,000 Bitterne Park Infant School Roof
 - £100,000 Glenfield Infant School Windows and Ventilation
 - £100,000 Schools Access Initiative
 - £100,000 Asbestos Management
 - £50,000 School Fencing
 - £290,000 School Capital Maintenance
 - £125,000 Project Management
- (vii) To note that approval for the remainder of the Primary Phase 2 expenditure added in recommendation (ii) above will be brought forward to Cabinet when sufficient detail can be provided to effectively inform decision making.

REASONS FOR REPORT RECOMMENDATIONS

1. The Council has a number of urgent priorities for investment within Children's Services & Learning, which are highlighted within this report. As such, the above recommendations seek to ensure that the resources available to the Authority are allocated to these proposals, in order that the relevant projects can be commenced. It is proposed that Basic Need funding will be used to address the school expansions required under the Primary Review: Phase 2, in line with previous Cabinet Decisions.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

2. The proposals contained within this report represent the means by which the Council can best deliver its stated objectives and responsibilities in terms of school organisation and estate maintenance. The option of not carrying out these proposals would necessarily result in a delay in project commencement and, potentially, a failure to deliver on key objectives for the current financial year and beyond.
3. In particular, there is an urgent need to deal with Health & Safety issues that have been identified within recently undertaken Fire Risk Assessments. There are also a significant number of school estate-related capital schemes which, due to budget limitations, have had to be rolled-over from the previous financial year. These schemes have significant priority and require immediate investment.

DETAIL (Including consultation carried out)

4. The investment priorities for the school estate for 2012/13 and beyond are detailed below.

Primary Review: Phase 2

5. The Primary Review Phase 2 Cabinet Report of 14 March 2011 and the Wordsworth Infant School Expansion Cabinet Report of 11 April 2011 detailed the proposals for the expansion of the primary school estate. Expenditure to date has been added on an incremental basis and this report now seeks to add the remainder of the expenditure required to deliver the Primary Review to the capital programme. An updated expenditure profile for this programme of work is included with this report as Appendix 2. This shows the current programme, the planned changes and the resulting proposed programme.
6. It is proposed that the previously approved programme should be expanded by a net amount of £3.1M in order to enhance the proposals set out in the above two referenced Cabinet reports, specifically with a view to delivering enhanced building schemes for the three largest expansions in the Primary Review Programme. Specifically, it is proposed that investment in the following schemes is increased.
7. Banister Infant School (£573,000) – This school is set to expand from a 2 Form Entry (FE) infant school to a 2 FE primary school. The initial proposal was that £4.0M be invested in the installation of eight new modular classroom units on the site. However, due to the fact that the school site is extremely constrained, such a solution would have resulted in a proportionally significant loss of external play space. This fact, coupled with the scale of the expansion and the relatively poor state-of-repair of the existing buildings, led to the

conclusion that the best value for money solution for the site was a total rebuild of the school. As such, it is now proposed that a 100% new build, three-storey construction be developed on this site, which would also enable the reconfiguration of the external area to deliver a grass football pitch (such facilities not previously having been available at the school).

8. Wordsworth Infant School (£2,169,000) – This school is set to expand from a 2 FE infant school to a 3 FE primary school. The initial proposal was that £4.0M be invested in the installation of 15 new modular classroom units on the site. However, due to the poor condition of the buildings and the scale of this expansion (the latter being especially pertinent in light of the relatively “land hungry” nature of individual modular units), it was felt that a 100% new build solution would also represent best value for this scheme. Again, it is proposed that a 100% new build, three-storey construction be delivered, which would present a rationalised development model for the site and thereby allow the school to retain its playing fields and coordinate its learning provision.
9. Moorlands Primary School (£748,000) – This school is due to expand from a 1 FE to a 2 FE primary school. It had been proposed that the bulk of the school expansion could be managed by the delivery of six new modular classroom units, with a budget of £1.5M. As this represents another significant expansion, it is proposed that the procurement of this build be wrapped-in with those of the others, in order to deliver a cost effective new build expansion scheme. Furthermore, there are significant parking issues in and around the site and, as such, it is proposed that a new access road be created, to divert school traffic from the residential areas that currently take the bulk of such.
10. Contingency (£819,000) - It should be noted that this programme of work is being managed as a whole and that the inevitable profile of overspends and underspends are being managed collectively. Taken as a whole, the programme is being managed within the overall budget allocation. As the expenditure profile contains a level of risk (in terms of the need for design contingency and price uncertainty), it is important that a contingency allowance is made within the overall programme budget, in order that flexibility can be employed in the delivery of projects and that project-level risks to not translate into programme-level risks. Typically, one would allow a 5% contingency fund for a programme of this size. However, as the aim is to contain the programme expenditure within projected levels of Basic Need funding, the level of contingency has been set at 4% of the programme value for 2012/13 onwards. As this represents a reduced level of cost tolerance, the project team will actively monitor the overspend/underspend profile at a programme level, so as to ensure that this risk is appropriately managed.
11. In addition, a number of schemes which were originally contained within the programme have been amended since the original Cabinet reports and these changes are detailed in the following paragraphs.

12. Tanners Brook Infant School (reduction of £190,000) – The decision to utilise the Hampshire framework for modular buildings for a programme-wide procurement of modular units has led to economies of scale being achieved. It is anticipated that this will result in a saving of £190,000 on this scheme, relative to the original estimate.
13. Sholing Infant School (reduction of £530,000) – It is anticipated that there will be a saving of approximately £530,000 on this scheme, relative to the original estimate. This is due to the combined effect of the programme-wide modular procurement (referenced above) and the fact that it was decided to contribute to the rental of (rather than purchase) a new property for the onsite caretaker.
14. St. Patrick's Catholic Primary School (reduction of £451,000) – as a consequence of the adoption of a joint funding approach with the Diocese, it is projected that there will be an approximate reduction in cost to the Council of £451,000 on this scheme.

Other Additions

15. Health & Safety (£1.0M)
 Although other ad-hoc Health & Safety issues may arise during the year, it is proposed that the vast majority of the budget for 2012/13 should be used to deal with works arising out of Fire Risk Assessments (FRAs). FRAs are a statutory requirement for premises, as stipulated within the Regulatory Reform (Fire Safety) Order 2005. The assessments have to be carried out by a “competent person”, this term being defined within the Southampton City Council Safe Working Procedure (SWP) Fire. The SWP Fire was updated in December 2010, following consultation with Hampshire Fire and Rescue Service, and was refined to include the level of competence and qualification required to complete the assessments. These changes have resulted in new assessments having to be undertaken across the CSL estate.
16. These new assessments have brought to light a significant amount of capital works required across the CSL property portfolio, which are deemed to be the responsibility of Southampton City Council. On the basis of the assessments returned to date, it is projected that the total value of the works that have to be undertaken will be in the region of £2.0M and it is expected that this expenditure will be undertaken over the course of 2012/13 and 2013/14 financial years. The works required are all statutory compliance items, with the key elements identified to date being as follows:
 - The installation/replacement of fire doors;
 - The installation/upgrade of smoke detection and fire alarm systems;
 - The installation/upgrade of emergency lighting; and
 - The compartmentation of building to provide safe escape routes.
17. Renewable Heat Incentive (£0.5M)
 Following on from the successful delivery of the Solar PV programme (and subsequent cut in the national Feed-in Tariff), the emphasis of strategic investment in sustainable technologies within the CSL property portfolio has shifted to a focus on driving value out of the Renewable Heat Incentive (RHI) initiative. In this respect, the intention is now to invest in the installation of Biomass Boilers and Solar Thermal Heating Systems and to focus such

investment on elements of the estate that have heating systems that are approaching the end of their natural life. It is estimated that an investment of £0.5M in these technologies will result in additional income to the Council of approximately £60,000 per annum over the next 20 years. The investment will also secure surety of energy prices in the long-term. This income will be built into the revenue budget forecast in future years.

18. Lord's Hill Academy Offsite Works (£0.4M)

There were a number of planning conditions associated with the granting of permission for the build of the new Oasis Academy: Lord's Hill that were not envisaged when the budget for the offsite works associated with this project was first set. In particular, there is now a need to undertake the following pieces of work:

- The installation of a signal-controlled crossing across Brownhill Way;
- The installation of a new cycleway along Romsey Road;
- The conversion of the Millbrook Arboretum into a publicly-accessible park; and
- The reconfiguration of the neighbouring community car park.

19. Based on the feasibility studies that have been undertaken, it is projected that a further £0.4M should be allowed for this work, to supplement the existing budget.

20. Fairisle Infant and Nursery School Lobby (£140,000)

This school is one of the few schools in the city without a 'holding area' for parents and visitors. This fact represents a safeguarding issue for the school, in terms of the fact that adults who are let into the main entrance thereby have access to the rest of the school (including classrooms), which could pose problems, for example, in the case of agitated parents who access the school site. As such, it is proposed to spend £140,000 on the creation of a new lobby area that would serve to eliminate this risk. A feasibility study for this work has already been undertaken.

21. Bitterne Park Infant School Roof (£110,000)

The roof of Bitterne Park Infant School has been repeatedly vandalised over the course of the last five years. This vandalism relates to the stripping of the "laid-in" lead, which has resulted in leaks and consequent water damage to the interior of the school itself. A further consequence of this vandalism is that the structure of the roof itself has now been compromised. As such, a feasibility study has been undertaken to ascertain the cost of replacing the roof in its entirety (with a non-lead dependent solution). The cost of these works is estimated to be £110,000 and should reduce the need for future reactive repairs.

22. Glenfield Infant School Windows and Ventilation (£100,000)

Glenfield Infant School has a long-standing issue with mould growth within a specific wing of the school. This is due to the fact that this area is poorly ventilated and has old, single-glazed windows. The problem is believed to be the cause of an increase in pupil and staff sickness rates for those teaching/learning in this area. In order to address this health and safety issue, it is proposed that £100,000 be allocated to a project to replace all of the

windows with double-glazing and provide mechanical ventilation to the affected areas.

23. Schools Access Initiative (£100,000)

The Council has an ongoing statutory responsibility to provide accessibility to educational facilities for children with disabilities, which requires adaptations to be made to school buildings. It is recommended that £100,000 is spent on the following:

- Provision of individual toilet cubicles at The Polygon School, to ensure privacy for pupils with challenging behaviour;
- Provision of a stair lift at Kanes Hill Primary School, to enable disabled pupils to access the first floor; and
- Further work will be carried out throughout the year in response to requests from schools that have access issues which affect pupils with disabilities. Previous examples of work carried out include the provision of access ramps, accessible toilets, stair lifts and changing benches.

24. Asbestos Management (£100,000)

The Council has a statutory responsibility to provide an ongoing programme of asbestos management for all its affected properties and CSL retains this responsibility for all maintained schools. The cost of this programme of inspection and work is generally stable from each financial year to the next and, on this basis, it is recommended that £100,000 is allocated to this area of work.

25. School Fencing (£50,000)

A number of schools in the city have a problem in that the fencing surrounding their sites is not secure. This lack of a secure boundary line presents a safeguarding issue for the pupils attending these schools, in terms of the potential for unauthorised access. The three schools that have identified issues in this respect are:

- Thornhill Primary School (£30,000)
- Sinclair Primary and Nursery School (£10,000)
- Glenfield Infant School (£10,000)

26. On the basis of the feasibility work completed to date, it is estimated that £50,000 would be sufficient to deal with the issues at these schools.

27. School Capital Maintenance (£290,000)

It is important that a certain element of the identified funding is “held back” as a contingency fund, in order to provide for unforeseen issues/events that may arise throughout the course of the year. It is proposed that £290,000 be set aside for this purpose for 2012/13.

28. Project Management Costs (£125,000)

The Children’s Services & Learning cost of project management time for these proposals is £125,000 for 2012/13. This will fund three Project Manager posts in the Strategy & Capital Programme Team in CSL.

Variations of Capital Expenditure

29. It is proposed to transfer £1.5M from the budget allocated to Special School Estate Capital in the CSL Capital Programme for 2011/12 to enable other priorities to be progressed. This budget had initially been allocated to a project aimed at the delivery of SEN provision from the Millbrook site. However, owing to a reconsideration of local priorities, this project has since been cancelled, with a view to expanding the PRU provision at Millbrook instead. As such, although this represents a reallocation of resources, the money will still be invested in the same building, in line with the original intention.
30. Phase 1 of the PRU accommodation enhancement scheme has already been undertaken, with the relocation of the Key Stage 1-3 provision from the Compass Centre to the site of old Millbrook School and the capital works undertaken to bring the utilised section of the building into serviceable condition. This phase of the scheme was delivered within the defined parameters and the £1.0M budget agreed by Cabinet in June 2011.
31. Planning has already commenced on the second phase of the project, which involves the relocation of the Key Stage 4 provision from the Melbourne Street site to the Millbrook site (with a view to co-location of the two PRU facilities). The capital works programme envisaged for this phase of the project will involve extensive refurbishment of the space to be occupied by the Key Stage 4 provision, as well as further works on the existing Key Stage 1-3 areas (in order to give them a full refresh). In outline, the works will comprise:
 - The relocation of internal walls, in order to provide more appropriately-sized learning spaces and maximise the utility of the available space;
 - The installation of a new lift;
 - The replacement/reconfiguration of the old heating system, with a view to providing controlled zones;
 - The replacement of old pipework and installation of sinks in classrooms;
 - The installation of new mechanical ventilation and the augmentation of natural ventilation systems;
 - Installation of gas links to key classrooms (e.g. science rooms, kitchen etc.);
 - The reconfiguration of incoming services, to allow for separate metering between different users;
 - The replacement of existing distribution boards;
 - The installation of new internal lighting to certain areas of the building;
 - The reconfiguration and refresh of the building's fire alarm and building alarm systems;
 - The installation of new electronic access control mechanisms throughout;
 - The installation of ICT infrastructure throughout;
 - Works to repair existing defects in the roof;
 - The replacement of internal doors with more robust solutions;
 - The replacement of old, single-glazed windows; and

- Redecoration/refurbishment of the internal aspect of the building (i.e. painting, new carpets etc.).
32. RIBA Stage C work has already been completed on the proposals for the Phase 2 work and, based on the costing provided therein, it is anticipated that a further £1.5M will be required in order to complete this project.

RESOURCE IMPLICATIONS

Capital

33. The changes to the programme contained in this report are summarised in the table below and detailed in Appendix 2. An updated cost profile for the whole Primary Review Phase 2 scheme is included with this report as Appendix 1. It should be noted that the costs provided are based on feasibility studies (or pre-feasibility estimates) and, as such, are subject to change. Any requirements for additions or variations to the programme presented in this report will be progressed in accordance with Financial Procedure Rules.

	Estimated Expenditure £000s
2012/13	8,379.0
2013/14	7,281.0
2014/15	344.0
2015/16	3,819.0
Total	19,823.0

34. Cabinet has already approved the following budgets within the CSL Capital Programme:
- £6.081M for Primary Review Phase 2 including the rebuild of Wordsworth Infant School.
 - £1.0M for the Pupil Referral Unit.
 - £1.5M for the Special School estate which is no longer required and will be transferred into this programme.
35. The Primary Review Phase 2 report set out the full scope of the expenditure required and stated that a possible source of funding would be future allocations of Basic Need Grant, although there was no certainty that this would continue to be forthcoming from Central Government in future years.
36. It is proposed that the expenditure will be funded from the following sources and it is anticipated that funding will be received in advance of expenditure taking place:

Funding Source	2011/12 Confirmed	2012/13 Confirmed	2013/14 Estimate	2014/15 Estimate	Total
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	£000's	£000's	£000's	£000's	£000's
Virement		1,500.0			1,500.0
Capital Maintenance Grant		2,915.0			2,915.0
Basic Need Grant	3,133.0	4,735.0	4,735.0	2,805.0	15,408.0
	3,133.0	9,150.0	4,735.0	2,805.0	19,823.0

37. No announcements have yet been made about Department for Education capital grant allocations for 2013/14 and beyond. However, it is anticipated that as future grant will be targeted at areas of need, that Southampton will receive similar allocations of Basic Need funding. The figures above for 2013/14 and 2014/15 are therefore indicative. In the event of future grant funding not being sufficient, funding has been set aside in the Revenue Development Fund to cover borrowing costs. If the final award exceeds the anticipated sum then this revenue provision will no longer be required and the additional grant will be available to fund other capital priorities as determined corporately.

Revenue

38. The revenue costs of all schools are met from the Individual Schools Budget funded by the Dedicated Schools Grant. The amount of Dedicated Schools Grant that the authority receives each year is based on the number of children in the city. If the city's overall numbers grow, this will result in an increase in the amount of grant received which can be passed onto schools via budget shares calculated using Southampton's Fair Funding Formula.
39. The anticipated £60,000 per annum income received from the renewable heat incentive will be built into the revenue budget forecast in future years.

Property/Other

40. It is anticipated that these proposals will assist in reducing the current overall backlog maintenance.
41. The proposal to relocate KS4 provision will entail a change of work location for employees and therefore will require appropriate consultation to take place.

LEGAL IMPLICATIONS

Statutory power to undertake proposals in the report:

42. The power to provide and maintain educational facilities as proposed in this report is set out in the Education Act 1996.

Other Legal Implications:

43. The proposals set out in this report are brought forward having regard to the Council's statutory responsibilities as a duty holder for health & safety in schools in accordance with the Health & Safety at Work Act 1974 and associated secondary legislation. Provisions for the increase of security of school sites are designed having regard to the Council's duties under s.17 Crime & Disorder Act 1998 (exercise of functions having regard to the need to

reduce or eliminate crime or disorder). All services and works will be procured and implemented in accordance with national procurement legislation and the Council's Contract Procedure Rules and having regard to the Council's duties under the Equalities Act 2010.

POLICY FRAMEWORK IMPLICATIONS

44. The capital investment proposed for Southampton's schools within this report will contribute to the outcomes of both the 14-19 Strategy and Children & Young People's Plan by improving the condition, suitability and efficiency of the City's school estate. Some of the investment that is brought forth under these proposals will likely have to be mindful of the Local Transport Plan. Alignment of the proposals with the aims of this plan will be achieved through the involvement of relevant officers on the appropriate project steering group(s).

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KEY DECISION? Yes

WARDS/COMMUNITIES AFFECTED:	All
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SUPPORTING DOCUMENTATION

Non-confidential appendices are in the Members' Rooms and can be accessed on-line

Appendices

1.	Primary Review Phase 2 – Capital Programme
2.	Children's Services & Learning Capital Programme Changes

Documents In Members' Rooms

1.	None
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Integrated Impact Assessment

Do the implications/subject of the report require an Integrated Impact Assessment (IIA) to be carried out.	No
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Other Background Documents

Integrated Impact Assessment and Other Background documents available for inspection at: N/A

Title of Background Paper(s)	Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)
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1.	None	
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