


<p align="center">Grants Determination (Cabinet) Sub-Committee</p> <p align="center">Wednesday, 26 June 2024</p>	
<p>Report of: Steve Reddy, Interim Corporate Director, Children's Services</p>	<p>Classification: Open (Unrestricted)</p>
<p align="center">London Dock Secondary School ICT</p>	

Executive Summary

Mulberry London Dock capital project is an approved scheme in the Council's capital programme, agreed at Cabinet. This report seeks approval to provide the Mulberry Trust with its allocated ICT budget, in the form of a grant, to support the timely delivery of the new school project. The grant will be paid in four instalments as the school grows into its accommodation (2024-2027).

Recommendations:

The Grants Determination Sub-Committee is recommended to:

1. Authorise the Corporate Director of Children's Services to issue a grant (paid in phases) to the Mulberry Trust for the costs of ICT delivery as follows:
 - £1,134,000.00 for the new Mulberry London Dock Secondary School.
2. Delegate the Corporate Director of Children's Services the power to authorise the execution of any agreements necessary to give effect to recommendation 1.

1 REASONS FOR THE DECISIONS

- 1.1 The Council agreed to the development of a new Mulberry London Dock 6FE secondary school in St Katharine's & Wapping in the November 2018.
- 1.2 This new school will address the statutory requirement to provide sufficient school places for school aged pupils and will support choice of educational setting for parents and guardians.
- 1.3 Mulberry London Dock is an existing capital project; an integral part of this project is the procurement and delivery of all ICT. Within the agreed

budget, there is a sum for these provisions.

- 1.4 The Council would deliver all ICT in one wave, and in advance of handover. In the spirit of joint working and client involvement, the Trust expressed their preference to facilitate this installation in a phased way as the school grows into the space over subsequent academic years.
- 1.5 By allowing the school provider to procure these assets directly, it ensures a more flexible and efficient use of resources. The decision is driven by the understanding that a pre-fitted space may result in equipment becoming obsolete or out of warranty by the time the school fully utilises the asset.
- 1.6 Providing a direct grant for ICT allows the school to proactively manage its growth, ensuring that the learning environment remains up-to-date, relevant, and aligned with educational objectives without the risk of assets becoming out-dated.
- 1.7 Whilst the total project budget has already been approved, to release the funds, the Corporate Director of Children's Services will issue a formal offer of grant to the Mulberry Trust (Funding Agreement).
- 1.8 The DfE grant (ICT portion) received by Tower hamlets will be passported to the Trust in four instalments for using for capital purposes only, as per the DfE requirements.

2 ALTERNATIVE OPTIONS

- 2.1 For the Council not to agree the transfer of funds and deliver all ICT itself, in one wave. However, for the reasons states above this would not be an efficient use of resource.

3 DETAILS OF THE REPORT

- 3.1 The budget for school development was approved by Cabinet, built on the understanding that all aspects of the project would be delivered by the Council, or its agents.
- 3.2 Given the value of the ICT budget portion for London Dock (£1,134,000.00), the Trust is eager to have agreement of the transfer of funds so that it may begin to plan the procurement of ICT.
- 3.3 The Mulberry Trust has indicated that they would prefer to undertake this element of the project themselves and agree that the monies allocated for this portion of the project is provided as full and final and they have no further recourse to funding.

- 3.4 There are several reasons as to why the education provider is better placed to implement the ICT strategy:
- **Specialist knowledge:** schools understand their educational requirements, growth, and specific teaching methods. Allowing them to directly procure ICT ensures that decisions are made based on their expertise, leading to more effective choices.
 - **Mitigate against obsolete equipment:** by putting the procurement decisions in the hands of the school, the risk of purchasing equipment that may quickly become outdated or less effective by the time it is put into use, reducing its long-term value, is mitigated.
 - **Depreciation:** equipment loses value over time. If left unused, its depreciation could affect the overall return on investment, especially if more advanced or cost-effective alternatives become available during the period of non-use.
 - **Maintenance costs:** unused equipment may still incur maintenance costs. Devices and equipment may degrade over time, even when not in active use, leading to potential repair expenses when they are eventually deployed.
 - **Adaptability to growth:** schools often experience dynamic growth patterns. Allowing direct procurement empowers the school to adapt and evolve their learning environment in response to changing needs.
- 3.5 The procurement of ICT is to be delivered by the Mulberry Trust and the funding is to be underwritten by the Council.
- 3.6 (S.6(2A)(c)) of the Academies Act notes that the Council may transfer funds to an academy trust where the provision is for 'making premises, goods or services available to be used for the purposes of the Academy'
- 3.7 A funding agreement, prepared with legal, provides a structured outline that protects the interests of the Council against future requests for additional funding. This agreement helps maintain financial accountability whilst still allowing the school the autonomy to make informed procurement decisions.
- 3.8 The grant will be provided to the Trust in four instalments, over four years as outlined below. The value of each instalment will be assessed based on school need:
- Payment 1 to be made as soon as possible after the funding agreement is signed, for both the 2024/25 and 2025/26 pupil intakes
 - Payment 2 in April 2025 for the 2026/7 pupil intake
 - Payment 3 in April 2026 for the 2027/8 pupil intake
 - Payment 4 in April 2027 for the 2028/9 pupil intake
- 3.9 The funding agreement sets out the 'drawdown' requirements (conditions). The Trust is required to provide, in advance of payment, a

schedule of items, which will be validated by the project client lead.

- 3.10 The Corporate Director of Children's Services will enter into a funding agreement with the Mulberry Trust to secure the Council's position regarding any future requests for monies to support ICT, in advance of the payment of the grant.

4 EQUALITIES IMPLICATIONS

- 4.1 The proposed works would provide parents and guardians in the Borough with appropriate choice of educational setting.

- 4.2 The project therefore contributes to the theme 'Accelerating education'.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

- 5.2 Best Value Implications

The works package for delivery of the project will be tendered by the Mulberry Trust and it will complete a best value exercise in its assessment of tenders.

- 5.3 Risk Management

A formal offer of a grant and funding award document will be made once a grant agreement has been entered into with the Mulberry Trust to ensure matters regarding any future financial obligations (of the council) are clearly outlined.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The report is seeking approval to issue a formal offer of grant totalling £1,134,000.00 to the Mulberry Trust for the costs of ICT.

- 6.2 The grant would be funded from existing budgets of £75,400,00.00 for Mulberry London Dock, there is therefore sufficient funding available to meet the cost of this grant and there are no other commitments against the annual budget provision or reserve.

- 6.3 This financial arrangement ensures both accountability and transparency with the Trust retaining any escalated expenses in subsequent years, attributable to factors such as inflation.
- 6.4 The funding is strictly being provided to cover the cost of capital ICT expenditure related to the school, and the Trust must submit confirmation of their spending. If the Local Authority deems spending inappropriate, mechanisms for claw back can be exercised.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The transfer of funds to the academies constitutes a grant (as opposed to procurement activity) and the Council has the legal power to make this grant.
- 7.2 The Council is legally obliged to obtain Best Value in respect of the grant funds. The grant will be supported by an agreement which controls the use of the funds. Monitoring of the agreement will ensure the funds are only used for the purposes they have been given. The academies are also contracting authorities for the purposes of the Public Contracts Regulations 2015. Therefore, expenditure of the grant with contractors will be subject to a similar procurement process which would have been undertaken by the Council had the Council been directly purchasing the ICT solution.

Linked Reports, Appendices and Background Documents

Linked Report

- NONE

Appendices

- NONE

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE

Officer contact details for documents:

N/A