

Committee/Meeting: Cabinet	Date: 11 September 2013	Classification: Unrestricted	Report No: CAB 23/134
Report of: Corporate Director Education, Social Care and Wellbeing		Title: 2013/16 Education, Social Care and Wellbeing Capital Programme	
Originating officer(s): Pat Watson		Wards Affected: All	

Lead Member	Cllr. Oliur Rahman, Lead Member for Children, Schools & Families
Community Plan Theme	A Prosperous Community
Strategic Priority	Priority 3.1: Support lifelong learning opportunities for all

1.0 **SUMMARY**

1.1 This report advises Cabinet on the 2013/16 Education, Social Care and Wellbeing (ESCW) Capital Programme and seeks various approvals as set out in the report.

2.0 **DECISIONS REQUIRED**

The Mayor in Cabinet is recommended to:-

- 2.1 Note the contents of this report and specifically the out-turn for the 2012/13 CSF and Adult Services' Capital Programmes (detailed in Appendix A) and proposed allocation of the funding available in 2013/14 and 2014/15 (as detailed in Appendix B);
- 2.2 Approve the adoption of capital estimates for 2013/14 capital condition and improvement programme schemes as shown in Appendix C and authorise expenditure (paragraph 6.6);
- 2.3 Note the remaining projects within the Primary Capital Programme (PCP) schemes as shown in Appendix D (paragraph 6.9);
- 2.4 Note the Primary School Expansion Programme as detailed in Appendix E (paragraph 6.11);
- 2.5 Approve the revised capital estimates of £4.90m for the works at Arnhem Wharf Primary School to be funded from the uncommitted funds within the ESCW capital programme (paragraph 6.13);

- 2.6 Approve the revised capital estimates of £5.3m for the works at Bonner (Mile End) Primary School to be funded from the uncommitted funds within the ESCW capital programme (paragraph 6.15);
- 2.7 Approve the adoption of a capital estimate of £5.5m for the proposed expansion of Stebon Primary School (paragraph 6.16);
- 2.8 Approve the adoption of a capital estimate of £5.5m for the proposed 2FE primary provision by the expansion of St Paul's Way Trust School (paragraph 6.18);
- 2.9 Authorise the Corporate Director, Education, Social Care & Wellbeing, the Director of Development & Renewal and the Assistant Chief Executive (Legal Services) to negotiate and agree the necessary development agreement and leases with Poplar Harca & St Paul's Way Trust School to facilitate the school expansion (paragraph 6.21);.
- 2.10 Approve the adoption of a capital estimate of £10.7m for the proposed expansion of Olga Primary School (paragraph 6.23);
- 2.11 Approve the adoption of a capital estimate of £500,000 to cover the costs of developing proposals to be considered for inclusion in the capital programme and authorise expenditure (paragraph 6.27);
- 2.12 Approve the adoption of a capital estimate of £370,000 for the costs of providing additional short term accommodation if required for additional pupils until major works have been carried out to provide permanent additional school places and authorise expenditure (paragraph 6.28);
- 2.13 To note the grant funding from the Department for Education of £1.2m as part of the Council's duty to provide free early education from 1 September 2013, and that suitable projects will be formally approved using delegated authority (paragraph 6.30);
- 2.14 To note that the Short Breaks grant funding for 2013/14 is not announced until August 2013, and that suitable projects will be formally approved using delegate authority (paragraph 6.34);
- 2.15 Approve the adoption of a capital estimate of £370,000 for the proposed works to 35 Ronald Street to be funded from the Adults' Personal Social Services Capital Grant (paragraph 6.38);
- 2.16 That the Director of Education, Social Care and Wellbeing (ESCW), in respect of all proposed tenders referred in this report, is authorised to agree tenders for projects within the approved programmes and capital estimate;
- 2.17 That any scheme exceeding the approved budget, the Director of ESCW is authorised to prepare and carry out a Bill of Reductions where relevant to ensure expenditure is contained within the agreed costs.

3.0 REASONS FOR THE DECISIONS

3.1 The Local Authority (LA) has a responsibility to maintain its properties to ensure that they are safe and secure for staff and users. In the case of schools, the LA also has a statutory responsibility to provide sufficient places for children and young people of school age. Cabinet is asked to note the programme and approve the adoption of the capital estimates so that the required works can proceed.

4.0 ALTERNATIVE OPTIONS

4.1 When identifying which works to include within the capital programme alternative options are always considered. This is to ensure that the projects both meet value for money and address the needs identified. Expansion projects are recommended following options appraisals and to select the options which best meet the location needs of the rising school age population.

5.0 BACKGROUND

5.1 This report advises Members on the CSF and Adult Services Capital Programmes' out-turn for 2012/13 (as described in Appendix A) and the proposed allocations of available funding (as detailed in Appendix B), and seeks authority for necessary additions/revisions to the programme to enable projects to be progressed.

6.0 BODY OF REPORT

6.1 Allocations and Funding

6.2 In the April 2013 Report to Cabinet on the CSF capital programme, Members were advised of the expected out-turn for 2012/13 and the allocation of the available funding for 2013/14 and 2014/15.

6.3 With the merger of Children, Schools and Families and Adult Social Care into the Education, Social Care and Wellbeing Directorate, this report includes the capital funding available and proposed allocation for both services.

6.4 The actual out-turn for 2012/13 is £15.465m (see Appendix A). Together with the new funding identified, the total available funds for 2013/14 to 2015/16, excluding BSF, amounts to £59.749m (Appendix B). The report seeks agreement to further projects to be resourced from these funds.

6.6 Capital Condition and Improvement Projects 2013/14

6.7 The projects at schools that have been included within the programme are listed in Appendix C. Projects are included on the basis that they are either necessary to rectify serious building or supply faults to ensure safe and continued operation of premises by users, or to meet statutory requirements eg. accessibility, fire protection, etc. A separate allocation of £200,000 was agreed by Cabinet in

February 2013 to address similar urgent condition and statutory requirement works at ESCW non-school premises in 2013/14 and 2014/15.

- 6.8 Projects are included within the Adult Services programme on the basis that they are either urgent condition works or for service improvement.

6.9 Primary Capital Programme (PCP)

- 6.10 The PCP has been completed. The remaining projects where final accounts are being agreed and the expected costs are listed in Appendix D.

6.11 Primary School Expansion Projects (Appendix E)

- 6.12 In 2012 Cabinet approved funding for a number of projects within the Primary School Expansion programme amounting to £41.28m. The works at Arnhem Wharf, Ben Jonson, Culloden, Manorfield, Marnier and Wellington Primary schools have now been completed.

- 6.13 In the case of Arnhem Wharf, additional costs were incurred as a result of design changes that were necessary to address problems that arose during the programme. The estimated additional cost of £100,000 cannot be covered within the project contingencies as they had already been fully committed

- 6.14 The schemes to expand Cayley Primary and Bonner Primary schools are progressing well and are on programme. Two Reception classes have already opened at the new Bonner (Mile End) site and the additional Reception class at Cayley will open in September 2013.

- 6.15 As part of the refurbishment to the Professional Development Centre to provide accommodation for the Bonner expansion, some delays and additional works have been incurred in re-phasing the works to accommodate the existing use of the building. The estimated additional cost will be £300,000.

- 6.16 **Stebon Primary School** - Feasibility work has been undertaken on the proposed expansion of the school from 2 FE to 3 FE (420 to 630 pupils plus nursery classes). A scheme is being developed and the initial estimate is £5.5m. Initial consultation with the school and community on the proposal has taken place and another report on this agenda seeks approval to publish statutory proposals for implementation of the expansion in September 2014.

- 6.17 Subject to the statutory proposals it is proposed to commence on site in early spring 2014, for a construction period of approximately 12 months. Cabinet is recommended to adopt the capital estimate of £5.5m for the expansion of Stebon School.

- 6.18 **St Paul's Way Trust School** - The school and Trustees have worked with the LA and the local RSL, Poplar Harca, on a partnership programme of regeneration for the local area, St Paul's Way Transformation Project. A proposal has come forward that involves the school extending its age range by adding 2FE of primary provision. This will be implemented in a mixed use development with

the school on the ground floor and residential units above. The Council would take a long lease of the school accommodation and sub-let this to the school's trustees for the purposes of the school and associated community use out of school hours.

- 6.19 The school could open the new capacity in September 2014 by temporary use of an existing community centre, with the new permanent accommodation being completed by September 2016, subject to statutory proposals. The LA will contribute the capital costs of building the school through a development agreement with the RSL. The initial estimate for the school related works is £5.5m to include both the main works and the temporary accommodation costs.
- 6.20 Cabinet is recommended to adopt the capital estimate of £5.5m to implement the expansion and change of age range of St Paul's Way Trust School by the addition of 2FE primary provision, to be funded from the 2013/16 Basic Need allocation.
- 6.21 The specific proposals for the expansion of St Paul's Way Trust School were submitted to the DfE in response to an opportunity to bid for Targeted Basic Need funding (TBN). The bid was successful and an allocation of £4.23m has been made. At the time of writing, the availability and timing of funds has not been confirmed. When the confirmation is available, this will be included in a subsequent Cabinet report to include the funds into the programme and allocate any available balance of funding.
- 6.22 It is recommended that the Corporate Director, Education, Social Care & Wellbeing, the Director of Development & Renewal and the Assistant Chief Executive (Legal Services) are authorised to negotiate and agree the necessary development agreement and leases with Poplar Harca & St Paul's Way Trust School to facilitate the school expansion.
- 6.23 **Olga Primary School** - Feasibility work has been undertaken on the proposed expansion of the school from 1 FE to 3 FE (210 to 630 pupils plus nursery classes). The initial estimate is £10.7m. Because of the age and layout of the existing building, it is considered more economically viable to decant the existing pupils into temporary accommodation and to demolish the existing building and then build the new school.
- 6.24 Further development of the scheme is required to confirm the programme and costs. The next stage will then be to consult the school and community on the proposal before seeking approval from Cabinet to publish statutory proposals for implementation in September 2016.
- 6.25 Cabinet is recommended to adopt the capital estimate of £10.7m for the expansion of Olga Primary School, with the initial development costs being funded from the 2013/16 Basic Need allocation

6.26 Project Development and Provision for Temporary Accommodation

- 6.27 There is a need to continue with development of proposals to provide additional capacity. Feasibility studies will continue to be undertaken to develop the programme. It is recommended that a sum of £500,000 is included in the programme to fund the feasibility studies and scheme development.
- 6.28 In the short term it may be necessary to identify suitable school sites to locate the additional pupils until major works have been completed to provide the places needed in the longer term. It is recommended that a sum of £370,000 is included in the programme as a financial provision.
- 6.29 With both allocations, where funds are not required they will be included in the main programme.

6.30 Early Education Provision

- 6.31 Free early education will become a statutory entitlement for eligible two year olds from 1 September 2013, with the local authority having a duty to secure provision. The Department for Education has awarded Tower Hamlets £1.2m of capital funding in 2012-13 as a contribution to local authorities' capital budgets, this is slightly lower than the indicative figure reported to Cabinet in February 2013. Revenue funding for free early education for two year olds will form part of the Dedicated Schools Grant (DSG) from 2013-14.
- 6.32 The Early Years Service is working closely with childcare providers to identify potential capital development projects that fit with the strategic aims of the funding programme. Once projects are identified, the providers will be supported in refining and developing their projects.
- 6.33 Once suitable projects have been identified formal approval will be requested by delegated authority.

6.34 Short Break Provision

- 6.35 In April 2013 Cabinet approved the use of the balance of £126,348.87 from the 2012/13 Short Breaks Funding to renovate the Youth Services One Stop Shop, based at 150 Burdett Road. This would create a new purpose built accessible Hub with interactive sports and leisure facilities for young people with disabilities and their siblings/ friendship groups.
- 6.36 As the building shares a site with the Urban Adventure Base, it will help make other facilities at the site more inclusive through better use by disabled young people and also benefit young carers from the Young Carers Group who use Urban Adventure Base. The Hub will be available for exclusive use by young people with disabilities and their siblings for 60% of the after school, weekend and holiday sessions, including sessions on Saturdays and Sundays. The remaining 40% of weekly sessions will be universal provision, available for all young people.

6.37 The Short Breaks Funding grant funding for 2013/14 is not announced until August 2013. Once the amount is known, suitable projects will be formally approved using delegated authority.

6.38 Modernising Learning Disability Services – Improvements to 35 Ronald Street

6.39 The learning disabilities day opportunities review was carried out in 2010-11. This mapped and scoped existing services and also used feedback, best practice models and scoping from needs assessments and demographic data to propose services for the future. The focus was to ensure services responded to individual needs and valuing people, promoting independence and choice and transforming adult social care agenda.

6.40 Following a report on the findings and recommendations for modernising learning disability services, Cabinet agreed a procurement plan in February 2012. It was also agreed that the in-house service (now Create) should be excluded from the tendering process, although there was a commitment that they would be supported to become a Community Hub. The commitment has been to make the in-house service champion a flagship provision and to include within it the tenants as part of the new service specification for Community Hubs. The benefits of this will be to actively ensure service users access a range of community services and facilities to meet their individual needs, services are all disability (wheelchair) accessible including having washing and personal care facilities on site, to open up services so that they are universally accessible and able to support a broader range of age groups and the use of personal and cash budgets.

6.41 The proposed facility at 35 Ronald Street will also provide space for a new floating Employment Service, which is currently out to tender. The link with the service was also core to the integration and synergy with the external and specialist providers and services.

6.42 The proposed improvement works to 35 Ronald Street will include installing a lift and disabled toilet to make the building more accessible, a new front entrance which is more welcoming and address current structural issues, improve security and provide a social cafe (open to public) with a kitchen designed for training/employment purposes.

6.43 Cabinet is recommended to adopt the capital estimate of £370,000 for the proposed works to 35 Ronald Street, to be funded from the 2013/14 Adults PS Capital Allocation.

6.44 Projects for the use of the remaining unallocated funding are being developed and formal approval will be requested by delegated authority.

7.0 COMMENTS OF THE CHIEF FINANCIAL OFFICER

7.1 The Education Social Care and Wellbeing (ESCW) (CSF) capital budget of £42.883m, agreed at Cabinet on 10 April 2013 reflected the profiled position

based on spending to the end of quarter 3 2012/13 and expected government grants known at that point in time. This report now provides an update on the combined budget of the old CSF and AHWB programmes to reflect the quarter 4 2012/13 spending, known government grants for 2013/14 and any further changes either affecting the profile of spend or the priorities.

7.2 Table 1 below explains how the capital budget of £59.749m in Appendix B has moved from the figure agreed by Cabinet in April 2013 of £42.883m and Table 2 makes the same comparison for the resources in the programme.

Table 1: Explanation of Movement in ESCW Capital Programme budget 2013/14-2015/16 from 10th April 2013

Programme	Component	£m
Overall	CSF capital budget as per Cabinet 10 April 2013	42.883
Conditions & Improvements	Additional carry forward after confirmation of final outturn	1.696
Primary Expansion	Additional new estimates adopted and changes to carry forward after confirmation of final outturn	34.535
Primary Capital Programme	Additional carry forward of budgets in relation to final account payments	0.250
Early Education Funding	Reduction in grant after final confirmation	-0.093
Short Breaks Provision	Reduction in expenditure in 12/13 after confirmation of final outturn	-0.053
Adult Services Programme	Inclusion of Adult Services programme, now part of the new ESCW Directorate	2.603
Other Commitments	Reduction in expenditure 12/13 after confirmation of final outturn	-0.557
Uncommitted Balances	Reduction in this item as all budget now allocated to schemes	-21.515
ESCW capital budget 2013/14-2015/16 as per this report (Appendix B)		59.749

Table 2: Explanation of Movement in funding of ESCW Capital budget 2013/14-2015/16 from 10th April 2013

Component	£m
CSF capital budget as per Cabinet 10 April 2013	42.883
Additional carry forward of resources based on 2012/13 outturn	9.406
Additional funding for Lukin Street LPP, in relation to capital receipts to fund Primary School Expansion Schemes	0.762
New S106 funding to fund Primary School Expansion in 2015/16	6.586
Add: Adults PS Capital Allocation 2013/14	0.788
Add: Adults PS Capital Allocation 2014/15	0.804
Adjusted Early Education funding now included within the carry forward	-1.300
Adjusted Short Break funding now included in the carry forward	-0.180
ESCW capital budget 2013/14-2015/16 as per this report (Appendix B)	59.749

7.3 Projects included in this report are all affordable and within the available resources.

8.0 CONCURRENT REPORT OF THE ASSISTANT CHIEF EXECUTIVE (LEGAL SERVICES)

- 8.1 To the extent that any of the funding for projects referred to in the report is provided from ring-fenced grants, officers will need to ensure that grant conditions are complied with.
- 8.2 The Financial Regulations set a threshold of £250,000, above which Executive approval is required for a capital estimate. The Financial Procedures supplement this requirement. In accordance with Financial Procedure FP 3.3, senior managers are required to proceed with projects only when there is a capital estimate adopted and adequate capital resources have been identified. Where the estimate is over £250,000 the approval of the adoption of that capital estimate must be sought from the Executive.
- 8.3 The proposed projects appear capable of being carried out within the Council's statutory functions. In this regard –
- The Council has a duty under the Education 1996 to secure that sufficient schools are available for Tower Hamlets. The Council has a duty under the School Standards and Framework Act 1998 to make premises available as part of its duty to maintain schools.
 - The Council is also subject to duties under the Health and Safety at Work etc Act 1974 to ensure so far as is reasonably practicable the health and safety of staff, pupils, visitors and volunteers on school premises.
 - The Council is required to provide community care services within the meaning given in the National Health Service and Community Care Act 1990, which may include the provision of services to persons with learning disabilities. The availability of suitable premises may be a necessary part of that service delivery.
- 8.4 It will be for officers to ensure that individual commitments are carried out in accordance with legal requirements.
- 8.5 Procurement for the various projects will need to be carried out in accordance with the Council's Procurement Procedures and, where relevant, the Public Contract Regulations 2006. Compliance with the procurement procedures should assist the Council to comply with its duty as a best value authority to "make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness" (section 3 of the Local Government Act 1999).

- 8.6 Before adopting the capital estimates, the Council must have due regard to the need to eliminate unlawful conduct under the Equality Act 2010, the need to advance equality of opportunity and the need to foster good relations between persons who share a protected characteristic and those who don't. Information is contained in section 9 of the report relevant to these considerations and further equality analysis will be required as part of the delivery of nominated projects.

9.0 ONE TOWER HAMLETS CONSIDERATIONS

- 9.1 The implementation of the ESCW capital programme is part of the LA's strategy to improve achievement by improving the teaching and learning environment.
- 9.2 Strategies to raise educational attainment, including improving quality of school buildings, support students moving into employment.
- 9.3 The expansion of schools under the capital programme is necessary to ensure the Council meets its legal obligation to secure sufficient schools for Tower Hamlets, but will also promote equality of opportunity for children and young people (including within the meaning of the Equality Act 2010).

10.0 SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 10.1 The proposed capital works aim to improve and preserve the quality of the buildingstock. Sustainability considerations are applied as far as possible to design and materials used. Major projects included are expected to obtain a rating of Very Good in the BREEAM Assessment.

11.0 RISK MANAGEMENT IMPLICATIONS

- 11.1 The individual projects will be closely monitored to ensure that programmes are completed on time and within the budget provision.

12.0 CRIME AND DISORDER REDUCTION IMPLICATIONS

- 12.1 There are no specific implications arising.

13.0 EFFICIENCY STATEMENT

- 13.1 The capital works identified in the report will seek to improve energy efficiency and reduce ongoing maintenance.

APPENDICES

- Appendix A – CSF/Adult Services Capital Out-Turn 2012/13
- Appendix B - Proposed Allocation of Funds 2013/14 to 2015/16
- Appendix C - ESCW Condition and Improvement Programme
- Appendix D - Primary Capital Programme
- Appendix E –School Expansion Programme

**Local Authorities (Executive Arrangements) (Meetings and Access to Information)
(England) Regulations 2012**

List of “Background Papers” used in the preparation of this report

Brief description of ‘background papers’

None