


Cabinet 9 July 2014	 TOWER HAMLETS
Report of: Robert McCulloch-Graham - Corporate Director Education, Social Care and Wellbeing	Classification: Unrestricted
2014/17 Education, Social Care and Wellbeing Capital Programme	

Lead Member	Cllr Gulam Robbani, Cabinet Member for Children's Services Cllr Abdul Asad, Cabinet Member for Adults Services
Wards affected	All
Community Plan Theme	A Prosperous Community
Key Decision?	Yes

Executive Summary

This report advises Cabinet on the 2014/17 Education, Social Care and Wellbeing (ESCW) Capital Programme and seeks various approvals as set out in the report.

Recommendations:

The Mayor in Cabinet is recommended to:

1. Note the contents of this report and specifically the out-turn for the 2013/14 ESCW Capital Programme (detailed in Appendix A) and proposed allocation of the funding available in 2014/17 (as detailed in Appendix B) (paragraph 3.1);
2. Approve the adoption of capital estimates for the 2014/15 capital condition and improvement programme schemes in schools and service premises as shown in Appendix C and authorise expenditure (paragraph 3.6);
3. Approve the adoption of a capital estimate of £100,000 to provide items of equipment and assistive technology to support people with care needs in their own homes and authorise expenditure (paragraph 3.7);
4. Approve the adoption of a capital contribution of £250,000 to supplement the Disabled Facilities Grant allocation (paragraph 3.8);
5. Note the remaining projects within the Primary Capital Programme (PCP) schemes as shown in Appendix D (paragraph 3.10);

6. Note the Primary School Expansion Programme as detailed in Appendix E (paragraph 3.12) ;
7. Approve the adoption of a capital estimate of £4.5m for the provision of additional 6th form accommodation at Stepney Green School (paragraph 3.17);
8. Approve the adoption of a capital estimate of £290,000 for the works at Marnier School to provide the satellite classes for Phoenix School (paragraph 3.21);
9. Approve the adoption of a capital estimate of £750,000 to cover the costs of developing proposals to be considered for inclusion in the capital programme and authorise expenditure (paragraph 3.27);
10. Approve the adoption of a capital estimate of £200,000 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 3.28);
11. Note progress with creating early education provision and further consultation with providers as shown in Appendix D (paragraph 3.30);.
12. Approve the adoption of a capital estimate of £100,000 in respect of Swanlea School (paragraph 3.32);
13. That the Corporate Director of 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;
14. That any scheme exceeding the approved budget, the Corporate 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

1. REASONS FOR THE DECISIONS

- 1.1 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.

2. ALTERNATIVE OPTIONS

- 2.1 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.

3. DETAILS OF REPORT

3.1 Allocations and Funding

- 3.2 In the February 2014 Report to Cabinet on the Council's capital position, Members were advised on the ESCW capital programme for 2013/14 to 2016/17, based upon the anticipated out-turn for 2013/14. The commitments and funding for 2013/14 to 2016/17 amounted to £76.650m. .

- 3.3 The carry forward for 2013/14 is expected to be £30.580m(see Appendix A), from the total Resources available of £46.299m. This together with the confirmed funding,including the allocations in paragraph 3.4, makes the total amount available for 2014/15 to 2016/17, excluding BSF, of £68.214m (Appendix B).

- 3.4 In January 2014, the government confirmed the Capital Maintenance grants for 2014-15for building related works to schools. The allocation for community schools in Tower Hamlets is £3.095m. This is in addition to the Basic Need capital grant for 2014 to 2017, amounting to £29.547m. The government has also announced a capital allocation for works at schools to accommodate the universal infant free school meals to be introduced in September 2014. The allocation for community schools in Tower Hamlets is £591,373.

3.5 Capital Condition and Improvement Projects 2014/15

- 3.6 The projects at schools and other premises that have been included within the programme are listed in Appendix C. Projects are included on the basis that they are necessary to rectify serious building or supply faults to ensure safe and continued operation of premises by users, to meet statutory requirements eg. accessibility, fire protection, etc. or service improvements.

- 3.7 A sum of £100,000 per annum has been allocated in previous years to provide items of equipment and assistive technology to support people with care needs in their own homes. It is recommended that this sum is allocated for 2014/15. This is funded from the Adults Personal Social Services capital grant.
- 3.8 Members agreed in previous years to supplement the Disabled Facilities Grant allocation with an annual contribution from the Adults Personal Social Services capital grant to create a total budget of £1 million. In 2013/14 this contribution amounted to £250,000 and the same amount is recommended for 2014/15.
- 3.9 Projects for the use of the remaining unallocated funding are being developed and formal approval will be requested in due course.

3.10 Primary Capital Programme (PCP)

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

3.12 Primary School Expansion Projects (Appendix E)

- 3.13 In 2013 Cabinet approved funding for a number of projects within the Primary School Expansion programme amounting to £76.17m. The Final Accounts for Culloden and Wellington Schools have been agreed and the works at Cayley Primary have now been completed. The works at the Bethnal Green Centre and Bonner (Mile End) Primary are nearing completion.
- 3.14 The expansion works at Stebon and Woolmore Primary Schools are progressing well and are on programme. Reception classes at both schools are due to open in September 2014. The development of the scheme for Olga Primary is also progressing and is due to commence on site in early 2015.
- 3.15 The scheme to expand St Paul's Way Trust School with 2 Forms of Entry primary provision is progressing. Two Reception classes are due to start in temporary accommodation in September 2014, whilst the works to build the permanent accommodation are carried out.

3.16 Other School Places

3.17 Stepney Green School 6th Form

- 3.18 The School has added a 6th form from September 2013. The number of students enrolled in the 6th form is anticipated to build up to 180. The school does not have sufficient capacity in its existing buildings to accommodate all the 6th form students. At the time that it was proposed to add the 6th form, it was anticipated that adjacent off-site space would be available to accommodate the majority of the students. However, this has not been possible and so options have been considered to provide a new 6th form block on the school site.

- 3.19 A proposal has been developed to provide a new block on 3 floors which will provide the additional teaching spaces as well as space for independent study. The design seeks to limit the loss of the overall recreation space at the school. Planning permission will be sought with the aim to complete the new accommodation for September 2016.
- 3.20 It is recommended that a capital estimate of £4.5m is adopted to provide the additional 6th form accommodation. This will be funded from the available s. 106 contributions which have been received for improvements to education facilities in the borough.
- 3.21 Satellite classes for Phoenix School**
- 3.22 Phoenix School is the only special school in the borough which caters for students with ASD (autistic spectrum disorder). Many children with ASD attend mainstream schools but there are those for whom mainstream schools are not appropriate and who need a special school place. Phoenix School is operating at capacity and has recently added a 6th form.
- 3.23 In order to provide some additional capacity, a proposal has been developed in partnership with local schools to provide Phoenix satellite classes at Marner School and Bow School from September 2014. Pupils in these classes will be on the roll of Phoenix School and be taught by Phoenix staff. It is proposed to create 2 classes for up to 16 pupils in total. The students will benefit from some opportunities in the mainstream school as well as being taught in their own groups. This arrangement will also benefit the host schools and the pupils with ASD they have on roll.
- 3.24 Bow School is relocating to its new accommodation from summer 2014 and so has sufficient space at this stage to accommodate the additional pupils. At Marner School some accommodation alterations are required to provide sufficient space. This includes some internal alterations and the provision of two temporary classroom units which will be subject to planning approval.
- 3.25 It is recommended that a capital estimate of £290,000 is adopted for the works at Marner School. This will be funded from the Basic Need allocation for extra school places.
- 3.26 Project Development and Provision for Temporary Accommodation**
- 3.27 There is a need to continue with development of a number of proposals to provide additional capacity. Feasibility studies will continue to be undertaken to develop the programme. It is recommended that a sum of £750,000 is included in the programme to fund the feasibility studies and scheme development. Schemes will then be brought back to Cabinet for approval to implement.
- 3.28 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 £300,000 is included in the programme as a financial provision.

- 3.29 With both the above allocations, where funds are not required they will be included in the main programme for re-allocation.

3.30 Early Education Provision

- 3.31 The projects that have already been approved as part of the provision are listed in Appendix D. Consultation is taking place with 20 providers to develop further provision and formal approval will be requested in due course.

3.32 Swanlea School - Crossrail

- 3.33 It was reported to Cabinet in June 2011 that a sum of £350,000 had been received from Crossrail for the specific compensation for the loss of part of the school site, including the premises manager's house. It was agreed that this sum should be specifically earmarked for the school until proposals for its use were agreed.

- 3.34 A capital estimate of £250,000 has been adopted by the Corporate Director's delegated action towards the provision of additional 6th form accommodation on the school site. It is now recommended that the balance remaining of the total sum should be adopted as a capital estimate of £100,000 to fund improvements for the 6th form at the school.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The Education Social Care and Wellbeing capital budget of £76.650m, agreed at Cabinet on 5th February 2014 reflected the profiled position based on spending to the end of quarter 3 2013/14 and expected government grants known at that point in time. This report now provides an update on the budget to reflect the quarter 4 2013/14 spending, known government grants for 2014/17 and any further changes either affecting the profile of spend or the priorities.
- 4.2 Table 1 below explains how the capital budget of £68.214m in Appendix B has moved from the figure agreed by Cabinet in February 2014 of £76.650m and Table 2 makes the same comparison for the resources in the programme.

Table 1: Explanation of Movement in ESCW Capital Programme budget 2014/15-2016/17 from 5th February 2014

Programme	Component	£m
Overall	ESCW capital budget as per Cabinet 5 th February 2014	76.650
Basic Need	Revised Additional carry forward after confirmation of final outturn	0.739
Targetted Capital	Targetted capital of £4.23m for St Paul's Way Trust expansion project. Amount received in 2013/14.	1.179
Sure Start	Balance of grant	0.021
Swanlea Crossrail	Unallocated income	0.014

LHC	London Housing Consortium rebate	0.065
Osmani/BMX track grants	Balance of grant	0.076
Adult PSS Capital	Unallocated balance	0.618
S106	Unallocated Developer's Contribution	4.256
Youth Service	Unallocated Accommodation Strategy balance	0.007
Non-School Condition	Unallocated balance	0.020
Swanlea Crossrail	To be allocated to school.	0.350
Matched Funding	Unallocated balance	0.105
Balance of New Funding	See Table 2	2.686
ESCW capital budget 2014/15-2016/17 as per this report (Appendix B)		68.214

Table 2: Explanation of Movement in funding of ESCW Capital budget 2014/15-2016/17 from 5th February 2014

Funding		£m	
ESCW funding as per Cabinet 5 th February 2014		34.947	
	Add: Carry forward of resources based on 2013/14 outturn	30.581	
	Add: Additional actual Capital Maintenance grant	0.095	
	Add: Infant Free Schools Meals Grant	0.591	
	Add: Balance of Targetted Capital for St Paul's Way Trust Expansion Scheme	3.051	
	Add: School Contributions	0.546	
	Less: Balance of grant for Adult Services for future years	-1.597	
	Balance of New Funding		2.686
ESCW capital budget 2014/15-2016/17 as per this report (Appendix B)		68.214	

5. LEGALCOMMENTS

- 5.1. 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.
- 5.2. 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.
- The Council administers the disabled facilities grant scheme under Part 1 of the Housing Grants, Construction and Regeneration Act 1996. The Secretary of State makes a contribution to the expenditure incurred, but there is no barrier to a further allocation being made by the Council if the cost of the scheme exceeds the government contribution, provided there is sufficient budget.

- 5.3. It will be for officers to ensure that individual commitments are carried out in accordance with legal requirements.
- 5.4. This report relates only to the approval of the relevant capital estimate and does not approve any subsequent contract award. 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). The relevant internal procedure in accordance with the Council's Procurement Procedures and the Financial Regulations will be dependent upon the value of each individual contract.
- 5.5. 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.
- 5.6. 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. Where the prospective contracts for works will cause a significant change to any service provision then appropriate levels of consultation must occur in accordance with the Local Government Act 1999 and the Equality Act 2010.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. The implementation of the ESCW capital programme is part of the LA's strategy to improve achievement by improving the teaching and learning

environment. Strategies to raise educational attainment, including improving quality of school buildings, support students moving into employment.

- 6.2. 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). Equality considerations will be further taken into account in the planning, procurement and delivery of individual projects.
- 6.3. Expenditure in relation to adults services premises aims to ensure the quality of the provision. Funding of adaptations in the home and equipment to support people with disabilities aims to improve individuals' mobility and sustain their care.

7. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

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

8. RISK MANAGEMENT IMPLICATIONS

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

9. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 9.1 There are no specific implications arising.

10. EFFICIENCY STATEMENT

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

Linked Reports, Appendices and Background Documents

Appendices

Appendix A - ESCW Capital Out-Turn 2013/14

Appendix B - Proposed Allocation of Funds 2014/15 to 2016/17

Appendix C - ESCW Condition and Improvement Programmes

Appendix D - Primary Capital Programme

Appendix E - School Expansion Programme

Background Documents

- None