

APPENDICES 1a AND 2a OF THIS REPORT ARE NOT FOR PUBLICATION

By virtue of paragraph 2 of Part 1 Schedule 1 of the Local Government Act 1972.

Children and Families Committee

3 June 2024

Children and Families Capital Programme –Capital schemes (including new, named and amended schemes and School Condition Programme)

Report of: Claire Williamson - Director of Strong Start, Family Help and Integration

Report Reference No: CF/17/24-25

Ward(s) Affected: All Wards

Purpose of Report

1. To update the Committee on progress delivering the school capital programme for 2024/25 and approve progression of the projects and named schemes that are detailed in the appendices.
2. To provide Committee with an overview of schemes undertaken and on those schemes that have been completed over the last year.
3. To ask committee to delegate authority to the Executive Director of Childrens Services to deliver the Childrens and Families 2024/25 capital programme in a timely manner and assist the council to meet its statutory responsibility to ensure sufficiency of school places.
4. To ask the Committee to delegate authority to the Director of Childrens Services to allocate uncommitted funds to projects for the purpose of supporting additional pupil places and SEN schemes, and to approve any Virements and enter into any grant agreements as necessary in order to deliver these projects. Where necessary such decisions to be made in consultation with the Chief Finance Officer in accordance with the Finance Procedure Rules.

5. Significant work is being undertaken closely with corporate finance leads to effectively manage capital expenditure, ensure value for money against available funding streams and make appropriate variations to MTFS block funding as schemes progress to fully costed schemes. The current economic climate and demands to meet carbon reductions are adding to funding pressures as schemes progress and such factors are outlined in detail in paragraph 21 of this report.

Executive Summary

6. As the strategic commissioner of school places, Cheshire East Council has a statutory duty to ensure that there are sufficient places in our schools to meet the needs of residents. Having the right educational placement for all children and young people is key to supporting children and young people to achieve their potential and to develop the range of skills and experiences they need to equip them for adulthood.
7. As strategic commissioner we are also required to ensure we have sufficient provision for pupils with special educational needs. Due to the increasing level of complexities of children and young people identified through assessment, the demand for specialist SEN places continues to increase and is most acute in SEN special schools. We are currently over-reliant on high cost out of borough independent schools to meet the needs of children and young people with complex needs which can also include long travel journeys. Therefore, increasing local specialist provisions is essential to enable us to deliver high quality local schools for our children and young people and at the same time reduce revenue costs.
8. Appendices 1 and 1a – Medium Term Finance Strategy (MTFS) – Capital Programme 2024/25

These Appendices set out the detailed programme of the identified schemes and future proposals which were included in the MTFS and highlights the following: -

- Changes to the 2024/25 programmes
- New schemes included from June 2024 and fully funded from grant funding.
- A funding allocation identified to allow for small works/adaptations to support pupils with Special Educational Needs
- A funding allocation identified to support feasibility schemes for future projects and help determine viability and indicative costings.
- Where applicable, details of schemes within block allocations that have now been detailed as named schemes.
- Stage of works currently being progressed (June 2024)

- Rational for any changes since the report to Children and Families Committee on the September 2023
- Budget uplifts
- Details of unallocated funding (June 2024)

9. Appendices 2 and 2a provide a detailed overview of the changes to the capital programme including the new, named and amended schemes and the proposed works to be instructed from the block funding allocations.

10. Appendix 3 – School Condition Allocation

This Appendix outlines the schemes included in the 2024/25 School Condition Programme and highlights the following: -

- Details of individual schemes
- Details of block allocation for in-year emerging priorities to address urgent Health and Safety issues and/or to prevent school closures.
- Details of a block allocation to progress with feasibility assessments for a programme to replace oil fired boilers.
- Details of a block allocation to undertake any necessary surveys in order to comply with legislation and ensure the safety of our school buildings.

11. The school condition allocation can only be used for maintained, foundation and voluntary controlled schools. Academies have access to the Condition Improvement Fund and Voluntary Aided settings are funded via LCVAP (locally co-ordinated voluntary aided programme), both of these grants are distributed by the Department for Education direct to Academy Trusts and the Diocesan Authorities.

12. It is very much hoped that committee can recognise the significant work undertaken by officers to effectively manage this capital investment in our schools and work within existing financial processes linked to the MTFS. There is much to celebrate in achieving a comprehensive programme of capital investment in Cheshire East schools to allow families to attend a successful and local school of their choice. An overview of schemes undertaken and completed is provided in appendix 4.

RECOMMENDATIONS

The Children and Families Committee is recommended to:

1. Agree the allocation of the Children and Families Capital funding as approved in the budget by full council on 27 February 2024 to the schools and projects as set out in Appendices 1 and 1a.
2. To approve the new, named and amended schemes as detailed in Appendices 2 and 2a.
3. Delegate authority to the Executive Director of Childrens Services to determine the school sites and works to be instructed from the block allocations set out in appendices 2 and 2a and take all steps to deliver those works.
4. To approve the school condition programme of schemes as detailed in Appendix 3.
5. Delegate authority to the Executive Director of Childrens Services to determine the school sites and works to be instructed from the block funding allocations set out in Appendix 3 and take all steps to deliver these works.
6. Delegate authority to the Executive Director of Childrens Services to approve uplifts to project costs of individual schemes approved in the Capital Programme to a maximum of 20% of the approved capital budget or £500,000 whichever is the lesser sum.
7. Delegate authority to the Executive Director of Childrens Services to allocate uncommitted funds to enable the progression of feasibility studies, design development and project delivery, where projects will be for the purpose of supporting additional pupil places and SEN schemes.
8. Delegate to the Executive Director of Childrens Services the authority to approve Virements and where necessary enter into grant agreements with Academies and Diocesan bodies to facilitate the delivery of the projects identified in the Children and Families Capital Programme.
9. To note that the Executive Director of Childrens Services will provide a regular update to committee on the implementation of the Children and Families Capital Programme and the exercise of the delegations set out in this report.
10. To note the overview of schemes undertaken and those completed over the last year as detailed in Appendix 4.

Background

13. The various funding streams which are utilised to support the capital investment into our schools include Basic Need Grant (DfE funded), Schools Condition Allocation Grant (DfE funded), High Needs Provision Capital Fund (DfE funded), developer contributions under s106 Town and County Planning Act 1990 and Approved Council Prudential Borrowing. Many of the grant allocations received from the DfE are based upon annual returns which the Council completes outlining our levels of need.
14. The position regarding uncommitted grant funding as is set out in table 1 below. This information is provided to reassure the Committee that where changes are required to financial allocations to agreed schemes, there are available budgets to fully fund such changes.

Table 1

Grant/Funding details	Unallocated Funding
	£000
Basic Need Grant Allocation	6,796
Schools Condition Capital Grant 2024/25 - Announced April 2024	2,402
High Needs Provision Capital Fund (HNPCF) - Announced April 2024	5,803
High Needs Provision Capital Fund (HNPCF) - Safety Valve Capital bid Announced May 2024	16,574
Total	31,575

15. The DfE provides basic need capital grant funding to local authorities to support them to meet their statutory responsibility to ensure there are enough school places available in their area for every child aged 5 to 16, as set out under section 14 of the 1996 Education Act. The annual 'School Capacity Survey' return (SCAP) as submitted to DfE in July provides the summary of priority areas where additional places are needed, and this is used to generate basic need allocations.

16. The DfE provides School Condition Allocations (SCA) on an annual basis for local authority-maintained schools only which provides the Council with the mechanism to maintain/improve school building infrastructures. In line with DfE guidance, investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, safeguarding concerns as well as health and safety issues. An indicative budget for the anticipated 2024-25 School Condition Allocation (SCA) grant of £2m was included in the Medium-Term Financial Strategy (MTFS) 2024-2, which was approved at full council in February 2024. Following the announcement from the DfE in April 2024, the 2024/25 School Condition Allocation was confirmed as £2.4m.
17. The DfE have provided High Needs Provision Capital Fund to meet the capital costs associated with providing new places and improving existing provision for children and young people with complex needs, who have Education, Health and Care plans (EHCPs), and where appropriate, other children and young people with SEND who do not have an EHCP.
18. Following the announcement from the DfE on 26 March 2024, the 2023 to 2025 High Needs Provision Capital Fund Allocation was confirmed as £5.8m.
19. In January 2024, Cheshire East Children and Families Service, submitted its application for Safety Valve Capital Funding, this included 2 x 60 place SEND primary schools, 20 place expansion of Springfield (Wilmslow), 1 x 14 place SEN unit and additional funding to support further resource provisions and SEN units within mainstream settings across the borough. On 1 May 2024, the DfE confirmed that the majority of the application had been approved and the Council has been allocated an additional £16,574,250 of grant funding to support these proposals.
20. The critical themes which combine to potentially result in an increase to any budget envelope for our named capital schemes are outlined below.
 - a. Inflation – whilst it is recognised that the overall inflation rate is now falling, some building associated costs are showing higher rates than this which is impacting on overall costs.
 - b. Planning requirement – during the planning process, there are often conditions included in the grant of a planning permission that must be complied with and result in additional costs being added to the overall budget.
 - c. Design and development – as schemes progress from an initial feasibility stage, associated costs may change as a result of more detailed investigations due to the outcomes of required surveys and ground conditions/stability.

- d. Carbon Neutral – the Council is committed to being carbon neutral by 2027 which results in capital build schemes being required to modify buildings to align with this expectation. Due to demand the costs of greener technologies such as Air Source Heat Pumps have significantly increased and when these are installed there can be the additional cost of increasing electricity supplies to a site.
 - e. School infrastructure/condition – any scheme will attempt to improve certain conditions of existing buildings and/or to ensure existing infrastructure has the capacity to cope with the increase of school places. Meeting catering /dining hall requirements or additional toilets are examples of common infrastructure changes.
21. The delivery of more SEN schemes will ultimately support the Council's ambitions to provide more in borough specialist school placements to support its residents whilst helping the Directorate with its management plan in reducing the overall deficit within its dedicated schools grant budget.

Consultation and Engagement

22. Prior to and during the scoping and progression of capital programmes of work, engagement events, both formal and informal take place to seek views and feedback from key stakeholders on proposed schemes. Such events involve meetings with Headteachers/Governors both individually and across planning areas, briefings for local members as well as structured consultations.
23. In accordance with the guidance issued by the Department for Education, making significant Changes ('prescribed alterations') to maintained schools, formal consultation is undertaken as required on all schemes where specific criteria are met. Similar national guidance applies to academies; Department for Education, making significant changes to an open academy.
24. Detailed records of consultations are kept for all schemes where formal consultation is required, and the feedback received is carefully considered as part of the finalisation of a scheme to ensure community views are considered.

Reasons for Recommendations

25. The necessity to commit to the significant capital investment in our schools set out in Appendices 1, 1a, 2, 2a and 3, is fundamentally in response to our statutory requirement to provide sufficiency of school places for Cheshire East families. Failure to meet this requirement would result in increased anxieties in families being unable to attend a local school and added competition between schools many of whom set their own admission arrangements. The recommendations seek approval from Committee to progress with these priority schemes and allocate funding accordingly and to delegate authority to

the Executive Director of Children Services to take decisions to deliver the schemes which allows for the effective management of each of these programmes of work in a timely manner.

26. The delegated authority to the Executive Director of Childrens Services to approve uplifts to project costs of individual schemes approved in the Capital Programme to a maximum of 20% of the approved capital budget or £500,000 whichever is the lesser sum, will ensure that schemes are progressed in a timely way and to provide updates to committee as required. Where the decision process includes financials or contracts, this will be done in consultation with the Chief Finance Officer.
27. Committee have been previously informed about the current pressures on funding which are resulting in costs of scheduled schemes increasing due to a range of factors, these can include additional costs as a result of planning conditions, high costs resulting from low carbon build standards, increasing costs of materials, rising costs of raw materials etc.

Other Options Considered

28. The option to do nothing and consequently not increase mainstream and special school provisions across the borough would result in a failure to meet our statutory duties as a commissioner of school places and incur increasing costs for out to borough SEN places.
29. There is an option that officers continue to provide individual committee reports and seek individual decisions or delegations for each scheme within Appendices 1, 1a, 2, 2a and 3. This does not allow for flexible working to deliver schemes or to react to individual emergencies or needs. It is also time consuming for Officers and the Committee.
30. In each of the schemes in Appendices 1 and 1a, detailed consultations are planned or will have taken place with school leaders, local ward members and local school communities to ensure that feedback and option appraisals are thorough and take into account local views. These processes will identify a range of options in terms of identifying schools to expand. Consultation responses are available as required to show that there is a robustness and openness in the process.
31. In terms of SEN programmes of works, the option to continue to place SEN learners in placements out of borough or in independent specialist provisions is not considered appropriate as this will result in a continuation of financial pressures on the High Needs DSG budget. This approach aligns with the detailed work undertaken as part of the 'Developing Better Value' (DBV) programme to increase local provisions which reduce travel costs and time and offers increased value for money.
32. The service works closely with colleagues in the Council's Assets team to identify other potential local sites to address the forecast need for specialist school places across the borough and the provision of funding to undertake

feasibilities for future schemes is requested as per the recommendation detailed in appendices 2 and 2a.

33.

Option	Impact	Risk
The option to do nothing and not increase mainstream and special school provisions across the borough	This would result in a failure to meet our statutory duties as a commissioner of school places and occur increasing costs for out to borough SEN places	High Risk
The option not to do nothing and not progress the school condition programme	This could result in the closure of schools and/or failure to address health and safety risks and safeguarding issues	High Risk

Implications and Comments

Monitoring Officer/Legal

34. The committee terms of reference state:

“2.3 discharging the Council’s functions and powers in relation to the provision of education and Schools Forum.

2.6 discharging the Council’s functions in relation to Special Educational Needs and/or Disability (SEND).”

35. The Committee under 2.3 must be assured that the report on the school capital programme is an accurate reflection of and gives effect to the Council’s obligation to provide sufficient education provision in our area. The evidence to support the need is usually encapsulated in the schools sufficiency plan. The capital programme should give effect to the sufficiency plan and must be assessed against that plan. The committee should satisfy itself of the need by reference to the sufficiency plan.

36. It is a constitutional requirement for the committee to review the school’s capital programme each year.

Chapter 3 – Part 4: Section 4

“3.16 Major recurring programmes of capital expenditure will require a detailed annual report to be submitted to the relevant Service Committee covering all the schemes within each programme of works and will include total projected cost, expenditure profile and the full financial implications, both capital and revenue. This will include, but not be limited to, the programmes

for Schools & Corporate Landlord Planned Maintenance, ICT Investment and the Local Transport Plan. The Council may determine specific virement responsibilities for such recurring programmes.

3.17 The Capital Programme will distinguish between committed expenditure from schemes already approved, recurring programmes and new proposals, both medium and longer term.”

And

“3.21 Council will approve the re-profiling of spend on approved capital schemes across financial years and carry forward of slippage/accelerated spend into future financial years as part of the budget process in February.”

37. The committee may consider if the updating information contained in the sufficiency plan and capital programme should be sequenced to ensure the committee has all the relevant up to date information and ensure compliance with paragraphs 3.16,3.17 and 3.21 as set out in paragraph 36 above.
38. The committee must be clear what information on the capital programme is being reported and if the committee are proposing to authorise further elements of the programme it will require specific, precise recommendations or decisions. The committee may place on its work programme a forward looking report to assess the programme and/or seek to monitor progress.
39. The report identifies a number of block allocations and seeks delegations to the Executive Director of Childrens Services to enable expenditure from those allocations to take forward surveys and design work to inform future schemes at the consultation stage or to enable efficient actions to meet immediate SEN needs or as a result of emergency works. A commitment has been made to report back on the decisions made to expend these funds from time to time.
40. The report seeks to delegate the Executive Director of Childrens Services the ability to take decisions to enter into grant agreements with Academies and Diocesan Bodies to take forward capital works in circumstances where funding is received for this purpose and/or is allocated by the Council to assist with capital expansion/refurbishment for example in circumstances where the Council is seeking to increased SEN provision. A commitment has been made to report back on decisions made to expend funds in such a manner.
41. The Committee must satisfy itself that the proposed increases in budget are justified, proportionate, and represent value for money for the taxpayer.
42. If additional cost is incurred on any project it must impact on other possible proposals, the committee must have a clear understanding of the impact of authorising additional funding and the potential impact on the wider programme.

Section 151 Officer/Finance

43. Funding for Children and Families capital programme is through a range of routes with the main ones relating to the use of the 'Basic Need' grant along with agreed Section 106 developer funding for education to mitigate the need for additional school places due to the impact of new housing. In addition to this external DfE grant has been allocated that supports SEN/High Needs schemes including provision of additional places. There is an annual allocation of School Condition funding, but this can only be used for local authority-maintained schools.
44. The Authority receives differing allocations of Basic Need grant which is based upon our submitted annual SCAP return. This funding is used to meet the additional places required in priority planning areas as referenced in the SCAP. Following the announcement from the DfE on 28 March 2023, the 2023/24 Basic Need allocation was confirmed as £2.442m. There have been no further Basic Need allocations at the time this report was written.
45. The School Condition Grant allocation is based on the number of maintained schools within the authority and can change subject to the number of schools that have converting to an academy or an academy order has been submitted.
46. The DfE provides School Condition Allocations (SCA) on an annual basis for local authority-maintained schools only and provides the council with the mechanism to maintain/improve school building infrastructures. In line with DfE guidance, investment should be prioritised on keeping school buildings safe and in good working order by tackling poor building condition, building compliance, energy efficiency, safeguarding concerns as well as health and safety issues.
47. An indicative budget for the anticipated 2024-25 School Condition Allocation (SCA) grant of £2m was included in the Medium-Term Financial Strategy (MTFS) 2024-28, which was approved at full council in February 2024. Following the announcement from the DfE in April 2024, the 2024/25 School Condition Allocation was confirmed as £2.4m. The increase of the budget will be reported as part of the Provisional Outturn report for 2023/24 that will be presented at Corporate Policy Committee on the 13 June 2024.
48. Following the announcement from the DfE on 26 March 2024, the 2023 to 2025 High Needs Provision Capital Fund Allocation was confirmed as £5.8m.
49. In January 2024, Cheshire East Children and Families Service, submitted its application for Safety Valve Capital Funding, this included 2 x 60 place SEND primary schools, 20 place expansion of Springfield (Wilmslow), 1 x 14 place SEN unit and additional funding to support new SEND satellite schools, SEND school places, SEN units and Resource provisions within mainstream settings across the borough. On 1 May 2024, the DfE confirmed that the majority of the application had been approved and the Council has been allocated an additional £16,574,250 of grant funding to support these proposals.

50. The new schemes detailed in the appendices 2 and 2a will be funded from the uncommitted Basic Need and High Needs Provision Capital Funding allocation.
51. The schemes with budget uplifts detailed in appendices 2 and 2a will be funded from the uncommitted Basic Need and High Needs Provision Capital funding.
52. The schemes and block allocations named in Appendix 3, are fully funded from the School Condition Block allocation, also approved at council on 27 February 2024 as part of the Medium-Term Financial Strategy (MTFS) 2024-25.
53. Capital grants have conditions that specify what they can be used for. If a scheme does not go ahead any spend incurred on that scheme would need to be written off to revenue.

Policy

54. Local authorities are under a duty to ensure sufficiency of school places in their area (section 14 of the Education Act 1996) and over the last 5 years, the percentage of parents receiving one of their three preferences has remained very strong and above the national average.
55. The programme of works for additional SEN special school provision would support the council in meeting its duty to provide sufficient school places. The SEND Code of Practice requires us to consult with parental preference schools and parents have a right to appeal where we are unable to name their preference school through the tribunal process.

<p>An open and enabling organisation.</p>	<p>A council which empowers and cares about people</p> <p>Support all children to have the best start in life.</p> <p>Increase opportunities for all children and young adults with additional needs.</p> <p>Ensure all children have a high quality, enjoyable education that enables them to achieve their full potential (Include which aim and priority)</p>	<p>A thriving and sustainable place</p> <p>Reduce impact on the environment.</p> <p>Thriving urban and rural economies with opportunities for all</p> <p>Be a carbon neutral council by 2027</p>
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Equality, Diversity and Inclusion

56. Equality Impact Assessments are completed informally and formally to determine the varying needs of learners and their families to be able to

access schools. Such factors are built into all stages of the progression of a scheme.

Human Resources

57. There are no direct human resource implications for the council, but if any additional school provision forms part of a current maintained school, the local authority will work with the school in the appointment of additional specialist staffing to ensure high quality staffing is achieved, both teaching and non-teaching. Levels of support will be dependent upon buy back of certain services including Hr and payroll.

Risk Management

58. As outlined in the finance section, the DfE have confirmed capital funding grants which allows for the virement of funding. This funding is already available and therefore is not reliant on future funding allocations.

59. Appendices 1 and 1a, outlines the availability of unallocated funding. This does reduce levels of risk where scheme costs are increasing. However, we often have no ability to predict future grant allocations.

60. Force Majeure – The global Covid pandemic has identified that there can be some risks that on impact cannot be mitigated against and will inevitably cause some delay, disruption, and any additional costs.

Rural Communities

61. The creation of additional school places would potentially bring benefit to rural communities in that it will result in residents having a more reasonable travel distances to transport pupils if a local school place cannot be met.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

62. In accordance with the programme to provide additional school places within Cheshire East, the schemes as outlined will provide more spaces for young people to learn and develop friendships with other local children within a local school thus promoting local community cohesion.

63. The school organisation service wherever possible will directly involve the young people in some of the design elements of schools as well as decision making with the appointment of sponsors for new schools.

Public Health

64. There are no direct implications for public health however, some children and young people currently travel significant distances to access the specialist provision they may require. This can have an impact on their emotional wellbeing and can significantly lengthen the school day. The successful applications for new SEN free schools will mean more vulnerable children

getting a placement in their local area thus keeping supporting their needs within their local community.

65. By reducing the distances which children are having to make to attend school the programme of works as outlined will also help reduce congestion on the roads and therefore reduce emissions improving the air quality and making a better local environment to live in.
 - Any increase in SEND provision will require strategic joint commissioning of specialist health services to ensure resources for such services as physiotherapy are sufficient to meet increased demand as more localised school places are generated.

Climate Change

66. Providing additional school places will enable Cheshire East children the ability to secure at place at their local school thus reducing the need to travel outside of the area which will reduce energy consumption.
67. Cheshire East Council are very aware of their environmental education and stewardship role and are very interested in promoting sustainability in general.
68. Cheshire East Council is committed to being carbon neutral by 2025 and our capital build schemes are required to align with this expectation.
69. It is noted that any funding is for a capital project and not for the ongoing revenue costs. Therefore, as part of the detailed design process, the design team will be exploring how the expansion could be designed to minimize future running costs. Systems that save on energy consumption will be considered, particularly for electricity, with absence detection being the preferred lighting strategy.

Access to Information	
Contact Officer:	Joanne Prophet Joanne.prophet@cheshireeast.gov.uk
Appendices:	Appendix 1 – Children and Families Capital Programme Appendix 1a Appendix 2 – Summary of changes to Children and Families Capital Programme June 2024 Appendix 2a Appendix 3 – School Condition Programme 2024-25 Programme of Works

	Appendix 4 – Overview of Completed schemes
Backgr ound Papers:	<p>1. Full Council, 27 February 2024</p> <p>RECOMMENDATION FROM CORPORATE POLICY COMMITTEE: MEDIUM-TERM FINANCIAL STRATEGY 2024-28</p> <p>The MTFS was approved at Full Council Meeting – 27 February 2024, specifically appendix c pages 382 and 383 which covers Children and Families capital programme</p> <p>72. Recommendations from Corporate Policy Committee: Medium Term Financial Strategy 2024 https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s115133/CPC%20Minute%20Extract%20CPC.pdf https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s115121/APPENDIX%20C%20-%20MTFS%202024-2028.pdf</p> <p>2. Children and Families Committee 18 September 2023</p> <p>29. Pupil Place Planning Sufficiency Report https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s108967/1.%20Pupil%20Place%20Planning%20Sufficiency%20Report.pdf https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s108971/Appendix%204%20FiveYear%20Plan.pdf</p> <p>34. Children and Families Capital Programme – Implementation of Capital Schemes https://moderngov.cheshireeast.gov.uk/ecminutes/documents/s108957/11.%20Capital%20Programme%20Implementation.pdf</p>