

Children and Families Committee

18 September 2023

Children and Families Capital Programme – Implementation of Capital schemes (including new and named schemes and School Condition Programme)

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

Report Reference No: CF/28/23-24

Ward(s) Affected: All Wards

Purpose of Report

1. To update the Committee on progress with the school capital programme for 2023/24 and approve progression of the projects and named schemes that are detailed the appendices.
2. To ask committee to delegate authority to the Executive Director of Childrens Services to enable the delivery the Childrens and Families capital programme in a timely manner and ensure that the council meets its Statutory Responsibility to ensure sufficiency of school places.
3. To ask the Committee to delegate authority to the Director of Childrens Services to enable the allocation of uncommitted funds to projects for the purpose of supporting additional pupil places and SEN schemes, to approve any Virements and enter into any grant agreements as necessary 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.

4. Significant work is 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 section 18 of this report.
5. This report builds upon the significant work undertaken via the 'Strategic Programme Board' (SPB) which is chaired by the Executive Director and includes leads from key Council services. This Board acts as a key monitoring forum for capital schemes.

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 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, the need to increase 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. Appendix 1 – Medium Term Finance Strategy (MTFS) – Capital Programme 2023/24

This Appendix sets out the detailed programme of the identified schemes and future proposals which were included in the MTFS and highlights the following: -

- Changes to the 2023/24 programmes
- New schemes included from July 2023 and fully funded from approved 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 (July 2023)
- Rational for any changes since the report to Children and Families Committee on the 20 March 2023
- Budget uplifts
- Details of unallocated funding (July 2023)

9. Appendix 2 provides 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 2023/24 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 for School Catering Equipment, this is to address urgent priorities to avoid kitchen closure and is included to gain approval to setting aside this funding to proceed with small works/purchases as and when they may arise.
- 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 surveys to establish the presence or otherwise of Reinforced Autoclaved Aerated Concrete in school premises where CEC is the responsible body.
- Details of a block allocation to undertake condition surveys at maintained schools (Year 3 of a 3-year programme)
- Details of unallocated condition funding (July 2023)

The school condition allocation can only be used for maintained, foundation and voluntary controlled schools. Academies have access to Condition Improvement Fund and Voluntary Aided settings are funded via LCVAP, both

grants are distributed by the Department for Education direct to Academy Trusts and the Diocesan Authorities.

11. 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.

RECOMMENDATIONS

The Children and Families Committee is recommended to:

1. To agree the allocation of the Children and Families Capital funding as approved in the budget by full council on 22 February 2023 to the schools and projects as set out in Appendix 1.
2. To approve the new, named and amended schemes as detailed in Appendix 2.
3. 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 2 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 those 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 six-monthly update to committee on the implementation of the Children and Families Capital Programme and the exercise of the delegations set out in this report.

Background

12. 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), SEN/High Needs Capital Allocation (DfE funded), Special Provision Fund Capital Grant (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.
13. The position regarding uncommitted grant funding as per the MTFS approved at full council on the 22 February 2023 is set out 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

Uncommitted Funding (Grant Allocation) profiled spent as per MTFS approved February 2023	Total Approved Budget
	£000
Basic Need Grant Allocation	7,319
Schools Condition Capital Grant	2,868
SEN/High Needs Provision Capital Allocation	2,483
Total	12,670

14. 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.

15. 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 2023-24 School Condition Allocation (SCA) grant of £2m was included in the Medium-Term Financial Strategy (MTFS) 2023-27, which was approved at full council in February 2023. Following the announcement from the DfE on 28 March 2023, the 2023/24 School Condition Allocation was confirmed as £1.925m.
16. The DfE have provided High Needs Provision Capital Allocation 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.
17. Over the last 5 years we have provided over 1700 new mainstream places, with proposals for a further 3000+ places in the next 5 years. For pupils with SEN, we have provided over 230 new places in our Special Schools and Resource Provisions with proposals for a further 330 places planned for the next 5 years.
18. The critical themes which combine to potentially result in an increase any budget envelope for our named capital schemes is outlined below.
- Inflation – whilst it is recognised that the overall inflation rate is in the region of 10%, some building associated costs are showing higher rates than this which is impacting on overall costs. As an example, costs of glass are showing significant increase.
 - 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.
 - Design and development – as schemes progress from an initial feasibility stage, associated costs may change because of more detailed investigations due to the outcomes of required surveys and ground conditions/stability.
 - Carbon Neutral – the Council is committed to being carbon neutral by 2025 which results in capital build schemes being required to modify buildings to align with this expectation.
 - 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.

19. The delivery of a growing number of SEN schemes will 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

20. 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 individually and across planning areas, briefings for local members as well as structured consultations.
21. 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.
22. 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

23. The necessity to commit to the significant capital investment in our schools set out in Appendices 1,2 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.
24. 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.

25. 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.

Other Options Considered

26. The option to do nothing and 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 occur increasing costs for out to borough SEN places.
27. There is an option that officers continue to provide individual committee reports and seek individual decisions or delegations for each scheme within Appendices 1, 2 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 Committee.
28. In each of the schemes in Appendix 1, 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 consider 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.
29. 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.
30. There is an option to consider further alternative sites for the increasing SEN demand. The service works closely with colleagues in the 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 appendix 2, item 12.
- 31.

Option	Impact	Risk
The option to do nothing and not increase mainstream and special school	This would result in a failure to meet our statutory duties as a commissioner of school	High Risk

provisions across the borough	places and occur increasing costs for out to borough SEN places	
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

32. 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).”

33. The report provides assurance that 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 details are usually encapsulated in the schools sufficiently 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.
34. The report seeks delegations to provide flexibility for officers to access funds to respond to immediate needs and progress projects at Executive Director level with a commitment to report back to Committee on use of delegations at regular intervals.
35. The Committee must satisfy itself that the proposed increases in budget are justified, proportionate, and represent value for money for the taxpayer.
36. If additional cost is incurred on any project it must impact on other proposals, the committee must satisfy itself that it has a clear understanding of the impact of authorising additional funding and the potential impact on the wider programme.
37. The budget set by full council provided for a capital programme by planning area. Page 258-259 MTFS 2023-27 - app C.pdf (cheshireeast.gov.uk) Full Council has set the budget allocation for each planning area. This is the budgetary framework set by full council. The committee must be satisfied that the cumulative increases and changes in costs do not infringe or alter the planning area limits set out in the budgetary framework.

Section 151 Officer/Finance

38. 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 was allocated in March 2022 that supported 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.
39. 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.
40. 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.
41. 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.
42. An indicative budget for the anticipated 2023-24 School Condition Allocation (SCA) grant of £2m was included in the Medium-Term Financial Strategy (MTFS) 2023-27, which was approved at full council in February 2023. Following the announcement from the DfE on 28 March 2023, the 2023/24 School Condition Allocation was confirmed as £1.925m. The reduction of the budget was reported as part of the Provisional Outturn report for 2022/23 that was presented at Corporate Policy Committee on the 11th of July 2023.
43. The new schemes detailed in the appendix 2 will be funded from the uncommitted Basic Need and SEN/High Needs Provision Capital funding.
44. The named schemes detailed in the appendix 2 are already funded as part of the Block funding for planning areas, these were included in the Medium-Term Financial Strategy (MTFS) 2023-27, which was approved at full council in February 2023.
45. The schemes with budget uplifts detailed in appendix 2 will be funded from the uncommitted Basic Need and SEN/High Needs Provision Capital funding.

46. The schemes and block allocations named in Appendix 3, are fully funded from the School Condition Block allocation, also approved at council in February 2023 as part of the Medium-Term Financial Strategy (MTFS) 2023-27.
47. 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

48. 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 strong and above the national average.
49. 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 2025</p>
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Equality, Diversity, and Inclusion

50. 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

51. 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

52. 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.
53. Appendix 1 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.
54. 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

55. 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 identified.

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

56. 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.
57. 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

58. 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.
59. 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

60. 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.
61. Cheshire East Council are very aware of their environmental education and stewardship role and are interested in promoting sustainability in general.
62. Cheshire East Council is committed to being carbon neutral by 2025 and our capital build schemes are required to align with this expectation.
63. 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 2 – Summary of changes to Children and Families Capital Programme Appendix 3 – School Condition Programme 2023-24 Programme of Works
Background Papers:	1. Full Council, 22 February 2022 RECOMMENDATION FROM CORPROATE POLICY COMMITTEE: MEDIUM-TERM FINANCIAL STRATEGY 2023-27 http://moderngov.cheshireeast.gov.uk/ecminutes/documents/s101379/PC%20minute%20extract.pdf 2. Children and Families Committee, 20 March 2023

	<p>School Organisation – Overview of planned schemes including funding revisions.</p> <p>http://moderngov.cheshireeast.gov.uk/ecminutes/documents/s102114/1.%20Covering%20report.pdf</p>
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