

## CABINET MEETING – 16 JULY 2014

### EXECUTIVE SUMMARY SHEET – PART I

**Title of Report:**

Proposed Expression of Interest in Priority Schools Building Programme 2 (PSBP2) and progress update on PSBP1

**Author(s):**

Executive Director of People Services

**Purpose of Report:**

- To inform Cabinet of the Government's Priority Schools Building Programme 2 (PSBP2) including the bidding criteria and timescales; and
- To provide and an update on existing PSBP activities and seek approval for an amendment to the proposed build at Shiney Row Primary School

**Description of Decision:**

Cabinet is recommended to approve:

1. That the Council submit an Expression of Interest to the Department for Education (DfE) for inclusion in Priority Schools Building Programme 2 (PSBB2);
2. That delegated authority be given to the Executive Director of People Services in consultation with the Portfolio Holder for Children's Services to determine the shortlist of schools to be submitted; and
3. That additional capital be allocated from the Children's Capital Programme to expand the build at Shiney Row Primary School (PSBP 1) from 1.5 Form Entry (45 places per year group) to 2 Form Entry (60 places per year group).

**Is the decision consistent with the Budget/Policy Framework?**      **\*Yes/**

**If not, Council approval is required to change the Budget/Policy Framework**

**Suggested reason(s) for Decision:**

The PSBP 2 programme requires the Council to submit an expression of interest by 21 July 2014 for all schools that are to be assessed for eligibility. The long list for submission is included

The proposed amendment to works at Shiney Row Primary exceeds £250,000 Cabinet approval of works is therefore required in order to proceed with planning and build process.

**Alternative options to be considered and recommended to be rejected:**

The Council does not submit an expression of interest and continues to support maintained local schools using the Council's Capital Maintenance Allocation (where appropriate).

To rebuild Shiney Row Primary School as a 1.5 Form Entry school and to look to secure additional school places in the local area as the planned housing developments in Philadelphia and Shiney Row impact upon school places.

**Impacts analysed:**

Equality ☐ Privacy ☐ Sustainability ☒ Crime and Disorder ☐

**Is this a "Key Decision" as defined in the Constitution?** Yes

**Is it included in the 28 day Notice of Decisions?** No

**Scrutiny Committee**

**PROPOSED EXPRESSION OF INTEREST IN PRIORITY SCHOOLS  
BUILDING PROGRAMME 2 (PSBP2) AND PROGRESS UPDATE ON  
PSBP1.**

**REPORT OF THE EXECUTIVE DIRECTOR OF PEOPLE SERVICES**

**1. Purpose of the Report**

- 1.1.1 The purpose of this report is to seek approval to submit an Expression of Interest for the 2014 round of the Priority Schools Building Programme (PSBP2) and to seek Cabinet approval for alterations to the baseline design of Shiney Row Primary School to create additional places to meet projected demand. Shiney Row Primary School is to be rebuilt under the initial PSBP1 programme.

**2. Description of the Decision**

- 2.1 Cabinet is asked to approve:

- (i) That the Council submit an Expression of Interest to the Department for Education (DfE) for inclusion in Priority Schools Building Programme 2 (PSBB2);
- (ii) That delegated authority be given to the Executive Director of People Services in consultation with the Portfolio Holder for Children's Services to determine the shortlist of schools to be submitted; and
- (iii) That additional capital be allocated from the School's Capital Programme to expand the build at Shiney Row Primary School (PSBP 1) from 1.5 Form Entry (45 places per year group) to 2 Form Entry (60 places per year group).

**3. Background**

- 3.1 On 1 May 2014, the Minister of State for Schools announced that the Government would fund a further phase of the Priority School Building Programme (PSBP) with a value of around £2 billion. The new phase, known as PSBP2, will be a five year programme operating between 2015 and 2021 and will undertake major rebuilding and refurbishment projects in schools that are in the worst condition.
- 3.2 Funding can be applied for to meet the needs of an entire school site, or for one or more buildings where those buildings are in very poor condition.

- 3.3 Local Authorities will be able to submit expressions of interest for any maintained schools in their area which they assess will meet the criteria for inclusion, as well as any academy that wishes to be included in the Local Authority's submission. Alternatively Dioceses and other partners within the voluntary aided sector may submit their own expressions of interest for individual voluntary aided schools. Individual academies may also apply on their own behalf.
- 3.4 The DfE will set a high bar for inclusion in PSBP2 and will only take forward schools in the worst condition where that condition necessitates a complete rebuild or major refurbishment. This includes
- Schools where the cost of addressing the need would be hardest for responsible bodies to fund locally through their regular maintenance allocations
  - Where costs of continuing to maintain the site or building are so high that it makes economic sense to address the need wholesale
  - Projects where the school or academies in question are in areas with sustained demand for school places.
  - Projects relating to the suitability of buildings will not be considered under PSBP2
- 3.5 It is unlikely that schools that have been subject to recent significant capital repair will be considered. This is identified as any individual building which has had cumulative capital investment of in excess of £500,000 since 2011.
- 3.6 Expressions of interest are to be submitted by 21 July 2014 with successful applicants to be informed December 2014. The Education Funding Agency (EFA) will manage the procurement and project management of all projects. Unlike PSBP Phase 1, which included options for PFI and Capital Grant, all projects will be funded through Capital Grant.

#### **4. Current Position**

- 4.1.1 The Council was successful in bidding for 5 schools to be rebuilt as part of the original PSBP. Of those schools, Usworth Grange Primary School is soon to be completed with handover planned for September 2014. Following the EFA's recent procurement round, an approved bidder has now been appointed to rebuild Hetton School, Hylton Castle Primary School and Shiney Row Primary School. St Anthony's RC Girl's School is currently under construction.

- 4.1.2 During the expression of interest process for phase 1 of PSBP, the Council conducted a series of condition surveys. The findings of the surveys influenced the choice of schools to be included in the Phase 1 submission. The Council is revisiting previous condition surveys in order to establish a long list of potential maintained schools to include in its submission.
- 4.1.3 The Council is also working with the Roman Catholic (RC) and Church of England (C of E) Dioceses to identify any Voluntary Aided schools that meet the criteria for PSBP 2 with a view to either supporting their bid or submitting a bid that covers both Local Authority Maintained and VA maintained schools.
- 4.1.4 Schools previously identified as potentially suitable for PSBP include John F Kennedy (JFK). Primary School, Thorney Close Primary School, South Hylton Primary School, Fulwell Junior School, New Silksworth Infant School and Mill Hill Primary School. J.F.K Primary School currently is the most consistent with the PSBP2 criteria for a rebuild. Springwell Village Primary School has also been identified as a potentially suitable school.
- 4.1.5 Initial discussions with the RC Diocese have focused on St Joseph's RC Primary School (Washington) and St Patrick's RC Primary School.
- 4.1.6 The Council is seeking Cabinet approval to submit an expression of interest for any school/s on the above long list as well as any further school/s identified through work with the Dioceses. As outlined at 2.1 (ii) of the report, delegated authority for the final submission on 21<sup>st</sup> July will be given to the Executive Director of People Services and the Cabinet Member for Children's Services, following further detailed assessment.
- 4.1.7 Due to the increase in the local birthrate and local housing developments there may, in some cases, be a good case for increasing the size of the school at the same time as addressing condition through PSBP 2. The Council is currently identifying future need for places in areas served by potential PSBP 2 schools. This is particularly appropriate in the Washington area. It is proposed that, should an expression of interest be submitted, proposed expansion to meet local need is identified within any bid. The additional cost of expansion would be met through Df E Basic Need funding and/ or Section 106 Contributions where appropriate.

## **4.2 Shiney Row Primary School**

- 4.2.1 Shiney Row Primary School is to be rebuilt as part of PSBP Phase 1. The original school was previously 2 Form Entry (60 places per year group and 420 places overall) but due to falling birth rates in the local area, the capacity of the school has been reduced over time to 1.5 form entry (45 places per year group and 315 places overall). Local data produced at the time of the PSBP Phase 1 indicated that a 1.5 form entry school would be sufficient to meet local need.
- 4.2.2 The changes to the local demography since the submission of the PSBP 1 bid have placed pressure on school places in the area served by Shiney Row Primary School . The Council, working with the RC Diocese, has sought to ease the pressure on school places, particularly within the catholic sector, through the planned extension of Our Lady Queen of Peace RC Primary School. This proposal was approved by Cabinet on 18 June 2014.
- 4.2.3 Current projections indicate that the pressure on places in the Houghton/ Shiney Row area of the Coalfields will be sustained in future years. It is currently anticipated that the new school at Shiney Row will be completed during 2016. Birthrate data for the period 2016 – 2018 demonstrate a manageable deficit in school places in the Shiney Row area for this period (with between 5 and 8 places required each year) however, that is compounded by a greater identified need in the Houghton Area where the deficit of places is projected to be between 5 and 17 places.
- 4.2.4 Further demand is anticipated in the area directly served by Shiney Row Primary School through planned developments at Philadelphia (500 planned residential dwellings) and Shiney Row (110 planned residential dwellings). It is anticipated that the two named developments would yield between 80 and 183 primary aged children seeking a school place in the local area. The Council is negotiating Section 106 contributions for both developments (£784,674 and £178,335 respectively).
- 4.2.5 The Council has approached the EFA to discuss the potential to develop Shiney Row Primary School as a 2 Form Entry school as opposed to a 1.5 Form Entry School.. The appointed bidder has confirmed that this can be achieved within the proposed build timescales. However EFA will not fund additional places and therefore the Council would be responsible for funding the expansion in capacity. The cost is estimated at £700,000 based on recent expansion projects. If agreed the EFA have confirmed that they would meet any lifecycle costs within the extension as part of the PSBP programme for the period of the schools PFI contract (25 years).

- 4.2.6 Given that the current facilities at Shiney Row Primary School can accommodate 420 pupils, there is no requirement to carry out a full statutory consultation process in order to establish a PAN of 60 at the school.
- 4.2.7 The EFA plan to submit planning applications for all schools in the programme during August 2014. They have requested guidance by this point from the Council as to whether the planning application for Shiney Row Primary School is to be 1.5 or 2 Form Entry..

## **5. Financial Implications**

- 5.1 PSB2 will be funded through EFA capital grant and so if the Council is successful in the expression of interest there will be no direct costs to the Council. However Cabinet at a later date may wish to consider whether the School's Capital Programme should provide some capital allowances for 'setting up' as it has for PSPB1.
- 5.2 The cost of expanding Shiney Row Primary School to create a 2 form entry primary school is £700,000 approximately. This cost will met from the DfE Basic Need allocation which forms part of the schools' capital programme. This may be offset at a later date by Section 106 payments in relation to proposed new housing development in the vicinity of the school.

## **5. Reason for the Decision**

- 5.1 To approve the inclusion of local schools in the DfE PSBP2 school rebuild programme
- 5.2 As the proposed work at Shiney Row Primary School exceeds £250,000 Cabinet approval of works is therefore required in order to proceed with planning and build process

## **6. Alternative Options**

- 6.1 The Council does not submit an expression of interest and continues to support maintained local schools using the Council's Capital Maintenance Allocation (where appropriate).
- 6.2 To rebuild Shiney Row Primary School as a 1.5 Form Entry school and to look to secure additional school places in the local area as the planned housing developments in Philadelphia and Shiney Row mature.

## **7. Sustainability**

- 7.1 The recommendations outlined above will contribute to the local authority strategy to ensure that there is sufficient high quality educational provision across all areas and school sectors of the city where excess demand is projected.

## **8. Legal Implications**

- 8.1 The above proposals do not require further statutory consultation at this stage.

## **9. Relevant Consultation**

- 9.1 Each school will be consulted before their participation in the PSBP programme is confirmed.