

**TELFORD & WREKIN COUNCIL**

**CABINET – 13 JULY 2017**

**FINALISATION AND CLOSURE OF THE BUILDING SCHOOLS FOR THE FUTURE PROGRAMME**

**REPORT OF ASSISTANT DIRECTOR FOR EDUCATION & CORPORATE PARENTING**

**LEAD CABINET MEMBER – CLLR PAUL WATLING**

## **PART A) – SUMMARY REPORT**

### **1. SUMMARY OF MAIN PROPOSALS**

This report is intended to update Cabinet of the successful and much enhanced deliverables resulting from the Building Schools for the Future programme including a comparison to the original Outline Business Case (OBC) proposals from December 2008.

We would also like Cabinet to formally acknowledge closure of the programme by reporting the closing financial position and agreement that any tasks outstanding as at 31<sup>st</sup> August 2017 should be allocated to the most appropriate service delivery area for continued management and completion.

### **2. RECOMMENDATIONS**

**For Cabinet to:**

- 2.1 Note the achievements of the BSF Programme against the original Outline Business Case dated December 2008**
- 2.2 Agree formal closure of the BSF Programme from 1<sup>st</sup> September 2017**
- 2.3 Approve the additional borrowing requirement**
- 2.4 Agree that outstanding tasks be allocated to the most appropriate Service Delivery Area**

### 3. SUMMARY IMPACT ASSESSMENT

<b>COMMUNITY IMPACT</b>	Do these proposals contribute to specific Co-Operative Council priority objective(s)?	
	Yes	<ul style="list-style-type: none"> <li>• Put our Children and Young People first</li> <li>• Improve local people's prospects through education and skills training</li> </ul>
	Will the proposals impact on specific groups of people?	
	Yes	Children, young people, parents and the wider community served by each learning community.
<b>TARGET COMPLETION/DELIVERY DATE</b>	<i>31<sup>st</sup> August 2017 for formal BSF closure and handover of any remaining issues to other Service Delivery areas.</i>	
<b>FINANCIAL/VALUE FOR MONEY IMPACT</b>	Yes	<p><i>The total funding allocated to the BSF Programme was £200.9m against anticipated expenditure of £201.1m. The £0.2m affordability gap will need to be funded from additional borrowing. The revenue impact of the borrowing would be £8,000 per annum.</i></p> <p><i>The shortfall represents 0.1% of the allocated funding despite significant additional costs arising from asbestos removal and the £43m reduction in funding implemented by the Government in 2010/11.</i></p> <p><i>A more detailed comment is included at Section 5.1</i></p> <p><i>ER 14/06/2017</i></p>
<b>LEGAL ISSUES</b>	Yes	<i>Refer to Section 5 and Appendix 2</i>
<b>OTHER IMPACTS, RISKS &amp; OPPORTUNITIES</b>	Yes	<i>Details provided in Section 5</i>
<b>IMPACT ON SPECIFIC WARDS</b>	Yes	<i>All wards - New and refurbished schools have been delivered borough-wide affecting the majority of wards.</i>

## **PART B) – ADDITIONAL INFORMATION**

### **4. INFORMATION**

- 4.1 The £200m Building Schools for the Future programme is the largest delivered by Telford & Wrekin and has provided borough-wide new and improved school and community facilities. The aspiration was for BSF was to act as a catalyst for physical and social regeneration across Telford & Wrekin through the creation of a network of high quality learning communities. It has delivered just that by being a major contributory factor to the regeneration of Dawley with the new build Telford Langley School with its iconic sporting facilities located off the main High Street, the enabling of significant commercial development in Madeley on the former Madeley Court school and sports site and providing a site for Nu Place in Madeley on the former Woodlands Primary School site.
- 4.2 As part of the DfE requirement for a Strategic Review of the BSF programme in 2010 to ensure value for money was being achieved through BSF, many Council's lost the entirety of their BSF grant funding. However, the approach taken by Telford & Wrekin proposed a review of the programme and an associated saving of £43m which was achieved by considering the key DfE criteria of pupil places, existing building condition and local priorities. Local priorities were defined as Value for Money, Raising Attainment and creating a network of Sport & Learning Communities. By utilising far more than BSF grant funding and combining that with capital receipts, other grant funding, (e.g. Lottery funding, Sport England grants), funding from National Governing bodies of Sport and other Council, health and partner funding enabled the Council to deliver an enhanced programme with the principle of sport and learning communities offering far more than educational buildings and providing a range of facilities and services for children, young people, parents and the wider community. The incorporation of Community Use Agreements across all new BSF sites further ensured a fully inclusive approach has been adopted and the wider community can enjoy great facilities throughout the borough.
- 4.3 As we now reach the conclusion of the BSF delivery programme, we are delighted to report that we have delivered far more than anticipated in the original OBC despite the significant reduction in funding. At the end of the programme we have achieved the successful delivery of 8 new-build schools and 6 remodel/refurbishment schemes. This demonstrates an additional 4 new-build schools to the original Outline Business Case proposals and in addition, Lawley Village Primary Academy was a further new build primary school constructed by Wates and delivered through the BSF framework Future Schools Agreement.
- 4.4 The BSF programme has resulted in outstanding school and community sports and leisure facilities delivering against the key recommendations of the Council's Leisure Facilities Framework and Playing Pitch Strategy. The 'Iconic' sports facilities at Langley include both regional and national standard provision and Dawley has now hosted a number of national sporting events including both hockey and BMX. Usage at the Langley site is double that of the old Phoenix Sports Centre.
- 4.5 Community Use Agreements are in place or are being finalised in respect of the new build school sites, ensuring that the facilities are available and accessible by local

clubs and groups. These facilities along with those directly managed by the Council's Leisure Services will make a significant contribution toward the Council's Health & Wellbeing agenda.

- 4.6 Furthermore, of the £201m programme value, nearly a quarter of this totalling £44.6m was contributed through Council and other external investment to help make the sport and learning community vision a reality. The additional funding was able to be spent on major elements of work that grant funding would not cover and enabled the BSF programme to offer so much additionality through a range of sport, health and community facilities.
- 4.7 **Outstanding Tasks** - As the school builds are now complete and we are nearing conclusion of the programme, there are some outstanding tasks directly related to the completions of all contract documentation required to ensure schools reach defects completion, land transfers can be completed, third party agreements can be formalised and the Design & Build contracts can be novated to the relevant schools/Sponsors. We have an ongoing programme of outstanding tasks against each school which is changing weekly as they are being progressed and completed. The vast majority are targeted for completion before the 31<sup>st</sup> August 2017 when it is proposed to disband the remaining members of the BSF Project Team. There will be a small number of tasks that cannot be completed before April 2018 such as the Grange Park Primary defects liability period expiry date. However, the necessary documentation will be prepared in advance in order to ensure that the completion of these longer term completions will be straight forward.
- 4.8 **BSF Brochure.** To feed into the Council's forthcoming 50<sup>th</sup> Birthday celebrations, we propose that the significant achievements of the Building Schools for the Future programme are documented within a colour handout/brochure to be created in conjunction with the Graphic Design department and ready for issue at the end of the programme when all schemes have novated to the relevant school sponsor. An initial draft of this is included at Appendix 2.

A summary of deliverables at each BSF site follows below with before and after images. An additional tabular view version is included at Appendix 1.

## **BUILDING SCHOOLS FOR THE FUTURE SUMMARY OF FACILITIES AVAILABLE AT ALL NEW-BUILD SITES**

### **Abraham Darby Campus, Madeley:**

- The delivered scheme remains unchanged from the original OBC
- The 1100 place Abraham Darby Academy is sponsored by the Haberdashers' Federation
- The 420 place Woodlands Primary is a community school.
- The site includes CCG/Health rooms
- Sports & Leisure Facilities including Abraham Darby Sports & Leisure Centre
  - Swimming pool
  - Aspirations Gym
  - Dance Studio
  - Sports Hall
  - Grass Pitches
- A Campus Management Agreement is currently being finalised with the school sponsor

### **Before**



### **After**



## Telford Langley School, Dawley (formerly the Phoenix School)

- Originally a remodel scheme in the OBC but moved to a new brownfield site at the bottom of Dawley high street to become a new-build facility.
- The school is sponsored by the Community Academies Trust (CAT)
- 900 place secondary school
- 650 sq mtrs CCG/health suite
- Sports & Leisure Facilities including Phoenix Sports Centre
  - Aspirations Gym
  - 8 court sports hall
  - Dance studio
  - 3G pitch
  - Grass pitches
  - BMX Track
- Lottery Funding Agreement
- Community Use Agreement being finalised

**Before**



**After**



## Ercall Wood Technology College, Wellington

- Originally proposed as a remodel scheme in the OBC but changed to a new-build school on an adjacent site funded by the sale of the former playing fields to a housing developer.
- 900 place secondary school
- CCG/health rooms
- Community Use Agreement in place

### Before



### After



## Telford Park School and Grange Park Primary School, Stirchley

- The schools are sponsored by the Community Academies Trust (CAT)
- No change in proposals from the original OBC
- 600 place secondary school
- 420 place primary school
- CCG/health rooms
- Sports & Leisure Facilities including
  - Aspirations Gym
  - Sports Hall
  - Studio
  - Grass pitches
- Community Use Agreement in place

### Before



### After



## The Telford Priory School (on the site of the Oakengates Leisure Centre)

- The school is sponsored by the Community Academies Trust (CAT)
- The OBC proposal was for a rebuild school for both Sutherland and Wrockwardine Wood. The schools were merged into one larger rebuild on a new site adjacent to Oakengates Leisure Centre.
- 1200 place secondary school
- Sports & Leisure Facilities including Oakengates Leisure Centre, Telford Athletics
  - Aspirations gym
  - Swimming pool
  - Tennis Centre
  - Meeting / community rooms
  - 3G pitch
- CCG/health rooms
- Joint Use Agreement in place

**Before (Sutherland School)**



**Before (Wrockwardine Wood)**



**After (Telford Priory School)**



## Holy Trinity Academy, Priorslee

- The school is run by the Shrewsbury Roman Catholic Diocese
- Original OBC proposal was for the former Blessed Robert Johnson Catholic College to be remodelled. This was changed to a new-build Multi-faith academy to be based on a brand new site in Priorslee.
- 900 place secondary school
- Community Use Agreement (being finalised) to cover the use of
  - Sports Pitches
  - Sports Hall
  - Changing rooms

**Before**



**After**



## Charlton School, Wellington

- The school will be imminently transferring to the Learning Community MAT as of 1<sup>st</sup> Sept 2017
- The original OBC proposal was for the old Charlton school to undergo a remodel on its existing site. It was relocated to the old BRJ site as a new-build school when revised plans dictated that this site was becoming available.
- 1200 place secondary school
- Community Use Agreement (in final form but awaiting completion) covering the use of Sports Pitches, sports hall and changing rooms
- Sports Hall on the old Charlton site has been retained and leased to Park Wrekin Gymnastics

### Before



### After



## Lawley Village Primary Academy

- The school is sponsored by REAch2
- This school did not form part of the original OBC as this was procured through the BSF Future Schools Agreement. It is a new primary school to serve the growing community in Lawley and surrounding areas.
- 210 place primary school (with expansion for up to 420 place)
- Community Use Agreement (being finalised) to include sports pitches, MUGA and Meeting/community rooms

### After



**BUILDING SCHOOLS FOR THE FUTURE  
SUMMARY OF THE REFURBISHED/REMODELLED SITES**

<b>School Name</b>	<b>OBC Proposal</b>	<b>Actual Delivered</b>
Mount Gilbert School, Dawley	Remodelled scheme	No change to the OBC. Works to modernise areas of the school and provide a new skills centre have been completed
Southall School, Dawley	Remodelled scheme	No change to the OBC. Works to modernise areas of the school and provide a new sports hall have been completed.
Adams' Grammar School, Newport	Remodelled scheme	No change to the OBC. Works to modernise areas of the school and provide new class bases have been completed
Burton Borough School, Newport	Remodelled scheme	No change to the OBC. Works to modernise areas of the school and provide new class bases have been completed
Newport Girls' High School, Newport	Remodelled scheme	No change to the OBC. Remodelling works and a new school hall have been completed
Madeley Academy, Madeley	Building Extension	No change to the OBC. A new Post-16 facility and Vocational Training Centre have been completed

## 5. IMPACT ASSESSMENT – ADDITIONAL INFORMATION

### 5.1 FINANCIAL/VALUE FOR MONEY IMPACT

#### Schools Programme

The overall Affordability of the BSF Programme is set out in Table 1 below. There are a number of risks arising which are detailed in Section 5.2.

Table 1 – Overall Affordability

	£m	£m
<b>Total Funding allocated</b>		
Government Grant	(156.3)	
Council Investment	(38.0)	
External	(6.6)	
<b>Total</b>		<b>(200.9)</b>
<b>Expenditure</b>		
Construction (See appendix 1, includes Grange Park Primary and Oakengates Leisure Centre)	163.1	
Site Acquisitions (including SDLT on land swaps)	7.2	
Site Preparation / Infrastructure	7.7	
ICT	13.5	
Project Support	9.6	
<b>Total</b>		<b>201.1</b>
<b>Affordability Shortfall / (surplus)</b>		<b>0.2</b>

The Affordability shortfall of £0.2m, which has arisen due for unexpectedly high demolition costs associated with Telford Park School, will have to be funded by additional borrowing which will need to be incorporated into the Capital Programme. The revenue impact of the additional borrowing is £8,000 per annum, for 60 years.

#### Outstanding BSF Tasks

The costs associated with rectifying outstanding defects works will be funded from the money retained by the Council against each of the individual school contracts. Table 2 below summarises the retentions.

Table 2 - Retentions

Contract	£000's
Abraham Darby	20
Telford Park School / Grange Park Primary	83
Charlton School	230
Lawley Village Primary School	61

Within the £9.6m Project Support expenditure identified in Table 1 above, £0.4m has been included for future expenditure associated with completing all outstanding tasks such as finalising all legal and property documents and land transactions. Many of these tasks will require support from external consultants as well as internal services.

## **5.2 OPPORTUNITIES AND RISKS**

A number of risks associated with the BSF Programme remain:

- 5.2.1 The BSF Programme funding relies upon £12.1m of capital receipts which are yet to be realised. Should a shortfall in the receipt arise or the receipt needs to be re-phased this will be managed through the corporate capital programme. Any shortfall may require additional borrowing with additional borrowing costs.
- 5.2.2. £0.3m was retained against the acquisition of land at Priorslee. This sum represents a package of works carried out by our contractor that needs to be agreed by the seller. There is a risk that the seller may not agree with the Council's valuation and could dispute some of this valuation.
- 5.2.3 Many of the outstanding tasks identified in completing the programme will need to be completed by external consultants, especially Legal consultants. This work will need to be managed effectively to ensure that the £0.4m funding identified above is sufficient.
- 5.2.4 The CCG have raised concerns regarding the acoustic performance of the CAMHS office space at Telford Langley School. Information from our contractor concludes that the acoustic performance meets the required standards. Any dispute over this issue could possibly lead to the CCG attempting to recoup their initial funding or additional costs being incurred to rectify their concerns if they are confirmed.
- 5.2.5 As there have been a number of changes in circumstances, both parties to the Development Agreements may be in technical breach and therefore there is a theoretical risk of claims although we are not aware of any threat of claims against the Council in this regard.
- 5.2.6 The transfers of the school site at the old Charlton site to the Council for onward sale cannot be completed until the title issues at BRJ are resolved. The delays with BRJ are caused by risks which are not within the Council's control. As such there is a delay to the transfers. This means there is a risk that the capital receipt realisation will be delayed and may generate overall lower receipts than anticipated at £5.0m.
- 5.2.7 On some schools the defects liability period has been insufficient to resolve defects and delays in completion of transfers and/or leases have resulted. This could further delay the transfer of the Charlton site referred to in 5.2.6 above.
- 5.2.8 Whilst some schemes remain in defects liability, the Council retain responsibility for management of the D&B contracts and procuring rectification of any defects under the various development agreements in the interim.

5.2.9 There are various issues outstanding on the remaining documents required for Telford Langley, some of which have financial and long term risk implications. Final agreement of these could delay completion by 30<sup>th</sup> June 2017.

## 6. **BACKGROUND PAPERS**

- Cabinet 20<sup>th</sup> February 2006 – Transforming Education, A Strategy for Community Regeneration CB-166 refers
- Cabinet 12<sup>th</sup> March 2007 – Planning of School Places. Minute CB-151 refers.
- Cabinet 24<sup>th</sup> November 2008 - Planning of School Places: Campus Telford & Wrekin. Minute CB-94 refers.
- Cabinet 6<sup>th</sup> April 2009 - Campus Telford & Wrekin: Additional Post-16 Provision, Trust School Status, BSF Procurement Approval. Minute CB-182 refers.
- Cabinet 15<sup>th</sup> September 2009 – Planning of School Places: Campus Telford & Wrekin – Part 2. Minute CB-60 refers.
- Cabinet 23<sup>rd</sup> March 2010 – Borough Towns Initiative Sports & Learning Community – Final Business Case and Award of Contracts relating to BSF and Abraham Darby Sports & Learning Community. Minute CB-181 refers.
- Cabinet 11<sup>th</sup> January 2011 – School Organisation – Borough Towns Initiative – Sports and Learning Community Update. Minute CB-109 refers.
- Cabinet 22<sup>nd</sup> September 2011 – Planning of School Places – Secondary School Provision. Minute CB-45 refers.
- Cabinet 26<sup>th</sup> January 2012 – Ercall Wood Land Acquisition and Disposal. Minute CB-92 refers.
- Cabinet 29<sup>th</sup> March 2012 – Building Schools for the Future – Contractors Framework Procurement Approval. Minute CB-123 refers.
- Cabinet 8<sup>th</sup> November 2012 – Building Schools for the Future – Approval to submit the Final Business Case for Ercall Wood and Priorslee Land Acquisition. Minute CB-63
- Cabinet 30<sup>th</sup> May 2013 – Building Schools for the Future – Approval to submit the Final Business Case for Southall School and entry into an Early Works Agreement. Minute CB-10.
- Cabinet 25<sup>th</sup> September 2013 – Building Schools for the Future – Approval to enter into an Early Works Agreement at Telford Co-Operative Academy. Minute CB-35
- Cabinet 12<sup>th</sup> December 2013 – Building Schools for the Future – Approval to submit Six Final Business Cases (FBC) and enter into Contract for the remaining schools within the Accelerated BSF Programme. Minute CB-72.
- Cabinet 18<sup>th</sup> September 2014 – Approval to Award the Design & Build Contract for the new Lawley Village Primary School, Lawley. Minute CB-38 refers.

**Report prepared by Paula Meyrick, BSF Programme Co-Ordinator, Telephone: 01952 380991**

## Appendix 1 - Schools Programme

### Building Schools for the Future Programme

School Name	Design & Build Contract Signed	School Opened/ Remodel complete	Original OBC proposal (Dec 2008)	Final Position (Change from OBC Proposals)	Comments
Abraham Darby Academy	Apr 2010	Sept 2012	New-build school on existing site	No Change	Deliverables include the construction of new Leisure Centre, CCG consulting rooms and Multi-Agency office space and meeting rooms
Woodlands Primary School	Apr 2010	Dec 2012	New build on new site adjacent Abraham Darby Academy and Leisure Centre	No Change	
Madeley Academy	Feb 2011	Mar 2012	Post-16 New Build extension	No Change	
Mount Gilbert School	Dec 2011	Aug 2012	Remodel to existing school	No Change	
Newport Girls High School	Dec 2011	Oct 2012	Remodel to existing school	No Change	
Telford Langley School (formerly Phoenix school)	Dec 2011	Sept 2013	Remodel to existing school	New-build Academy on a new site at the bottom of Dawley High Street.	Deliverables include additional enhanced sports and leisure facilities funded through Sport England and CCG office space and consulting rooms
Ercall Wood Technology College	Feb 2013	Sept 2014	Remodel to existing school	New-build school on the existing site	
Southall School	July 2013	Mar 2014	Remodel to existing school	No Change	
Adams' Grammar School	Jan 2014	Oct 2014	Remodel to existing school	No Change	
Burton Borough School	Feb 2014	May 2015	Remodel to existing school	No Change	
Telford Park School (formerly Lakeside Academy/Lord Silken) and Grange Park Primary School	Jan 2014	Sept 2015	New-build school	No Change	

Telford Priory School (formerly Telford Co-Operative Academy TCA)	Jan 2014	July 2015	Two new-build schools to replace Sutherland & Wrockwardine Wood	Merge of both schools to a new-build larger capacity school on the same site as the Oakengates Leisure Centre.	Deliverables include the refurbishment works undertaken at Oakengates Leisure Centre
Holy Trinity Academy (formerly Blessed Robert Johnson)	Mar 2014	Sept 2015	Remodel of former BRJ school in Wellington	New-build school on a new site in Priorslee	
Charlton School	Mar 2014	May 2016	Remodel of the existing school	New-build school on the former site of the BRJ school	
<b>Contingency</b>					
Lawley Village Primary Academy	Dec 2014	Dec 2015	Not in original OBC, delivered through the Future Schools Agreement	New-build primary school on a new site in Lawley	