

REPORT TO: Executive Board

DATE: 27 June 2013

REPORTING OFFICER: Strategic Director – Children and Enterprise

PORTFOLIO: Children, Young People and Families

SUBJECT: Priority School Building Programme

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 This report provides a progress report for the Priority School Building Programme.

2.0 RECOMMENDATION: That

- 1) Executive Board note the current position of the Priority School Building Programme in respect of Halebank CE Voluntary Controlled Primary School and the progression of the scheme as part of the Programme;**
- 2) the Strategic Director (Children and Enterprise) in consultation with the appropriate portfolio holder, enter into the Memorandum of Understanding agreement, all documentation is to be to the satisfaction of the Operational Director (Legal and Democratic Services); and**
- 3) the Strategic Director (Children and Enterprise) in consultation with the appropriate portfolio holder, finalise the Landowner Agreement, all documentation to be to the satisfaction of the Operational Director (Legal and Democratic Services).**

3.0 SUPPORTING INFORMATION

3.1 In July 2011 the Department for Education (DfE) announced it was commencing the Priority School Building Programme - a privately financed programme to address those schools in the worst building condition.

3.2 To be considered for inclusion in the programme, local authorities and maintained schools must accept being part of a long term (approximately twenty seven years) private finance arrangement where the building maintenance (apart from catering and security) will be provided by a third party. The contract will be procured by a central body (The Education Funding Agency) and for procurement purposes each school will be batched together with a number of other schools in the same geographic area. The

procurement will be based on standard designs and schools will be required to make a contribution to the annual revenue payments of the private finance contract.

- 3.3 In May 2012 the DfE announced the names of schools to be taken forward in the Programme. Halebank CE Voluntary Controlled Primary School was included in the list and has since been included in a North West group of nine local authorities (Manchester, Wigan, Cheshire West and Chester for example) covering fourteen schools which will be taken forward as a single development package.
- 3.4 A report to Executive Board (13 December 2012) outlined the Priority School Building Programme and it agreed to the sharing of asset management data with the DfE in order to determine if there is a deliverable and affordable solution to rebuilding the Halebank CE Voluntary Controlled Primary School on the existing site.

Memorandum of Understanding.

- 3.5 The timescales for the Priority School Building Programme require the DfE to submit an Outline Business Case to the Treasury over the summer. Each local authority is required to enter into a Memorandum of Understanding, prior to the submission of the Outline Business Case, which authorises the Secretary of State to manage the school's progression through the procurement of the project.

The Memorandum of Understanding aims to establish the parties' respective obligations and commitments to each other during the procurement phase and during the term of the Project Agreement. The Project Agreement will form the contract to build and maintain the new school. The Council, the Diocese of Liverpool and the School are required to sign the Memorandum of Understanding.

Landowner Agreement.

- 3.6 The Council as land owner of the playing field site will need to grant rights of access to the Secretary of State and the appointed contractor for the period of the Project Agreement to construct the new school on land in the ownership of the Council. The form of the agreement has not yet been finalised by the Secretary of State. The Council and the Diocese will need to enter into the Landowner Agreement.
- 3.7 Following the submission of the Outline Business Case the DfE will then enter into a procurement period later this year when developers will be invited to bid for the north-west package of fourteen schools. The Secretary of State will select a preferred bidder to deliver all fourteen schools. It is anticipated that construction of the first school from the north-west package will commence on site early 2015.

Land Swap

- 3.8 The playing field at Halebank CE Voluntary Controlled Primary School is owned by Halton Borough Council and the land of the school building is owned by the Diocese of Liverpool. Early indications from the DfE are that a new school can be built on the current site of the school playing fields and the existing school building would be demolished and the land re-designated as playing field. The land comprising the new playing fields will be transferred to the ownership of the Council and the site of the new building will be transferred to the Diocese. In order to facilitate this exchange of land a “land swap” will be required on completion of the new build. Approval is required for Halton to enter into negotiations for and agree the “land swap” with the Diocese. There is no financial consideration for this transaction.
- 3.9 The School and the Diocese of Liverpool are fully supportive of the proposal to re-build the school as the new build will address a number of suitability and modernisation issues with the existing school accommodation that the Authority does not have the funding to address.
- 3.10 The school will be required to make a contribution to the annual revenue payments of the private finance contract during the operational phase of the project for the provision of hard facilities management. The DfE has indicated this will be in the region of £12,000 per annum – the exact figure will be determined following the appointment of the preferred bidder for the project.
- 3.11 A voluntary pre-school group operates from one of the mobile classrooms currently on the site providing free early years entitlement for 2, 3 and 4 year olds. The demand for free entitlement places for 2 year olds will increase from the current level of 160 to over 800 in September 2014 as part of the DfE’s programme for 2 year olds from low income families. The local authority has a statutory duty to provide these places.

The setting is an important part of Halton’s early years provision and there is no other alternative provision in the Halebank community. Discussions have been held with the DfE on the need to retain the pre-school on the school site as part of the development. The current “control option” for the development is to retain the pre-school in it’s existing location in the double mobile classroom. There will be financial implications for the LA associated with this control option as it will be necessary to retain gas, electric and water services to the mobile which otherwise would be disconnected when the existing school is demolished.

4.0 POLICY IMPLICATIONS

- 4.1 The Priority School Building Programme will allow the Council to continue to meet its requirement to enhance the learning environment through capital projects.

5.0 OTHER IMPLICATIONS

5.1 The Priority School Building Programme will contribute to Halton's Carbon Management Programme by producing more energy efficient buildings.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People in Halton. The Priority School Building Programme will address condition and suitability issues within school buildings and will improve the learning environment for children and young people.

7.0 RISK ANALYSIS

- 7.1
- a) The contract for the provision of hard facilities management in the new school is to be signed by the Secretary of State and not the local authority. If there is a case of school pupil numbers falling and the school being unable to meet their annual contribution to revenue payments there would be no risk to the local authority.
 - b) Options to ensure the retention of the pre-school setting on the site have been considered and the current control option is to retain the pre-school in the existing double mobile classroom.
 - c) If funding for the Programme is withdrawn the project to provide the new school building will not proceed as the Council does not have other capital resources to fund.

8.0 EQUALITY AND DIVERSITY ISSUES

8.1 Consideration to access issues is given in all building projects.

9.0 REASON FOR DECISION

9.1 To enable the re-build of the school to progress as part of the DfE's Priority School Building Programme.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10.1 The Authority does not have other capital funding to enable the re-build of the school.

11.0 IMPLEMENTATION DATE

11.1 It is estimated building works are likely to commence in 2015.

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Priority School Building Programme Announcements – DfE 19/07/2011 & 24/05/2012	Children & Enterprise	Phil Dove