

TITLE	New Secondary School in the South of Wokingham
FOR CONSIDERATION BY	The Executive on 28 May 2015
WARD	None specific
DIRECTOR	Judith Ramsden , Director of Children’s Services Heather Thwaites, Director of Environment
LEAD MEMBER	Charlotte Haitham Taylor, Executive Member for Children’s Services John Kaiser, Executive Member for Planning and Highways Anthony Pollock, Executive Member for Economic Development and Finance

<p>OUTCOME / BENEFITS TO THE COMMUNITY</p> <p>To ensure that there are sufficient school places to discharge the Councils duties under the Education Act 1996.</p>

<p>RECOMMENDATION</p> <p>That Executive:</p> <ol style="list-style-type: none"> 1) approves additional funding of £6.9m; 2) approves the provision of a contingency of £3.36m; 3) notes the progress made by the project; 4) notes the risks to the opening of the school and the contingency plans put in place; 5) delegates authority to the Director Finance and Resources to forward fund the project through short term borrowing of £7.5m in 15/16; 6) notes how the shortfall and contingency will be funded, as set out in paragraph 2.7 of the report.

<p>SUMMARY OF REPORT</p> <ol style="list-style-type: none"> 1. In July 2014, funding and delegated authority was approved for the delivery of a new 1200 place secondary school on the Arborfield Garrison site. A stretching timetable was also set to open the school in September 2016. This remains on track. 2. A series of key activities have been successfully concluded: <ul style="list-style-type: none"> • Planning approval • S106 agreement for AGLC
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- The appointment of a construction contractor
- Recommendation of a Provider

and financial forecasts have been updated accordingly.

3. The design of the school has been improved and has been developed in full consultation with the community.
4. Additional funding of £6.7m is required. The table above shows how the additional budget will be funded.

1. Background and Progress

1.1. In July 2014, the Executive authorised a budget of £30m and delegated the authority for the delivery of a new secondary school to be situated at the Arborfield garrison site. The school was to be designed to current DfE standards (BB103) and for 1200 places, but being capable of being expanded to 1500 places.

1.2. The target date for opening the school was September 2016 when the school would open for Year 7 students, namely Phase 1, with subsequent phasing to be agreed by the project team.

1.3. The timetable proposed in July has been met and remains on track:

<p>Construction</p> <ul style="list-style-type: none"> • S106 Negotiations • Planning committee • Tender return/opening • Appointment of contractor • On site • Phase 1 – Core facilities and min. 210 places • Phase 2 – 1200 place school 	<ul style="list-style-type: none"> • Completed • 25 Mar'15 • 13th Apr • 1st May'15 • Early Jul'15 • Sep'16 • Sep'17
<p>Provider:</p> <ul style="list-style-type: none"> • Procurement • Applications due • Assessment • Appointment (by SoS) • Admissions planning process commences 	<ul style="list-style-type: none"> • Feb-Apr'15 • 6 Apr'15 • 23-24th Apr • End Jun'15 • Jul'15

1.4. In addition to the design and construction process, work has been undertaken to procure a provider for the new school. An assessment process has now been completed and a recommendation has been sent to the Secretary of State for Education;

1.5. The new secondary school forms a major part of the Arborfield SDL for which the associated S106 agreement was successfully agreed at the end of March 2015. In tandem with these negotiations the acquisition of the land for the new school was also concluded;

1.6. A detailed planning application was submitted on the 14th February and approved on the 25th March.

2. Analysis of Issues

2.1. Design and Construction

The original brief called for a school designed to a standard DfE design, typical features being:

- Flat roofs
- 3 storey
- Limited range of external finishes
- Reduced specifications for internal finishes and systems
- Basic sports facilities (school only levels of usage, limited age range, non-competition specification)

However, the building design process, which included considerable consultation with stakeholders, in particular the local communities and the Parents Reference Group, identified a range of key design improvements which would improve the functionality of the school, enhance the teaching and learning experience and create an impressive building which will be acting as a catalyst for a major residential and economic development, including:

- Break out spaces – to improve teaching options and introduce flexibility
- Pitched roofs to main hall/dining room and entrance/learning resource centre – improved environment for school use and social events – aesthetically pleasing, in keeping with masterplan vision and planning requirement
- Glazed stairwells at ends of wings – improved safeguarding and lighting
- Wider corridors and covered walkway – improves circulation and flow management
- Brick finishes in keeping with the local building tradition
- Higher specification sports facilities eg. full size all weather pitch allowing competitive matches, higher levels of usage for community use

The recommended design for the school was agreed by the Project Board on 15th January 2015.

The phasing of the construction works has been considered by the project team taking into account site logistics, costs of deferring spend and school place projections. The approach agreed was as follows:

- Phase 1 - 180-210 places - Sep'16
- Phase 2 - 1200 places - Sep'17
- Phase 3 - 1500 places - tba

The additional 300 places would be the subject of a separate decision following a review of WBC's need for school places and would require further funding.

Tenders were received on 13th April and following due diligence a contractor has been selected.

2.2. Deliverability

Currently, the target remains that the school will open for Year 7 children in September 2016. However, the timetable was and remains very tight and will be sensitive to long periods of inclement weather and adverse or abnormal site conditions. The pressure on the programme has increased due to an increase in the extent of the building works required in the first year of construction.

However, by way of contingency, access to existing garrison buildings (the library/training centre and garrison gym) has been negotiated as part of the S106 negotiations with AGLC. These facilities could if necessary be augmented by temporary specialist building such as canteens, laboratories. This will allow the school to open on time should there be a delay.

2.3. Infrastructure and Highways

The new school will require significant highways infrastructure to function effectively and to meet the requirements of sustainable travel. However, the early completion of the school means that much of the infrastructure which would be provided by the wider development will not be in place at the time of opening. However, through negotiations with AGLC and coordination with Highways Section, sustainable routes have been identified serving its primary communities of Arborfield and Finchampstead. These will be supported by temporary bus services (funded from education budgets) as determined by the home locations of the September 2016 cohort.

The development of the project, in particular the community engagement has highlighted the need for WBC to ensure that all highways and infrastructure developments associated with the school and the wider SDL are coordinated with the wider WBC strategy.

2.4. Build Costs

Increased costs have been incurred through the enhancement of the design (see above & Annex 1) but also through the identification of abnormal and unplanned items:

- Site investigations
- Flood mitigation
- Ecological measures
- Services and infrastructure
- Contingency for works associated with the wider SDL programme

2.5. Capital funding

The new school was to be funded by a combination of DfE Basic Need, S106 (existing and future) and WBC funding (prudential borrowing and capital receipts). This model remains the case, however, the cash flow model has been updated to reflect the changes in project cost, the changes to S106 receipts forecast, switch from S106 to CIL and new borrowing opportunities.

2.6. Revenue Funding

For schools established under the 'Academy Presumption' model, local authorities

are responsible for the initial revenue funding for the new school ie for each new cohort. Modelling work has been undertaken with the Schools Finance Team to establish an indicative budget and this has been incorporated into the DSG programme.

2.7 Funding of Shortfall and Contingency

To note that shortfall will be funded through a combination of sources available in 2016/17 & 2017/18 (see table below).

	Total
S106 (New allocated since MTFP)	(2,600)
Basic need additional allocation *	(2,692)
Reduction in Public Transport Network bid**	(272)
Reduction in Land Acquisition bid	(2,000)
Total	(6,964)

Plus contingency to be funded by additional basic needs grant £3.36m

Note: * £6.08m of additional basic need was announced after the Medium Term Financial Plan was produced. The £6.08m has not been included in the resources for the 3 year capital plan.

Basic Needs additional £'000	6,088
Allocated to the new secondary school	(2,692)
Provisionally allocated to the contingency for the new secondary school	(3,360)
Unallocated	36k

Note: **£272k reduction based on the assumption that through working with families we create more cost effective solutions.

During the early stages of the programme short term borrowing will be required to cover the cash flow cost of expenditure. Short term borrowing cost will be met by the Interest on Balance Budget and the position will be kept under review.

FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital ?
Current Financial Year (Year 1 -3)	Cumulative of £6.9m	No See para 2.7	Capital

Other financial information relevant to the Recommendation/Decision

In addition to the costs shown above, contingencies to the value of £3.36m have been identified and will be provided for by top slicing the basic need grant funding in 17/18. Many of the contingencies are expected to be dealt with over the next 6 months once work starts on site and the project will make regular reports on progress. Any contingencies not utilised will become available for the general capital programme.

Cross-Council Implications

None

Reasons for considering the report in Part 2

Appendix A only is commercially sensitive

List of Background Papers

Appendix A (Part 2)

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