



Democratic Services

Location: Phase II
Ext: 0693
DDI: 01895 250693
CMD Ref: 779

To: **OUNCILLOR IAN EDWARDS
LEADER OF THE COUNCIL**

**OUNCILLOR SUSAN O'BRIEN
CABINET MEMBER FOR CHILDREN, FAMILIES
AND EDUCATION**

**OUNCILLOR MARTIN GODDARD
CABINET MEMBER FOR FINANCE**

c.c. All Members of the Children, Families and Education Select Committee
c.c. Babatunde Balogun – Children and Young People's Services
c.c. Julie Kelly – Executive Director of Children and Young People's Services
c.c. Dan Kennedy – Corporate Director of Central Services

Date: 21 April 2023

Special Urgency Non-Key Decision request *Form F* Permission to seek an immediate decision & waive scrutiny call-in requested

CAPITAL RELEASE REPORT (April 2023)
DIRECTORATE: Children and Young People's Services
SERVICE AREA / PROGRAMME: School Place Planning - Wood End Park Academy
RELEASE NO: 2

Attached is a special urgency report requesting that a decision be made by you as an individual Cabinet Member. Democratic Services confirm that this is not a key decision, as such the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 notice period does not apply.

Reason for special urgency

The reason for urgency is due to the tight construction time-frame to create the new ASD unit for pupils with SEND at Wood End Park Academy. Later delivery could mean that SEND pupils will not have places available and it would also potentially have an impact on the Safety Valve Agreement with the Department for Education.

A request to waive the scrutiny call-in on this item has also been given to the Chairman of the Children, Families and Education Select Committee.

You can therefore sign this decision from today and your decision will take immediate effect, subject to call-in being waived

Steve Clarke
Democratic Services Officer

Title of Report: School Place Planning – Wood End Park Academy - Release No: 2

Decision made:

Reasons for your decision: (e.g. as stated in report)

Alternatives considered and rejected: (e.g. as stated in report)

Permission to seek to waive any scrutiny call-in: Yes / No (please indicate)

Signed Date

Leader of the Council / Cabinet Member for Finance / Cabinet Member for Children, Families and Education

CAPITAL RELEASE REPORT (April 2023)

DIRECTORATE: Education & SEND

SERVICE AREA / PROGRAMME: School Place Planning – Wood End Park Academy

RELEASE NO: 2

| | |
|---------------------------|--|
| Cabinet Members | Councillor Ian Edwards Councillor Martin Goddard Councillor Susan O'Brien |
| Cabinet Portfolios | Leader of the Council Cabinet Member for Finance Cabinet Member for Children, Families and Education |
| Officer Contact | Babatunde Balogun, Children's Services Directorate |
| Papers with report | Appendix A – Capital Release Request for Approval |

HEADLINES

| | |
|---|--|
| Summary | To seek Cabinet Member approval for the release of capital funds to create a new ASD unit for 24 pupils at Wood End Park Academy. |
| Putting our Residents First Delivering on the Council Strategy 2022-2026 | This report supports our ambition for residents / the Council of: An efficient, well-run, digital-enabled council working with partners to deliver services to improve the lives of all our residents This report supports our commitments to residents of: Safe and Strong Communities |
| Financial Cost | This report seeks approval to increase the allocation for the Wood End SEND project by £474k and the capital release of £1,695k from the SEND Places capital budget for the pre-construction and construction phase of the work to establish a new Autism Spectrum Disorder (ASD) unit at Wood End Park Academy. |
| Relevant Select Committee | Children, Families and Education Select Committee |
| Wards affected | All |

RECOMMENDATION

That the Leader of the Council, in conjunction with the Cabinet Member for Finance and Cabinet Member for Children, Families and Education:

1. Note the cost increase to the Wood End SEND project by £474k from £1,337k to £1,811k; and,
2. Approve the capital release request of £1,695k from the 2023/24 Schools SRP/SEND capital programme budget (Appendix A).

Reasons for the recommendations

The Local Authority's approval of the increased project cost will trigger the appointment of the preferred contractor to carry out building works. Approval of capital release will ensure the continuation of the work to create a new ASD unit for 24 pupils at Wood End Park Academy. This capital release requests the release of funds for the pre-construction and construction phase of the scheme.

Alternative options considered

The Local Authority agreed to provide funding for a scheme to create a 24 place ASD unit at Wood End Park Academy and the delivery of project will be managed by The Park Federation Academy Trust. The project is linked to the DSG Safety Valve Programme.

Democratic compliance / previous authority

This report is deemed urgent in order to provide SEND places required and a tight construction programme to deliver this by the Academy. Late delivery could mean that SEND pupils will not have places available and it would also potentially have an impact on the Safety Valve Agreement with the Department for Education. The Leader/Cabinet Member for Finance have the authority to release the necessary capital funds.

Select Committee comments

None at this stage.

SUPPORTING INFORMATION

Wood End Park Academy is one of the schools included in the DSG Safety Valve Programme; its objective is to increase the number of SEND places within the Borough. The Academy Trust and the Council have agreed to establish a 24 place ASD unit by adapting a standalone block on the school site. The project is fully funded by the local authority and the Academy Trust is responsible for delivering the project. The Academy Trust will incur the expenditure initially and will be reimbursed by the Council in phases as the scheme progresses. Due to the amount of

funds required during the construction phase, the Academy Trust has requested for a 30% contract advance to manage payment to the contractor and avoid delays to the programme.

The new ASD unit was due to open at the start of September 2023 Autumn term but due to delays to the programme the estimated completion date is October 2023. The LA and the Academy Trust have agreed a contingency plan to keep learners in their current settings until the building works is complete. The pre-construction phase of the scheme commenced in September 2022 and concluded in March 2023 with the selection of a preferred contractor.

The outcome of the tendering process resulted in an increased project cost of £1,810,738.80.

The 2022/23 budget for the project was £1,337k, additional funding of £473,738.80 is required to meet the needs of the project. The increase in project cost is due to market conditions and inflation. The Academy Trust requires the LA's approval of the increased project cost before confirming the appointment of the preferred contractor.

| Item | Previous Cost Estimate (£) | Previously Released (£) | Latest Cost Estimate (£) | Seeking Release (£) | Total Release (£) |
|---------------------------------|----------------------------|-------------------------|--------------------------|---------------------|-------------------|
| Fees & Surveys | 126,427 | 51,066 | 132,517 | 81,451 | 132,517 |
| Furniture, Fixtures & Equipment | 47,500 | 0 | 60,000 | 60,000 | 60,000 |
| Construction & enabling works | 1,011,420 | 65,000 | 1,472,702 | 1,407,702 | 1,472,702 |
| Contingency | 151,713 | 0 | 145,520 | 145,520 | 145,520 |
| Total | 1,337,060 | 116,066 | 1,810,739 | 1,694,673 | 1,810,739 |

A capital release request of £116,066 was previously approved in January 2023 for stage 4 fees and enabling works. This capital release is for the pre-construction (stage 1 -3) and construction phase of the project.

Financial Implications

SEND/SRP Places Programme Budget £25,331k including prior years; Previously Released/Pending Release £13,737k; Capital Release Requested £1,695k – Appendix A

Total confirmed Special Provision Capital Fund/High Needs Provision capital grants from the Department for Education from 2018/19-2023/24 amount to £25,331k of which £3,132k has been spent in prior years on various schemes, with a remaining revised budget of £22,199k from 2022/23 onwards.

Previously £116k was released in 2022/23 from the Special Educational Needs budget for fees to undertake design and enabling works to establish a new Autism Spectrum Disorder (ASD) unit at Wood End Park Academy. This release request of £1,695k, consisting of tendered main contract costs, consultancy costs, furniture & equipment, capital programme team fees and contingency, will enable the works to start immediately for completion in Autumn 2023, which has been delayed from a Summer 2023 completion.

Increasing SEND places provision is required as part of the Safety Value Agreement with the DFE to deliver DSG revenue savings of £2,444k a year by 2025/26 and is conditional for the additional High Needs Capital Grant allocation of £6,962k approved by the DFE in June 2022. The Wood End Academy ASD unit will provide 24 new places.

Discussions are taking place with the DfE on the available capital funding for delivering the new SEND provision in the Safety Valve Agreement. There has been significant cost inflation across the construction sector since the cost estimates used in the bid for additional high needs capital funding was made in February 2022, this has resulted in a substantial funding gap. To ensure the new provision can be delivered within the agreed timescales, and without further delay to the original Summer 2023 completion, officers need to proceed with the release of funds to Wood End Academy to enable the construction works to be completed by Autumn 2023.

Project contingency has been set at 10% to reflect the possibility of unforeseen complexities that could arise when undertaking adaptation works that may not become apparent until after works have commenced.

This is an academy led project and officers have agreed to release funds in advance to the school for the construction phase, beginning with a 30% advance payment. Thereafter, release of funds to the school will be based on the contractor's cashflow forecast.

RESIDENT BENEFIT & CONSULTATION

The benefit or impact upon residents, service users and communities

The 24 places created in the ASD unit are critical in supporting the London Borough of Hillingdon's DSG safety valve agreement with the Department for Education (DfE) where there is a significant focus on the development of local, specialist places.

Consultation carried out or required

Wood End Park Academy carried out a public consultation about establishing a new ASD unit on school site from 9 September to 7 October 2022. The outcome of the consultation was positive.

CORPORATE CONSIDERATIONS

Corporate Finance

Corporate finance concurs with the above financial implications, noting that proposed works at Wood End Park Academy will provide 24 ASD places, and is included within the DSG safety valve agreement supporting the Council's DSG recovery programme. While overall project costs have increased from earlier estimates, the business case for this investment in additional SEND places remains robust. Total project costs are able to be financed from confirmed High Needs Provision capital grant, although engagement with the Department for Education is ongoing to maximise available funding.

Legal

Legal Services confirms that the Council is responsible for carrying out this function pursuant to Section 16 of the Education Act 1996. There are no legal impediments to the Council authorising the capital release, although any contract awarded must comply with the Council's Procurement standing orders.

Infrastructure / Asset Management

The Estates Department confirms that progressing with the release of these funds to move forward with this development does not conflict with any asset management plans nor impede on any work that we are proposing to take place.

Capital Release Protocol

The release of all capital funds, and certain revenue funds, held by the Council is to be made by a formal democratic decision. No expenditure can be placed or committed by officers until this formal approval is given by Democratic Services. Release of funds must be for identified projects only and strictly not for the general release of funds for projects to be identified at a later date. No block releases of capital or funding will be allowed, except if authorised by the Leader of the Council in advance to Corporate Finance. The release of funds will only be made if previous Council, Cabinet or Cabinet Member agreement has been given to the project and only if there is an approved budget.

BACKGROUND PAPERS

NIL.

APPENDIX A – CAPITAL RELEASE REQUEST FOR APPROVAL

Schools Special Resource Provision (SRP) – SEND Places Budget 2022/23 to 2027/28 £25,331k

| Location | Project / Expenditure Title | Information | Funds Release Sought £000's | Approve | Hold | More Information Required |
|------------------------------|-----------------------------|--------------------|-----------------------------|---------|------|---------------------------|
| Wood End Park Academy | SEND Places ASD Unit | Construction phase | 1,695 | | | |
| Total seeking release | | | 1,695 | | | |
| Previously released | | | 13,737 | | | |
| Budget | | | 25,331 | | | |
| Remaining budget | | | 9,899 | | | |