

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker	Executive Lead Member for Children's Services
Date:	11 July 2023
Title:	Children's Services Capital Programme Update
Report From:	Director of Children's Services and Director of Corporate Operations

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Purpose of this Report

1. The purpose of this report is to seek approval for submission to the Leader and Cabinet of the revised Children's Services Capital Programme for 2023/24 and amendments to the programme for 2024/25.

Recommendation(s)

2. That the revised capital programme cash limit of £51.313m for 2023/24 be approved.
3. That the revised 2023/24 capital programme along with the transfer of resources between years as set out in Appendix 1 be approved along with the amendments to the 2023/24 capital programme.
4. That the following variations to the 2023/24 capital programme be approved:
 - That it be recommended that resources of £0.9m be added to the 2023/24 capital programme for the expansion at Bordon Infant and Junior Schools.
 - That it be recommended that resources of £0.185m are added to the 2023/24 capital programme for the creation of a new Eco excellent library at Bridgemary Library.
5. That the amendments to the 2024/25 capital programme be approved.
6. That it be a recommendation to cabinet that the uncommitted funding of £19.33m as set out in Appendix 2 be carried forward from 2022/23 to the 2023/24 capital programme.
7. It is recommended that approval be given to the Director of Children's Services to determine those sites that require modular buildings for the

2023/24 academic year and that the sites listed in Appendix 3 be approved.

8. It is also recommended that approval be given to the Director of Children's Services to allocate £1.1m of identified Dedicated Schools Grant (DSG) revenue funding to support the short-term hire and relocation of existing modular buildings. It is also recommended that approval be given to the Director of Children's Services to allocate £2m to those sites that have been determined as requiring the purchase of new modular buildings.
9. That approval is given to the Director of Children's Services in discussion with the Executive Lead Member for Children's Services to undertake all required consultations linked to the projects listed in this report.
10. That the Access Improvements in Schools projects identified in Appendix 4 be approved.
11. That the projects approved under delegated powers by the Director of Children's Services in Appendix 5 are noted.
12. That the School Suitability Programme projects identified in Appendix 6 be approved.

Executive Summary

13. This report sets out the updated Children's Services Capital Programme for 2023/24 and amendments to the programme for 2024/25 and provides an update on the DfE School Rebuilding Programme.
14. The report has been prepared in consultation with the Executive Lead Member for Children's Services (ELMCS). It will be reported to the Leader and Cabinet on 18 July 2023 to make final recommendations to County Council on 20 July 2023.

Background

15. The Secretary of State for Education has now announced details of individual local authority Basic Need allocations for 2025/26 along with the 2023/24 allocations for School Condition Allocation (SCA) and Devolved Formula Capital (DFC) for schools.
16. The Children's Services Capital Programme is based on government grants, capital receipts, developer contributions and local resources.

Basic Need Allocation 2025/26

17. The most recent capital announcement by the Department for Education (DfE) on 28 March 2023 provisionally made an allocation to Hampshire for 2025/26. The amount to be allocated has yet to be confirmed and will be brought to future Decision Day. The DfE has developed a fair and transparent

method of allocating basic need funding that directly relates to the forecast need. In Hampshire, some new school place funding has been provided for places yet to be delivered.

18. There is the potential for a zero or very low capital allocation in 2026/27 as the DfE assesses the impact of the free school places they directly fund. At this stage, it is unclear exactly how this will be calculated, with guidance expected from the DfE.

Special Educational Needs and Disability (SEND) Strategy

19. As reported in January 2023, the government announced it will build up to 60 new centrally delivered special and Alternative Provision (AP) free schools as part of the £2.6 billion capital investment in high needs provision across the Spending Review Period, to open from September 2025, creating around 4,500 special school places. Hampshire submitted bids for two new Special Schools as part of this programme:
 - 125-place, co-educational, 8-16 yrs. SEMH (Social, Emotional & Mental Health) School in Boorley Green, Eastleigh
 - 125-place, co-educational, 4-16 yrs. SLD (Severe Learning Difficulty) School in Whiteley, Winchester
20. In March 2023, the DfE confirmed that Hampshire had been provisionally successful in its bid for the SLD school at Whiteley. The County Council is working closely with the DfE to agree the design, programme, and funding agreements. The County Council will make the land available on a long-term lease, with the DfE funding the capital costs of the school, estimated to be over £15m.
21. Subject to DfE processes, it is hoped that the new SLD school will open for September 2026. The planned SEMH school which will be funded from the capital programme is working to the same timeline. Further details on both SEND schools will be brought to future Decision Days.

School Suitability Investment Programme

22. The focus of capital investment in recent years has been on basic need and capital maintenance. However, it is recognised that some buildings are now in need of significant suitability investment that is beyond individual school budgets. Resources of £5m (including fees) were allocated over a three-year programme of investment to ensure facilities are fit for purpose and continue to provide good quality learning environments. Following the success of this programme, further resources of £6m have been allocated over the period 2023/24 to 2025/26 at £2m per year.
23. Projects from the 2023/24 – 2025/26 allocation have been identified in Primary, Secondary and Special schools within three key areas:

- Improvements to school facilities, such as refurbishment of science laboratories.
- Reconfiguration and accessibility work at Special Schools to better meet current curriculum delivery and learning requirements for all pupils.
- Environmental improvements to the function of ventilation and acoustics of school facilities.

24. The first tranche of projects in 2023/24 and 2024/25 was reported on 12 January 2023 and focused on improving specialist areas and special school environments. The second tranche of projects in 2025/26 will continue the focus on improving school environments. Projects identified for 2023/24 and 2024/25 are detailed for approval in Appendix 6.

School Rebuilding Programme

25. In December 2023, the DfE announced details of those schools that have provisionally been successful in selection for the DfE’s School Rebuilding Programme (SRP). Hampshire was successful with seven of its schools: 3 Primary Schools, 2 Secondary Schools and 2 Special Schools which are listed below.

- Horndean CE Junior School,
- Marchwood CE Infant School,
- Orchard Lea Infant School,
- Cranbourne Secondary School, Basingstoke,
- The Hurst Secondary School,
- Baycroft Special School,
- Lakeside Special School.

26. Officers are working closely with the DfE, and further updates will be provided as the individual schemes develop.

Revised Capital Programme 2022/23

27. Following the approval to carry forward resources by the County Council at its meeting on 23 February 2023 and other programme amendments, the revised cash limit for the programme is shown in Table 1.

Table 1 - Revised 2022/23 Cash Limit	£'000
Cash Limit reported 12 January 2023	47,339
Removal of DfE Grant – Swanwick Lodge	-394
Cash Limit transfer – Cedar House	176
Projects and resources carried forward to 2023/24	-19,330
Totals	27,791

Carry Forward from 2022/23

28. A total of £51.341m will be carried forward in to 2023/24. This includes resources and projects (totalling £32.011m) from the updated 2022/23 capital programme which was approved on 12 January 2023. Of the £19.33m resources carried forward, £9.209m is already committed, £5m is being carried forward to support future years programmes and £5.121m is being added to contingency.
29. Following the amendments in Table 2, the contingency figure for the programme is £8.389m. Given the overall value of the programme and continuing inflationary pressures, this is considered a prudent sum. A detailed breakdown of these projects and allocations is attached at Appendix 2.

Table 2 - Revised 2023/24 Cash Limit	£'000
Cash Limit reported 12 January 2023	34,437
Carry forward of resources to 2024/25	-5,000
DfE Grant – Swanwick Lodge Secure Children’s Home	787
DfE Grant – Hayter House new Children’s Home	110
DfE Grant – reduction in Devolved Formula Capital grant	-16
Arts Council England Grant – Bridgemy Library	150
Cash limit transfer – Bridgemy Library	35
Louisberg Barracks (Bordon Infant & Junior) developer contribution	900
East of Will Hall Farm (Butts Primary) developer contribution	100
Brislands Lane (Four Marks CE Primary) developer contribution	300
Beech Tree Close (Oakley Infant) developer contribution	80
Caesars Way (Whitchurch CE Primary) developer contribution	100
Project deferrals from 2022/23	19,330
Totals	51,313

Amendments to the 2023/24 Capital Programme

Bordon Infant & Junior School, Bordon

30. The proposed 1fe expansion of the Bordon Infant and Junior school was previously reported at £4.3m (including fees) on 12 January 2023.

31. Detailed design work and industry engagement has indicated that the scheme is likely to be more expensive than originally anticipated. This is due to continuing inflation on both materials and labour in the construction sector, particularly in mechanical and engineering costs. The scheme is now expected to cost £5.2m (including fees), an increase of £0.9m.
32. Therefore, it is recommended that resources of £0.9m are added to the 2023/24 capital programme.

Bridgemary Library, Gosport

33. The Arts Council England has awarded Hampshire County Council a grant of £0.150m to convert Bridgemary Library, Gosport into an 'Eco excellent library'. Children's Services has also allocated £0.035m of Cost of Change funding to support the project. The works will comprise installation of rooftop solar panels, an air source heat pump heating system and electric vehicle charging points. This flagship eco-friendly library will be fit to accommodate a significantly expanded programme of events and activities (and therefore income generation opportunities), welcome new audiences and incorporate new partnerships.
34. Therefore, it is recommended that resources of £0.185m are added to the 2023/24 capital programme.

Amendments to the 2024/25 Capital Programme

Alderwood School, Aldershot

35. The proposed 2fe expansion to Alderwood School was previously reported at £9.3m (including fees) on 12 January 2023. The £9.3m cost was at the 4Q22 price base. This cost has now been updated to the anticipated cost at the mid-point of construction.
36. Following consultation with the Environment Agency, the originally proposed expansion project was deemed unsuitable for the site. A new proposal has been developed but requires the demolition of an existing science block and the building of a new, larger block containing the demolished accommodation as well as the new accommodation over two floors. It will also provide for the refurbishment of all of the current science laboratories. The cost of the new scheme is expected to be £13m (including fees).
37. Therefore, it is proposed to add additional developer contribution resources of £1.0m (including fees) to the 2024/25 capital programme. The additional £2.7m (including fees) will be taken from the £5m of resources being transferred from 2023/24. As this is a variation over £2m it will be presented to County Council for approval.

Hounsome Fields Primary, Basingstoke

38. The proposed new 2fe primary school at Hounsome Fields, Basingstoke was previously reported at £13.3m (including fees) on 12 January 2023. The £13.3m cost was at the 4Q22 price base. This cost has now been updated to

the anticipated cost at the mid-point of construction.

39. Detailed design work and industry engagement has indicated that the scheme is likely to be more expensive than originally anticipated. This is due to continuing inflation on both materials and labour in the construction sector, particularly in mechanical and engineering costs. The scheme is now expected to cost £14.55m (including fees), an increase of £1.25m.
40. Therefore, it is proposed to add additional developer contribution resources of £1.25m (including fees) to the 2024/25 capital programme.
41. Following these adjustments, the 2024/25 Capital Programme cash limit is £107.941m as set out in Table 3 below.

Table 3 - Revised 2024/25 Cash Limit	£'000
Cash Limit reported 12 January 2023	100,691
Transfer of resources to 2024/25	5,000
Basingstoke Golf Course (Hounsome Fields Primary) developer contribution	1,250
AUE (Alderwood School) developer contribution	1,000
Total	107,941

Access Improvements in Schools

42. As in previous years, funding has been made available to fund access improvements to mainstream schools, both at a pupil-led and strategic level. Therefore, it is recommended that the projects listed at Appendix 4 are approved from the capital programme for 2023/24.

Modular Classrooms

43. The use of high-quality modular buildings can be a solution for some accommodation pressures. Such buildings are relatively quick to install and provide for a good quality learning environment, meeting the most recent building regulations. For some schools, modular classrooms may be the only expansion solution, whilst others may find a mixture of both permanent and modular accommodation.
44. Details of the location of planned modular buildings required for September 2023 are listed for information in Appendix 3. In some cases, the units will be rented due to the shorter-term requirement, whilst others will be purchased recognising a longer-term pressure in those locations. In both cases, the movement of existing owned modular buildings will also be considered. The sites currently listed in Appendix 3 may need to be updated following pupil data received later in the academic year. The actual needs of sites will be determined following receipt of updated information on pupil places required for the September 2023 intakes. It is recommended that approval be given to the Director of Children's Services to determine those sites that require

modular buildings for the 2023/24 academic year.

45. The rental of new units and movement of existing owned modular buildings between sites to meet future pupil demand is expected to cost in the region of £1.1 million. The purchase of new units to meet longer term needs is expected to cost in the region of £2 million. It is recommended that approval be given to the Director of Children's Services to allocate £1.1m of identified Dedicated Schools Grant (DSG) revenue funding to support the short-term hire and relocation of existing modular buildings. It is also recommended that approval be given to the Director of Children's Services to allocate £2m to those sites that have been determined as requiring the purchase of new modular buildings.

Action taken by the Director of Children's Services

46. Under delegated powers and following consultation with the Executive Member for Children's Services, the actions set out in Appendix 5 have been taken and it is recommended that these approvals are noted.

Climate Change Impact Assessment

47. A Climate Change Impact Assessment is not applicable to this decision report as it relates to the overall capital programme and is therefore strategic in nature. The major individual projects contained within this report will be subject to individual project appraisals which will cover climate change impact assessment requirements.

REQUIRED CORPORATE AND LEGAL INFORMATION:

Links to the Strategic Plan

Hampshire maintains strong and sustainable economic growth and prosperity:	Yes
People in Hampshire live safe, healthy and independent lives:	Yes
People in Hampshire enjoy a rich and diverse environment:	Yes
People in Hampshire enjoy being part of strong, inclusive communities:	Yes

Other Significant Links

Links to previous Member decisions:	
<u>Title</u>	<u>Date</u>
Direct links to specific legislation or Government Directives	
<u>Title</u>	<u>Date</u>

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

EQUALITIES IMPACT ASSESSMENT:

1. Equality Duty

The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- The need to remove or minimise disadvantages suffered by persons sharing a relevant protected characteristic that are connected to that characteristic;
- Take steps to meet the needs of persons sharing a relevant protected characteristic that are different from the needs of persons who do not share it;
- Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

2. Equalities Impact Assessment:

Equality and diversity objectives will be considered on an individual project basis by conducting Equality Impact Assessments and are not considered at this stage or within this report.