

Birmingham City Council

Report to Cabinet

Date: 21st April 2020



Subject: **SMALL HEATH LEADERSHIP ACADEMY
RETROSPECTIVE APPROVAL FOR THE CAPITAL
SCHEME**

Report of: **Director for Education and Skills
Dr Tim O'Neill**

**Relevant Cabinet
Member:** **Cllr Jayne Francis - Education, Skills and Culture
Cllr Tristan Chatfield - Finance and Resources**

**Relevant O &S
Chair(s):** **Cllr Kath Scott - Education and Children's Social Care
Cllr Sir Albert Bore - Resources**

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Are specific wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No – All wards affected
If yes, name(s) of ward(s): Bordesley Green		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 006889/2019		
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, provide exempt information paragraph number or reason if confidential :		

1.0 Executive Summary

- 1.1 To seek retrospective approval for the capital scheme at Small Heath Leadership Academy School. The capital cost of the scheme is £1.5m.

- 1.2 To note that the approval is retrospective. Due to the urgent nature of the works which were required to achieve a single site solution, a not to exceed sum of £1.5m for capital works was agreed as part of the Commercial Transfer Agreement (CTA). The approval for the capital scheme should have been sought within the main academy conversion report approved by Cabinet on 12th December 2017. However, the main academy conversion report stipulated that Education Infrastructure (EdI) would go back to the relevant authority for approval once the scope and cost of works were finalised. The approval has been overlooked in officer transition during staffing restructure within the service area, but the main works were completed by the school in October 2018, verified by the Council and the cost reimbursed to the Multi Academy Trust in May 2019.
- 1.3 To note that following an internal audit in August 2019, measures have been put in place to avoid a reoccurrence. Any future Cabinet report relating to a conversion to Academy and which includes construction work will also now include the approval to spend in line with the Gateway. In addition, rather than detail project options within a CTA, a works schedule detailing the specific details of the agreed scope of works and costs will be appended to the main report. This will provide greater cost certainty which means approval to spend can be sought early on, and with greater transparency of the cost.

2 Recommendations

That Cabinet:

- 2.1 Grant retrospective approval for the capital works at Small Heath Leadership Academy at a total project cost of £1.5m.

3 Background

- 3.1 Small Heath School became subject to a Directive Academy Order in April 2016 (background document 8.2)
- 3.2 In order to support a long term sustainable financial solution for Small Heath School the Interim Executive Board (IEB) undertook a staffing restructure, which was based on the school operating from a single site. This was implemented in September 2017. To achieve the single site solution temporary modular accommodation was installed on the site during August 2017. The lower school site was then relocated to the main school site on Muntz Street leaving the lower school site on Waverley Road vacant.
- 3.3 The agreement at the point of conversion was that the Council, in partnership with Star Academies (formerly known as Tauheedul Education Trust), were required to provide a permanent solution for the site within 18 months of the conversion in line with the current planning permission for the temporary modular accommodation. These capital scheme included remodelling of the current site and some new build to provide appropriate space to accommodate the additional footfall on the site. These works were to be delivered using Local Authority's Basic Need grant funding.

4 Options Considered and Recommended Proposal

- 4.1 The Council authorised the completion of a Commercial Transfer Agreement on 12th December 2017 which included details of the works enabled the conversion of Small Heath School into an academy.

5 Consultation

5.1 External

The Secretary of State issued the Academy Order requiring the conversion of Small Heath School.

5.2 Internal

Ward Councillors for Nechells, the Executive Member and the Service Integration Head for Ladywood were also consulted and any outcomes were noted in the December 2017 Cabinet report (background document 8.1).

6. Risk Management

- 6.1 To mitigate the risk of any reoccurrence, measures have been put in place, as recommended within the internal audit report, to ensure that the appropriate approvals are obtained for any similar schemes in the future.
- 6.2 Cabinet report relating to a conversion of a school to an Academy which requires construction work, will include the approval for the capital scheme in line with the Gateway.

7. Compliance Issues:

7.1 How are the recommended decisions consistent with the City Council's priorities, plans and strategies?

- 7.1.1 The Academies Conversion Programme is a Central Government Policy.

7.2 Legal Implications

- 7.2.1 On the 12th December 2017 Cabinet noted the planned conversion of the school to academy status and authorised the completion of a Commercial Transfer Agreement. Paragraph 5.9 of the 2017 Cabinet report said: "These works will be delivered using Local Authority Basic Need grant funding. Further details will be identified as a schedule to the CTA and a separate report will follow in line with BCC's approval Gateways". However, that governance process was not followed. In order to rectify this, and to ensure transparency and accountability, this report seeks retrospective approval for the capital works at the Academy.
- 7.2.2 The measures outlined at paragraph 1.3 of this report have been put in place to ensure that the Council's governance processes are adhered to if similar circumstances arise in the future.

- 7.2.3 The capital works at Small Heath Leadership Academy supported the discharge of the Local Authority's duty under section 14 of the Education Act 1996 to ensure that sufficient school places are available.

7.3 Financial Implications

- 7.3.1 The total cost of the works at Small Heath Leadership Academy are £1.5m and have been funded from Department for Education (DfE) Basic Need Grant.
- 7.3.2 Consequential revenue costs arising including additional staffing, utility costs and any on-going day to day repair and maintenance of the asset is the responsibility of the Academy and funded from the Academy's General Annual Grant (received by the Academy from the EFA).

7.4 Procurement Implications (if required)

- 7.4.1 This project was procured directly by Star Academy Trust.

7.5 Human Resources Implications (if required)

- 7.5.1 N/A

7.6 Public Sector Equality Duty

- 7.6.1 The Academies Conversion Programme is a Central Government Policy. An initial Equality Analysis related to 'Changes to School Status' was undertaken in February 2014 (EA000046) and the outcome indicated that a Full Equality Analysis was not required
- 7.6.2 A Full Equality Analysis (EA0001202) was carried out in May 2016 for Education Infrastructure's Education Development Plan and Schools' Capital Programme 2018-19. The outcomes from consultation demonstrate that proposed capital developments support positive outcomes for children, young people, their families and carers. No negative impact on people with Protected Characteristics was identified. It was concluded that sufficiency of educational places and opportunities for all children and young people contributes to providing positive life chances, and supports a positive approach to Safeguarding in Birmingham: actively reducing the number of children and young people out of school helps to mitigate risk to their safety and wellbeing.

8 Background Documents

- 8.1 Cabinet Report – Small Heath School Conversion from Foundation School to Academy – approved December 2017
- 8.2 Directive Academy Order (Appendix 2 of December 2017 Cabinet report)