

Birmingham City Council

Report to Cabinet

Date: 17th December 2019



Subject: SKILTS SCHOOL FULL BUSINESS CASE AND CONTRACT AWARD

Report of: Director for Education & Skills

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 & Children’s Social Care
Councillor 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): Glebe Farm & Tile Cross		
Is this a key decision?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, add Forward Plan Reference: 007163/2019		
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 approval to the Full Business Case attached as Appendix A and Contract Award for the capital scheme to Skilts School. The capital cost of the scheme will not exceed £15,766,692.

2 Recommendations

That Cabinet:

- 2.1 Approves the Full Business Case (Appendix A) for the capital works at Skilts School at a total project cost of up to £15,766,692, which includes Education Infrastructure (EdI) capitalisation of £440,514.
- 2.2 Authorises the Director for Education & Skills in consultation with the Cabinet Member for Finance & Resources to raise a works order up to the value of £13,007,391 with Balfour Beatty in order for works to commence and to release contingencies and place further orders up to £845,000 if required.
- 2.3 Authorises the Director for Education & Skills to place orders up to the value of £681,397 with Acivico for professional services.
- 2.4 Notes that the Director for Education & Skills will place orders with Capita for ICT up to the value of £100,000.
- 2.5 Notes that loose furniture up to the value of £50,000 will be ordered directly by the school. Costs will be reimbursed by EdI on production of evidence (paid invoices) which will be verified by EdI.
- 2.6 Authorises the City Solicitor to negotiate, execute and complete all necessary documents to give effect to the above recommendations.
- 2.7 Notes that demolition costs associated with the former Hallmoor School of £499,765 and additional accommodation costs at the existing site of £142,625, which are included in the overall project cost, have already been approved through the FOA process under delegation.

3 Background

- 3.1 The Local Authority has a statutory duty to ensure that there are sufficient pupil places, secure diversity in the provision of schools and increase opportunities for parental choice through planning and securing additional provision (Section 14, Education Act 1996 and Education & Inspections Act 2006). This duty extends to our landlord responsibility to maintain the Education property portfolio to prevent school closure and asset failure, thus improving safeguarding for children.
- 3.2 A report on the changing demand and supply of school places was shared at the Overview and Scrutiny Committee for Learning, Culture and Physical Activity in September 2018.
- 3.3 Skilts School is one of 27 Birmingham special schools and can offer up to 64 places for pupils with an Education, Health and Care Plan (EHCP) for Social, Emotional and Mental Health needs, (SEMH). An additional 26 places for the existing site have been approved through an FOA which will increase the number of places to 90 from January 2020. Prior to September 2019 Skilts School could offer up to 12 residential places. Proposals were approved in June 2019 to remove the boarding provision.
- 3.4 The school is subject to a directive academy order which means it must convert from a community special school to academy status. The target date for conversion is on or after 1st September 2021 to the Forward Education Trust and will be determined for approval via a separate report to the Cabinet Member for Education, Skills &

Culture. Members of the trust are supporting the school with their educational improvement until the conversion to academy status is complete.

- 3.5 This proposal is being developed due to the condition of the school buildings at the current site which is outside the city boundary at Gorcott Hill, Redditch Worcestershire. Buildings at the current site are beyond economical repair and the only option is to replace the buildings in entirety. Repairs are continuing to be carried out to keep the current site and buildings operational. Over the last several years circa £800,000 has been spent on ensuring the building is compliant. A recent condition survey has highlighted that circa £4m will be required over the next 4 years keep the building warm, safe and dry. This will not still resolve the issue of suitability of premises for the cohort of children nor will this provide the buildings with a suitable lifespan. On-going maintenance will be required to maintain the building in a reasonable condition. If new accommodation is not provided, the school buildings will eventually have to close as they will be beyond repair and no longer be a safe environment for learning. It is therefore proposed that limited essential maintenance will only be carried on the premises whilst the new premises are constructed and therefore the investment of £4m into the premises over the next several years will not take place. We cannot, at this stage identify what this amount will be. Future maintenance will be carried from the School Condition Allocation with required approvals sought. Funding will also be required for rectifying the drainage issue on the path leading up to the buildings which is shared and in urgent need of repair. Over the last several years one of the neighbouring farms has been flooded due to the drainage issues. Once we have investigated further and have a definite cost (which is likely to be circa £300,000) we will pursue the necessary approvals.
- 3.6 The proposal is to build new accommodation which will be within the city boundary on land already owned by Birmingham City Council education department at Hallmoor Road, Birmingham B33 9QY. There is a need for more SEMH places in the city and the proposed new site provides the opportunity to increase the number of pupils. The new build will accommodate 120 places to meet the City's demand. The new build Skilts will offer an opportunity to provide an additional 30 new places which will be used to accommodate children without a school place and alleviate the need for others being placed in expensive independent schools.
- 3.7 As the school provides education for pupils from across the whole of Birmingham, relocating the school within the city boundary should have a positive impact on the time pupils spend travelling to school. The new build can take place without any interruptions to the pupils' education and the transition to the new site will be handled with a level of sensitivity to all the stakeholders but in particular to the needs of the pupils.
- 3.8 The Local Authority is keen to ensure that future places are provided in the areas that they are needed; helping children to attend a school nearer to home and as part of their local community. The proposed changes at Skilts School are considered appropriate for the current pupils at the school and is part of a programme to enhance the overall school accommodation solution for both the current and future pupils.
- 3.9 Birmingham currently has 27 special schools where 4,389 places are commissioned for children and young people with an Education, Health and Care Plan. There is a

recognised issue with the capacity in special schools, due to the growing number of children and young people requiring a place in special schools.

- 3.10 Where the Local Authority is unable to secure a place in these special schools, be that due to there being no capacity or the distance that the school is at, the Local Authority seeks an appropriate placement in private / Independent schools.
- 3.11 The school on the new site on Hallmoor Road will be new-build and fit-for-purpose accommodation to meet the needs of key-stage 1 and 2 pupils.
- 3.12 The Full Business Case (FBC) for this scheme is included in Appendix A. The FBC details the works which will be undertaken for the new build.
- 3.13 A Planning Application was submitted on 30th May 2019 and was approved in September 2019.
- 3.14 Two Form of Authority (FOA's) have been approved on 23rd October 2019. The first one for providing additional accommodation at Skilts (£142,625) and the second one to demolish the former Hallmoor school building (£499,765).
- 3.15 Subject to FBC and statutory approvals, the works are due to start on site in January 2020 with a proposed completion of June 2021.

4 Options considered and Recommended Proposal

- 4.1 The option of doing nothing would mean the City Council would fail to meet its statutory obligation in providing suitable accommodation to meet the needs of the children.
- 4.2 Keep the school on the current site by carrying out the works identified in the condition report.
- This option was ruled out on the basis that the level of investment required (circa £4m) did not present value for money.
 - We would need to decant pupils due to scale of repairs required. This would be disruptive to pupils' education and difficult to manage due to the nature of the pupils' needs.
 - Pupils from the North, East and Centre of the city would continue to travel a longer distance thus having an impact on the pupils' wellbeing as well as the impact on the Travel Assist budget.
 - The current site also offers limited scope for increasing pupil numbers as any expansion would not present good value for money.
- 4.3 Redistribute pupils to other special schools thus closing the current site and the school:
- Any Local Authority proposed closure would be a two-year process during which time the school would need to continue to operate on its current site with adequate staffing levels.
 - There would need to be a level of capital investment required to keep the building warm safe and dry.
 - There is only one other special SEMH primary school which does not have sufficient existing capacity to accommodate the current Skilts KS1 and KS2 pupils.

Expansion of that school would not present good value for money due to site constraints. As the school is situated in the South of the city in the neighbouring Solihull authority, pupils from the North, East and Centre part of Birmingham would continue to travel a longer distance thus having an impact on the pupils' wellbeing as well as the impact on the Travel Assist budget.

- There is also limited or no capacity within other special schools to accommodate the current Skilts KS1 and KS2 pupils and any redistribution would require reconfiguration and or expansion of any school in scope.
- Other special schools would also need to develop a level of expertise to manage the needs of the SEMH pupils and many would ask for a total segregation due to the nature of their current cohort.
- Parents may refuse other special schools on the basis that the staff do not have relevant training, expertise and resources to manage SEMH requirements

4.4 Redistribute pupils to other mainstream schools:

- All pupils at Skilts have a SEN statement or EHCP for SEMH and have been assessed to require a special school place. Parents may refuse a place at a mainstream school on the basis that the school does not have relevant training, expertise and resources to manage the needs of their children.
- Although it would be possible to reconfigure the existing school sites particularly as there is space available due to falling birth rates, schools will need to build their knowledge and expertise in the SEMH area in order to provide a 'Good' standard of education.

4.5 The refurbishment of the existing Skilts school site. This option was discounted due to existing poor condition. Buildings at the current site are beyond economical repair and the only option is to replace the buildings in its entirety

4.6 The preferred option is the redevelopment of the old Hallmoor site, to provide provision for a new SEMH school. The proposed solution is in close vicinity to the preferred academy sponsor.

5 Consultation

5.1 Internal

The Leader and Ward Members for Glebe Farm & Tile Cross have been consulted and are supportive of the proposals. Officers from Finance, Corporate Procurement and Legal and Governance have been involved in the preparation of this report.

5.2 External

All pupils, parents, governors, teaching and non-teaching staff, relevant Members of Parliament, Teaching Associations, Trade Unions and neighbouring authorities of Birmingham have been consulted on the school providing additional places and the proposed relocation to the new site.

6 Risk Management

- 6.1 Regular stakeholder engagement is undertaken and programmed in as part of the pre-construction works to ensure that comments are addressed as the scheme progresses to ensure that we mitigate against stakeholder non-buy in.
- 6.2 Fortnightly meetings are held to ensure that all parties are informed of progress to ensure any concerns are picked up at the earliest opportunity and resolved to ensure that the programme stays on track (acceleration may be introduced where there is a risk) and the project is delivered on time. Where costs are seen to escalate, a value engineering exercise is undertaken to ensure that the costs do not exceed approved budget.
- 6.3 Regular meetings have taken place and will continue to do so with transportation colleagues to mitigate the impact on the highway throughout construction and post construction with increased pupil numbers. Mitigation includes updated travel plans which will highlight measures undertaken as well as physical improvements on the highways in consultation and agreement with transportation colleagues.
- 6.4 Additional risks and associated mitigation are highlighted in sub appendix B of the FBC.

7 Compliance Issues:

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

7.1.1 These works are required to enable the Local Authority to meet its statutory duty to not only ensure the provision of sufficient pupil places but also to secure diversity in the provision of schools and increase the opportunity for parental choice through planning and securing the provision of additional school places (Section 14 Education Act 1996 and Education & Inspections Act 2006). The spending priorities proposed are in accordance with the Schools' Capital Programme 2019-20 and the Council's Vision and Forward Plan priorities for Children, particularly 'A great place to grow up in by providing an environment where children have the best start in life and are able to realise their full potential through great education'. The provision of these school places is also beneficial to the safeguarding of children.

7.1.2 Birmingham Business Charter for Social Responsibility

The selected CWM contractor is signed up to the principles of the Birmingham Business Charter for Social Responsibility and will develop a relevant and proportionate action plan, demonstrating how the principles of the Charter will be implemented to deliver social value outcomes for the school and local community. Some of the following outputs will be provided as part of the contract:

- 720 employment weeks
- 4 apprentices taken on
- 30% of spend will be with SMEs
- 70% of spend will be with a 30mile radius
- 6 schools will be partnered
- 80% of waste recycled

- 100% of timber from sustainable sources

7.2 Legal Implications

- 7.2.1 This report facilitates the discharge of the local authority's duty under section 14 of the Education Act 1996 to ensure that sufficient school places are available to provide for all pupils the opportunity of appropriate education.

7.3 Financial Implications

- 7.3.1 Cost details for the project are detailed in the attached FBC. The capital cost of the scheme will not exceed £15,766,692 and will be funded via the School Condition, Basic Need and the Special Provision Fund allocations.
- 7.3.2 Demolition costs associated with the former Hallmoor School of £499,765 and additional accommodation costs at the existing site of £142,625, which are included in the overall project cost, have already been approved through the FOA process under delegation.
- 7.3.3 There is a significant difference in the fee payable to private schools than that which the Council pays the internal Birmingham Special Schools, the average range is between £9,000 per pupil to above £40,000 per annum. There are currently 148 pupils attending an Independent Special School.
- 7.3.4 If Skilts School moves to the location in the East of the city, the saving from travel alone will have a significant impact as detailed below.
- 7.3.5 The cost per academic year to transport and provide pupil guides for children attending Skilts is as follows:-

School	Provider Cost per Academic Year £	Guide Cost per Academic Year £	Total £
Skilts	367,000	147,000	514,000

- 7.3.6 The costs will reduce significantly due to pupils travelling a much shorter distance.
- 7.3.7 The guides are currently paid from the time they are picked up until the time they are taken home. Once the school moves to its new location guides will only be paid from the time they are picked up until the time they drop pupils off at school. The routes currently operate on a 1 to 4 ratio (1 pupil guide to support 4 pupils). As the routes are likely to be much shorter this arrangement may no longer be required.
- 7.3.8 It is difficult to provide an estimate of the extent of savings as it is also likely that some of the pupils that are being transported will no longer require transport if they live within the statutory walking distance of 3 or 2 miles. Some of the pupils may also qualify for a bus pass instead of specialised transport.

7.3.9 Consequential revenue costs arising from additional places including additional staffing, utility costs and any on-going day to day repair and maintenance of the asset once transferred will be the responsibility of the Academy and funded from the Academy's General Annual Grant (received by the Academy from the EFA).

7.3.10 Once the existing site is vacant this will be marketed with the capital receipt going to corporate balances.

7.4 Procurement Implications (if required)

7.4.1 The procurement route for this project was via the Constructing West Midlands (CWM) Framework using Balfour Beatty as the construction partner. Acivico applied previously approved criteria to achieve best value for money based on current DfE education space guidelines and industry benchmark rates. Acivico will provide Project Management and ensure value for money is achieved throughout delivery.

7.5 Human Resources Implications (if required)

7.5.1 In the Academy conversion process TUPE applies (please refer to Academy Act 2010 for details). Currently all staff are under Birmingham Contracts so will transfer to the new site.

7.6 Public Sector Equality Duty

7.6.1 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 Appendices

8.1 Appendix A - Full Business Case

9 Background Documents

9.1 Schools' Capital Programme - School Condition Allocation 2019-20+ Future Years Cabinet Report – 26th March 2019

9.2 Changing demand and supply of school places – Overview & Scrutiny Report – September 2018.