

## ROTHERHAM BOROUGH COUNCIL – REPORT TO CABINET MEMBER

1.	<b>Meeting:</b>	<b>Cabinet Member for Lifelong Learning and Culture</b>
2.	<b>Date:</b>	<b>4<sup>th</sup> October 2011</b>
3.	<b>Title:</b>	<b>Priority School Building Programme – Submission to Department for Education</b>
4.	<b>Directorate:</b>	<b>Children and Young People’s Services</b>

### 5. Summary:

The Department for Education (DfE) announced on the 19<sup>th</sup> July a new school building programme called the Priority School Building Programme (PSBP). The programme is intended to address those schools whose buildings are in the worst condition.

It is anticipated the programme will cover the equivalent of building or rebuilding approximately 100 secondary schools. However the programme is not limited to secondary schools; it will also include primary and special schools and sixth form colleges.

Local Authorities are responsible for co-ordinating and submitting applications from all maintained schools and voluntary aided and controlled schools. Academies can either be included in the LA submission or apply on their own behalf.

The deadline for submission is the 14<sup>th</sup> October 2011. A decision on applications is expected in December 2011.

### 6. Recommendations:

- **That support is given for the inclusion of Swinton Community School, St. Pius X Catholic High, Oakwood Technology College, Wath Victoria Junior and Infant School in the submission to the DfE.**

## 7. Proposals and Details:

Local Authorities and schools who access the PSBP must accept that they will be part of a long term private finance arrangement (Approximately 27 years) where building maintenance and soft services (e.g. cleaning, pest control, caretaking, grounds maintenance) will be provided by a third party.

### Edibility

Schools which are put forward to the scheme must pass a number of criteria;

- The schools should have received no major investment in the last 15 years.
- The programme is only suitable to schools which have to be substantially rebuilt. Extensions to current schools would not be eligible for this programme.
- There should be a sufficient long term pupil demand for the school.
- Schools must demonstrate that they are in a poor condition. The application form will calculate whether the cost of addressing the current condition of the school will exceed 30% of the notional rebuilding cost. For example if it would cost £10 million to rebuild a school it must have £3 million of priority condition work outstanding.

### Determination of Schools for Consideration

It is clear that the secondary schools which are not part of the current Rotherham School's PFI contract and were awaiting investment from the Building Schools for the Future (BSF) programme have significant condition priorities. Those schools were;

BSF Phase 1	Aston Academy Oakwood Technology College Swinton Community School St. Pius Catholic High
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BSF Phase 2	Dinnington Comprehensive Brinsworth Academy Rawmarsh Community School St. Bernard's Catholic High Wales Academy
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In the primary school sector, the next school identified in the Primary Capital Programme is Wath Victoria Primary School.

## Prioritisation of Schools

Using the knowledge gained through BSF, the Asset Management Plan (AMP) and the time and cost constraints of undertaking the condition surveys, it was decided that the following schools would be surveyed to determine whether they exceeded the 30% of notional build cost criteria;

- Swinton Community School
- St. Pius X Catholic High School
- Oakwood Technology College
- Dinnington Comprehensive
- Wath Victoria Junior and Infant School

Table 1 below indicates the results of the condition surveys of the schools together with an analysis to determine if they reached the required target. The condition surveys determine what element of the building requires work and then how much it would cost to carry out that work;

**Table 1**

<b>School</b>	<b>Condition Survey</b>	<b>Notional Build Cost Figure</b>
Swinton	£3,973,950	39.73%
St. Pius X	£2,121,633	30.30%
Oakwood	£4,544,050	43.27%
Dinnington	£1,964,413	14.44%
Wath Victoria	£712,168	41.89%

From Table 1 the schools that would be included within the Rotherham PSBP submission would be **Swinton, St. Pius, Oakwood and Wath Victoria**. As Dinnington did not reach the required milestone it was considered highly unlikely that it would be successful and therefore should not be included.

Application to the PSBP can only be made online by way of an excel spreadsheet. The excel spreadsheet generates a figure for the size of school and the amount of investment the school will receive. Table 2 compares this with the figures used in the Outline Business Case for BSF which was based on Building Bulletin 98 and for Wath Victoria, Building Bulletin 99;

**Table 2**

<b>School</b>	<b>Building Bulletin – Size of School</b>	<b>BSF Build Cost or equivalent</b>	<b>PSBP – Size of School</b>	<b>PSBP – Build Cost</b>
Aston	13,688m <sup>2</sup>	£21.9m	11,883m <sup>2</sup>	£16.2m
Oakwood	8,892m <sup>2</sup>	£16.2m	7,665m <sup>2</sup>	£10.5m
Swinton	9,313m <sup>2</sup>	£18.1m	7,310m <sup>2</sup>	£10m
St. Pius	6,207m <sup>2</sup>	£10.01m	5,145m <sup>2</sup>	£7m
Wath Victoria	1,600m <sup>2</sup>	£5m	1,224m <sup>2</sup>	£1.7m

From Table 2, there is a significant gap in both the areas of the schools and the funding when comparing the two building programmes equating to 6473m<sup>2</sup> in area and £26 million in build cost.

## **8. Finance:**

If Rotherham were successful in its submission for all the schools it would mean an investment of approximately £45 million. As discussed above this is somewhat short of that expected through BSF. This would leave the Local Authority with 3 options;

- i. Fully bridge the funding gap through the CYPS capital programme and prudential borrowing;
- ii. Partially bridge the funding gap through the CYPS capital programme and prudential borrowing;
- iii. Provide no additional capital. Schools and the LA to accept that the size of the school will be significantly smaller than it is now and would have been through BSF and the primary capital programme.

CYPS and Finance will investigate the options mentioned above and present its findings once the application has been submitted.

## **9. Risks and Uncertainties:**

If the LA decided to bridge the funding gap through the CYPS capital programme some of this funding will come from future year's allocations. The DfE have indicated (DfE website, Schools Capital, Schools Capital Allocations 2011/12) that allocations for 2012/13 to 2014/15 will remain in line with the allocation for 2011/2012. *'it is expected that the funding available for basic need and capital maintenance of schools will be roughly in line with the funding for 2011-12'.*

If the Local Authority intends to use its ability to prudentially borrow to bridge the funding gap, there is the liability of repaying the debt for approximately 27 years. The ability to do this will depend on future years revenue budgets (both school and council budgets) being able to support the repayments.

A successful bid may also mean that the Local Authority is the contracting party with the PFI consortium. This would mean that the Local Authority would be liable for any risks that occur during procurement.

If Rotherham were unsuccessful in its application to the DfE the schools would continue to be maintained by the Local Authority and any outstanding condition priority work will be prioritised and included within the capital programme over the coming years.

**10. Policy and Performance Agenda Implications:**

The capital programme is consistent with the Children and Young People's Services priority of Transforming Rotherham Learning.

Pupils will benefit from state of the art teaching and learning facilities enabling children and young people enjoy and achieve in suitable accommodation.

**11. Background Papers and Consultation:**

Background Papers include:

- Children & Young People's Plan
- Primary Strategy for Change, June 2008
- Transforming Rotherham Learning Plan
- Cabinet member report, 19<sup>th</sup> Jan 2011, Update on Building Schools for the Future and results of capital spending review

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