

Learning Places Programme Update Report and Authority to Spend for the expansion proposals at Allerton High School and Boston Spa St. Edwards

Date: 17 November 2021

Report of: Director of City Development and the Director of Children and Families

Report to: Executive Board

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

What is this report about?

Including how it contributes to the city's and council's ambitions

- This report provides an update to Members regarding the current Learning Places Programme delivery including: places across the school estate delivered over the last 2 years; schemes in delivery and the potential future work programme; the change in provision requirement shifting from primary to secondary places as a result of the impact of birth rate decline and the rise in Special Education Needs (SEN) places as a consequence of the growth in the number of Education and Health Care Plans (EHP) developed for children ; ongoing and emerging challenges across the programme and the potential in year cash deficit across the programme which could be realised by 2022/23.
- This report also provides updated costs and seeks Authority to Spend (ATS) £7.3m and £1.1m respectively on the expansion of Allerton High School and Boston Spa St. Edwards, both of which have previously been agreed by Executive Board.

Recommendations

Executive Board is recommended to: -

- a) Note the progress made to date with the Learning Places Programme delivery and the current schemes in development and delivery across primary, secondary and SEN provision and the forward programme;
- b) Note the progress made regarding the Planned Maintenance Programme delivery and changes to the governance processes to support the programme;
- c) Note the challenges and issues being experienced across the programme and the mitigation measures in place;
- d) Approve the request for Authority to Spend £7.3m for the expansion of Allerton High School and £1.1m for the expansion of Boston Spa St. Edwards;
- e) Approve the reduction of the Risk Fund Allocation from £7.1m to £6.5m albeit at a rate slightly higher than the 10% of the value of planned schemes in response to current market conditions;

Why is the proposal being put forward?

Background

- 1 Between 2009 and 2021, Leeds City Council has created almost 14,500 permanent primary school places, in response to demand created by a continuous rise in the birth rate across the city since the early 2000's. Births reached a peak in 2011/12 with 10,350 children born between September and August. The following four years saw the rates plateau around 10,000 per year, however, since 2016 births across Leeds have begun to decline at an average of 340 per year.
- 2 In line with the lower births, there has been minimal need for additional primary school places, and this is expected to continue for the foreseeable future. However, the pressure on secondary school places continues to rise with 9,984 places being allocated for September 2021, compared to 8,854 just four years ago. These additional places were created through a mixture of schools admitting over their PAN, temporary bulge cohorts, permanent expansions and new free school provision. In total a further 1200 secondary places were added in based on existing PAN's.
- 3 As demand continues to increase through secondary provision, the pressure for post-16 places is starting to occur and this is expected to continue for the next 7 years, where an estimated additional 1600 learners, compared to September 2021, will be eligible for sixth form provision. As part of the strategy for post 16, the council are starting to work closely with the FE colleges to ensure that additional provision is created through themselves and within sixth forms currently within secondary schools.
- 4 The table below shows the additional places that will need to be created across the city, to meet the projected demand for both primary and secondary provision, over the next 4 years:

ADDITIONAL SCHOOL PLACES REQUIRED

	Sept 2022	Sept 2023	Sept 2024	Sept 2025
Primary places	70	40	85	
Secondary places	570	420	230	130

- 5 As part of a strategic approach to meet the demand identified across the secondary estate and SEN requirements, a range of solutions were developed to ensure that the Council's statutory duty to provide a sufficiency of school places could be successfully met. This report sets out the approaches adopted and the current position regarding the schemes that have been delivered over the last eighteen months, are in delivery or are currently under development. The approaches adopted include: -
 - The use of the Council's own school estate or through negotiations with Academies/Trust schools to either take numbers over the schools published Pupil Admission Number (PAN) or bulge/expansion/rebuild schemes to provide new facilities to accommodate new pupils temporarily or permanently;
 - The purchase of land or property for the provision of new school accommodation through a free school presumption;
 - The lease or disposal of land to the DfE or Academy trusts to support the delivery of Free School proposals;

6 Completed Schemes – Academic Year 2021

Over the last eighteen months the Learning Places Programme has enabled the delivery of the following schemes: -

Secondary Bulge/Expansions/New builds

- Cockburn John Charles – expansion of the school hall and dining area
- Leeds City Academy - repurposing of an existing empty building on site for classroom space
- Benton Park – rebuild of the whole school and expansion of places
- Leeds West Academy – bulge works delivered ahead of permanent expansion in 2021/22
- Cockburn School – expansion of the school
- Trinity Academy – purchase of part of the Arcadia site and delivery of phase 1 of the school
- Horsforth School – bulge cohort prior to permanent expansion in 2022
- Allerton Grange High School – phase 1 expansion works including repurposing of existing building
- Laurence Calvert Temporary School – construction of 420 place secondary school for 2 years to cover the delay to the permanent Laurence Calvert

The secondary places created or under construction at the start of 2021 academic year amount to 4,680 places at a cost of £102.7m (21k per pupil place).

Special Education Needs provision (SEN)

- 7 In addition to the delivery of secondary places above, at the same time there has been a growth in the number of Education and Health Care Plans (EHP) developed for children which has also generated a significant rise in demand for Special Education Needs (SEN) places across the school estate. The creation of SEN provision is complex and subject to the needs and requirements of individual children. Consequently, the delivery of the accommodation must be developed in conjunction with the schools more closely than a primary or secondary expansion project.
- 8 In 2018 three new SEMH (Social Emotional and Mental Health) schools were opened in the north, east and south of the city. These facilities provide a unique educational offer for children with complex needs and provide an appropriate setting in which educational development can take place for these children. Following the successful delivery of these new schools, the approach to SEN provision has been reviewed and a number of approaches for the delivery of places adopted. These include:-
- the creation of SEN provision as part of school expansions – Beeston Hill St Luke’s Primary and Carr Manor Primary;
 - supporting other schools to create their own provision – Horsforth St Margaret’s;
 - refurbishment of existing buildings to accommodate SEN provision – Oakwood SILC
 - the creation of new schools through either the purchase of sites or through the use of Council land – Rose Court West Oaks and VINE.
- 9 In total the current learning places programme has delivered over 500 new SEN places over the last three years with more schemes either currently under development or in delivery.

Planned Maintenance Programme

- 10 The Council is responsible for the delivery of the Planned Maintenance Programme (PMP) across the school estate where it is the Responsible Body. PMP is the annual programme utilising the School Condition Allocation of circa £5-7m to address essential condition works in the following seven areas: (1) Electrical services, (2) Mechanical services; (3) Roofing works; (4) External Wall, Windows and Door Replacement, (5) Kitchen Ventilation, (6) Fire safety and (7) Demolition. The programme of works are fast paced and challenging, ranging in number from anywhere between 25 – 50 individual schemes, and

are delivered in the majority over the school summer holidays with some phased over a number of years.

- 11 At the end of 2020, the challenges to the delivery of the programme were further compounded due to two members of the project team leaving through ELI, resulting in the loss of significant knowledge and experience, as well as invaluable resource. Following this, the PMP programme management was transferred to Asset Management and Regeneration and brought into the Learning Places delivery, working closely with Children and Families Directorate to identify the highest condition need across the school estate. The governance approach developed enabled the successful delivery of the 2021 PMP, which was stripped back to 24 schemes (reduced finally to 19 as a consequence of some of the issues highlighted in section 22) to de-risk its delivery under the new arrangements. It is anticipated that the PMP for 2022 will be back closer to 40-50 schemes.

Free School Provision

- 12 The Council has also played an active role in supporting the creation of new free schools in Leeds. New schools approved through a free school process are part of the Department for Education's (DfE) central free schools' programme. Free schools are legally academies, which are state-funded educational institutions free from local authority control. Establishing a free school takes one of two routes, either through the DfE where potential sponsors apply direct during their application window. This option is managed by the DfE who will liaise with the council to understand demand and timings but will also provide the capital to build the school. The other option is the local authority following a free school presumption route where the specification, consultation and bidding process is handled within the council, although the DfE do need to approve the preferred sponsor. This route would require the council to obtain land and provide the capital, to build the school using the Basic Need grant allocated for school places from central government.
- 13 The council has recently established a secondary free school via the presumption route, with Trinity Academy Leeds opening in September 2021 in East Leeds. The council have worked closely with the DfE and supported the opening of several free schools, for primary and secondary provision, established by the DfE over the past 5 years.
- 14 In addition the Council submitted a bid for a new SEN free school in 2018, which was approved by the DfE. Executive Board approved the former Elmete BESD site in Roundhay as the preferred site. Following site investigations and early discussions with planning, a decision was made to identify an alternative site. The former Copperfield College site was identified as the only Council owned site that was deliverable within the area of need and following discussions with Ward and Executive Members, the decision to switch sites to the Copperfield College site was supported. The Co-Op Academy Trust has been announced as the school sponsor and the DfE will deliver the new school and the land will be leased to the Academy Trust. It is anticipated that the school will be open in September 2023

Forward Programme

- 15 The demand for secondary and SEN places remains across the City into 2022, with one or two primary hotspot areas, with several schemes already either under a phased construction or in development. Schemes due for completion in 2022 include: -
- Bramhope Primary School – permanent expansion by 20 places
 - St Edwards Primary – permanent expansion by 10 places
 - Allerton High School – expansion of the school to create 300 places;
 - Allerton Grange High School – Phase 2 completion for the permanent expansion to create 300 places;
 - Trinity Academy – Phase 2 completion of the new school;
 - Horsforth Academy – Expansion of the school by 300 places
 - Leeds West Academy – completion of permanent expansion works to create 300 places
 - SEN schemes at Rose Court, Horsforth St Margaret's
- 16 The future requirements beyond 2022/23 are not yet fully known, however there will be definitive requirements across the City directly linked to housing growth. Within the Site Allocations/Local Plan

there are sites reserved for new primary schools as part of the East Leeds Extension northern quadrant and southern quadrant, East of Otley, Wetherby Racecourse, Skelton Gate, Church Lane (Adel), former Copperfields School site (being used for new SEN free School), Bradford Road (East Ardsley), Laneside Farm (Morley), Abbey Road (Kirkstall).

- 17 Allerton High School is currently in the process of being expanded permanently by 300 places for September 2023. The programme is extremely tight, and an early works contract to the value of £1.2m is in place to assist with the delivery timescale (this is the only ATS approval for the project). Costs reported by the Local Education Partnership (LEP) and verified by Norfolk Property Services (NPS) at early viability stage were in the region of £7.5m to £8m inclusive of construction, fees, contingency/risk, loose furniture and equipment and highways works. The budget range above was reported to and approved by Executive Board on 22 September 2021. However, as the design has developed through RIBA stages 1-4 the cost of materials i.e. steel, doors, windows and concrete etc. are at a premium as a direct consequence of COVID-19, ongoing supply chain issues and inflation. The scheme cost at end RIBA Stage 4 is £8.5m.
- 18 This report seeks to notify Executive Board of the cost increase in relation to the Allerton High and seeks ATS on the remainder of the funding of £7.3m required to deliver the project.
- 19 Boston Spa St. Edwards is currently being brought forward for a 20 to 30 place expansion. An initial cost range of £350k to £500k was included in the report submitted to Executive Board on 22 September, pending scheme development and design freeze. This was based on an early viability budget received from the school's architectural team. It was based on a one classroom extension required to enable the primary school to increase from 20 places to 1 Form of Entry (FE).
- 20 Further design work has been undertaken to enable the scheme design and cost plan to be agreed. This work has introduced a number of new elements including service connections which are at capacity / end of life, asbestos management required in areas impacted by the new connections, enhanced foundation design and a new linked walkway to connect the new classroom to the school, along with the introduction of mitigation measures required to address highways issues. In addition, a further planning submission will be required because of the impact of the classroom on the external space which was not included in the original design. NPS have now completed the RIBA 1 validation exercise. The latest cost estimate for construction alone is higher than the upper limit estimate of £500k included in the previous Exec Board report which were based on the estimates provided by the school. These estimates were developed without addressing the requirements above and in the absence of ground investigation surveys that would have informed the foundation design.
- 21 The full cost plan of the scheme from design to completion, internal fees, planning discharge and building control, loose furniture / IT, surveys, highways transport assessment and travel plan and offsite works is £1.1m.

Challenges and Issues

- 22 Notwithstanding the successful delivery of the Learning Places Programme over the last 12- 18 months, the programme has not been without its challenges. The impact of COVID from March 2020 for the delivery of places for September 2020 was inevitably a factor, minimising face to face time for scheme development and the management of on-site issues, which was generally well-managed and the impact mitigated on the whole. However, its longer-term impact and issues that are specific to the delivery of school places, have been more prevalent for the September 2021 delivery and beyond. Challenges and issues currently being experienced include: -
 - The short timescales available in relation to secondary place provision from offer day on the 1st March is placing unprecedented pressure on the delivery process which often requires ground investigations, design solutions and planning approval for delivery by the same September
 - Contractor availability which impacted particularly across the PMP this year however subcontractor availability was also an issue across the wider Learning Places Programme;
 - Supply chain issues, materials availability and extended lead in times are being experienced across a wide variety of products and supplies including timber, steel, plaster, fire doors etc resulting in early ordering and early works to ensure programme dates can be met

- Power and water connections to new sites despite placement of early orders, have seen connection dates slip, adding pressure to delivery in the lead up to school opening days;
- Cost uplift and increased inflation rates across the whole programme, which is being seen directly in relation to the current cost estimate increases on Boston Spa St. Edwards and Allerton High but also across the wider programme,

- 23 There are also challenges and issues to be managed across the programme over and above those identified in 22. The Council is still working under the Action Plan imposed by the DfE in 2018. The Action Plan required an annual reduction across the programme of the cost per pupil rate for 4 years. This target has successfully been achieved year on year to date with the current cost per pupil rate sitting just below £22k per pupil place currently, which has been positively acknowledged by the DfE. However, on the basis that SEN demand will continue to require provision (typically 2x the cost/pupil rate). To date there have been two capital grants to address the SEN place shortfall, a SEND grant in 18/19 to 20/21 of £4.57m and High Needs Provisional Capital Allocation (HNPCA) grant of £5.49m. The DfE has advised that HNPCA funding for 22/23 will be subject of their next funding review. The two grants were fully allocated to schemes in the programme but do not cover the cost of SEN expansion schemes delivered to date. Basic Need grant funding does not provide for SEN places so consideration on the requirement moving forward will be reliant on the outcome of the spending review.
- 24 In reviewing the financial position of all the schemes included within the programme as a whole, in total there are currently 24 schemes on site or recently completed which amount to £75m. Schemes that have Authority to Spend (ATS) approval and are in construction as part of a full or phased delivery amount to £95.1m and there are 5 schemes currently in design development with a total estimated cost of £16.7m. Whilst noting that three of the schemes in design development have provisional ATS and early works orders are in place for another, the risk fund allocation currently set at £7.19m (10% of the value of schemes in development) could be reduced to £6.1m to reflect the current programme. However, the current market conditions being experienced across construction in general and the issues highlighted above, it may be prudent to retain a slightly higher risk fund allocation for the time being, until more price certainty is achieved on those schemes and market conditions settle. On that basis it is proposed to set the Risk Fund Allocation at £6.5m.
- 25 On a monthly basis the current financial projections for the Learning Places Programme has highlighted for some years that the value of planned schemes on the programme monitor exceeds the amount of unallocated resources left in the programme (including the Risk Fund). Whilst this has been avoided for some time via careful programme management and subsequent grant allocations, current projections indicate that an in-year cash funding shortfall will occur in 2022/23 which is currently estimated at £3.9m, subject to the outcome of further analysis of demographic projection data. A funding solution will therefore be required to ensure that the 22/23 LP programme can be fully financed. Previous injections of CIL and council borrowing have been utilised to cash flow the programme in advance of confirmation of future DfE capital grant allocations, and the council will look to cash flow the projected 22/23 in-year shortfall on a similar basis. Articulation of this strategy will be included in the annual budget and capital programme reports that are due to be presented to the Executive Board next February.

What impact will this proposal have?

Wards affected: Wetherby, Alwoodley

Have ward members been consulted?

Yes

No

- 26 The report sets out how the Council has and continues to deliver its statutory duty to provide a sufficiency of school places across Leeds for children of all ages and abilities. The positive benefits of good quality teaching environments as part of the educational experience are an important part of a child's life. The delivery of the expansion and new build schemes creates better quality spaces where children learn and grow in a positive way.

- 27 In addition, the schemes also address historic condition issues as part of either the Learning Places or Planned Maintenance Programme.

What consultation and engagement has taken place?

- 28 The Deputy Leader of Council and Executive Member for Economy, Culture and Education is briefed on all proposals as they develop alongside ward specific members where the proposals relate to ward specific projects.

What are the resource implications?

- 29 The resource implications are the ATS approvals required to deliver the expansion to Allerton High and Boston Spa St. Edwards of £7.3m and £1.1m respectively, which are higher than previously reported figures, as a consequence of the issues highlighted in section 17, 20 and 22.

What are the legal implications?

- 30 There are no legal implications for this report.

What are the key risks and how are they being managed?

- 31 Risk is to be managed through application of 'best practice' project management tools and techniques via the City Council's 'PM Lite' risk methodology. Risk management forms just one part of PM Lite and further details on risk can be seen in the Insite page: <https://insite.leeds.gov.uk/toolkits/managing-a-service/riskmanagement>. The progress of the scheme (RAG rating and comments) will also be included in the routine reporting to the council's Strategic Investment Board.

Does this proposal support the council's three Key Pillars?

Inclusive Growth Health and Wellbeing Climate Emergency

- 32 The proposal directly supports the outcomes set out in the Inclusive Growth Strategy that puts children at the heart of the growth strategy by ensuring a sufficiency of school places for all children in Leeds.

Options, timescales and measuring success

a) What other options were considered?

- 33 No other options have been considered as the Council has a statutory duty to provide a sufficiency of school places and the Learning Places Programme is governed with this as its key driver.

b) How will success be measured?

- 34 Success is measured through the delivery of a sufficiency of school places and the opening of schools in time for the academic year the places are required and the schemes are delivered within budget.

Appendices

- 35 Appendix 1 - EDCI

Background papers

36 Not applicable.