

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date of Decision:	14 January 2022
Decision Title:	Children's Services Capital Programme 2022/23 to 2024/25
Report From:	Director of Children's Services and Director of Corporate Resources – Corporate Services

Contact name: Peter Colenutt, Assistant Director, Strategic Development and Capital Delivery, Children's Services and Adult Services

Tel: 0370 779 1969 **Email:** peter.colenutt@hants.gov.uk

Recommendation(s)

- 1 To approve submission to the Leader and Cabinet the capital programme for 2022/23 to 2024/25 as set out in Appendix 1 and the revised capital programme cash limit for 2021/22 as set out in Appendix 2 including the transfers between years and the carry forward of resources as set out in Table 3.
- 2 That the deferral of resources relating to schemes of £16.870m be approved for submission to Cabinet as shown in Table 11 of this report.
- 3 That the following variations to the 2021/22 capital programme be approved:
 - That it be recommended that resources of £0.554m be added to the 2021/22 capital programme to create a new 3G sports pitch at Brookfield Community School, Fareham.
 - That approval be given to grant agreements up to £2.7m to create SEND Post-16 Resourced Provisions at Brockenhurst, Basingstoke College of Technology, Farnborough College of Technology, Alton and Andover colleges.
 - That it be recommended that resources of £0.545m be added to the 2021/22 capital programme for improvements at Swanwick Lodge.
- 4 It is recommended that approval be given to the Director of Children's Services to determine those sites that require modular buildings for the

2022/23 academic year and that the sites listed in Appendix 3 be noted.

- 5 It is also recommended that approval be given to the Director of Children's Services to allocate £1.2m of identified 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.
- 6 That the projects listed at Appendix 4 for Access Improvements in Schools for 2022/23 be approved.
- 7 That the projects approved under delegated powers by the Director of Children's Services in Appendix 5 are noted.
- 8 That the School Places plan at Appendix 6 be noted.
- 9 That the School Suitability Programme projects identified in Appendix 7 be approved.

Executive Summary

- 10 This report seeks approval for submission to the Leader and Cabinet of the proposed Children's Services capital programme for 2022/23 to 2024/25 and the revised capital programme for 2021/22. The proposals contained within this report continue an exciting investment by the County Council for Hampshire children that will not only help raise educational standards, but also create many additional local employment opportunities within its delivery.
- 11 The report has been prepared in consultation with the Executive Lead Member for Children's Services (ELMCS) and will be reviewed by the Children and Young People Select Committee on 14 January 2022. It will be reported to the Leader and Cabinet on 8 February 2022 to make final recommendations to County Council on 17 February 2022.
- 12 The Children's Services capital programme maintains a balanced position between income and expenditure over the proposed three-year period of the programme. However, despite the ongoing primary, secondary and SEND pressures, indications are that a balanced position will be maintained over the five-year period beyond the scope of this report. Further work is being undertaken with potential funders, including the Government, Local Planning Authorities, Developers and Local Enterprise Partnerships (LEPs) to maximise contributions from sources other than the County Council. The aim being to keep calls on the County Council's resources to a minimum.
- 13 The Secretary of State has yet to announce details of individual local authority basic need capital allocations for the years 2023/24 and 2024/25

and School Condition Allocation (SCA) for the year 2022/23. However, indications are that the 2022/23 SCA allocation will be equal to 2021/22. Devolved Formula Capital (DFC) has yet to be confirmed for 2022/23 but again, expectations are that it will be at a similar level to the 2021/22 allocation. In addition, the recent budget statement by the Chancellor of the Exchequer announced an additional £2.6bn nationally for SEND Schools. Individual local authority allocations will be announced at a later date.

- 14 The proposals contained within this report are derived from the departmental service plan(s) which have been developed to support the Serving Hampshire's Residents - Strategic Plan 2021- 2025.

Background

- 15 Executive Members have been asked to prepare proposals for:
- A locally resourced capital programme for the three-year period from 2022/23 to 2024/25 within the guidelines used for the current capital programme including an assumption for 2023/24 and 2024/25. The programme for 2023/24 onwards is indicative and subject to change.
 - A programme of capital schemes for 2022/23 is supported by Government grants as announced by the Government.
- 16 The capital guidelines are determined by the medium-term financial strategy which is closely linked to the Serving Hampshire's Residents – Strategic Plan 2021 – 2025. The strategic aims and departmental service plans ensure that priorities are affordable and provide value for money and that resources follow priorities.
- 17 The County Council's locally resourced capital programme has been maintained despite the challenging financial environment in which local government has been operating, up to and including the impact of the Covid-19 pandemic on the County Council's financial position. These local resources, together with specific capital resources that come from central government and developers ensures that the County Council continue to invest wisely in maintaining and enhancing existing assets and delivering a programme of new ones.

Locally resourced capital programme

- 18 The cash limit guidelines for the locally resourced capital programme for Children's Services as set by Cabinet are shown in Table 1.

Table 1 - Locally resourced capital programme

	2022/23	2023/24	2024/25
	£m	£m	£m
Annual Allocation	0.100	0.100	0.100

Finance – Capital programme supported by Government allocations

- 19 The Government has allocated all its future support for the capital programme in the form of capital grants.
- 20 The Secretary of State has previously announced details of individual local authority Basic Need allocations for 2022/23. Allocations to date for the School Condition Allocation and the formula allocation for Devolved Formula Capital only cover 2021/22.
- 21 The 2022/23 Basic Need allocation did not allocate any capital funding to Hampshire. Whilst this is disappointing, it was expected. The DfE capital allocations have largely caught up with the requirement and delivery of school places. There is the potential for a zero or low capital allocation in 2023/24 as the DfE assesses the impact of the free school places they directly fund. At this stage, it is considered prudent to assume a zero allocation. An update will be provided as soon as possible following capital announcements in 2022.
- 22 The focus of the current spending round continues along the lines of previous years by reducing the number of hypothecated grants, thus allowing local authorities to determine their own local priorities, with a focus on school places and school condition.
- 23 Table 2 sets out the capital allocations for Basic Need and School Condition Allocation together with an assumed level of funding for 2023/24 and 2024/25. Although no announcements with regard to SCA allocations for 2022/23, 2023/24 and 2024/25 have been announced, further changes to the allocation formula are anticipated from 2022/23 and it is unclear what the net impact on the SCA grant for Hampshire County Council will be.

Table 2 – Allocation of capital grant to the County Council (excluding schools' devolved capital)

Grant	2022/23	2023/24 (assumed)	2024/25 (assumed)
	£m	£m	£m
Basic Need New pupil places	0	0	0
School Condition Allocation (assumed)	23.391	23.391	23.391
Total	23.391	23.391	23.391

- 24 As previously reported, the School Condition Allocation is targeted towards major capital repairs and is now received in full by Policy and Resources Committee. Officers from Children’s Services and Culture Community & Business Services (CCBS) continue to work together to ensure that this funding is used to address strategic Children’s Services and Policy and Resources priorities across the education estate.
- 25 The County Council was successful in securing £29.4m in grants from the Public Sector De-Carbonisation Scheme (PSDS). The decarbonisation works comprise window replacement, photo-voltaic panels, heating controls and replacement boilers. Progress has been good with 400 schools benefiting from the funding with half now complete. The remainder will complete before 31 March 2022. The programme of works is forecast to reduce carbon emissions from the school estate by 6% per annum.
- 26 The Children’s Services capital programme is based on government capital grants (as set out in Table 2), developers’ contributions, capital receipts and local resources. The expected availability of government grants, together with developers’ contributions and capital receipts for each of the three forward years up to 2024/25 are set out in Table 3. To address the need to fund a number of major projects in 2025/26, the funding available for starts in 2023/24 and 2024/25 have been reduced, and resources carried forward to 2025/26.

Table 3 – Three-year capital resources summary

	2022/23 (assumed)	2023/24 (assumed)	2024/25 (assumed)	Total
	£m	£m	£m	£m
Basic Need Carried Forward	17.890	19.250	49.000	86.140
Schools’ Devolved Capital	3.349	3.349	3.349	10.047
Developers’ contributions anticipated	3.848	15.110	58.446	77.404
Special High Needs grant	4.120			4.120
Capital Investment Priorities	1.250	6.750		8.000
Corporate capital resources	0.100	0.100	0.100	0.300
Capital Receipts	3.973			3.973
Carry Forward resources to 2024/25	-2.000	-1.000	3.000	0
Carry forward resources to 2025/26		-16.000	-24.000	-40.000
Totals	32.530	27.559	89.895	149.984

- 27 Resources totalling £16.87m are proposed to be carried forward to 2022/23. This relates to projects being started in 2022/23. The carry forward of £40m to 2025/26 will support the future programme which is forecast to rise significantly beyond the scope of this report.

Three-year capital allocations 2022/23 – 2024/25 – overview

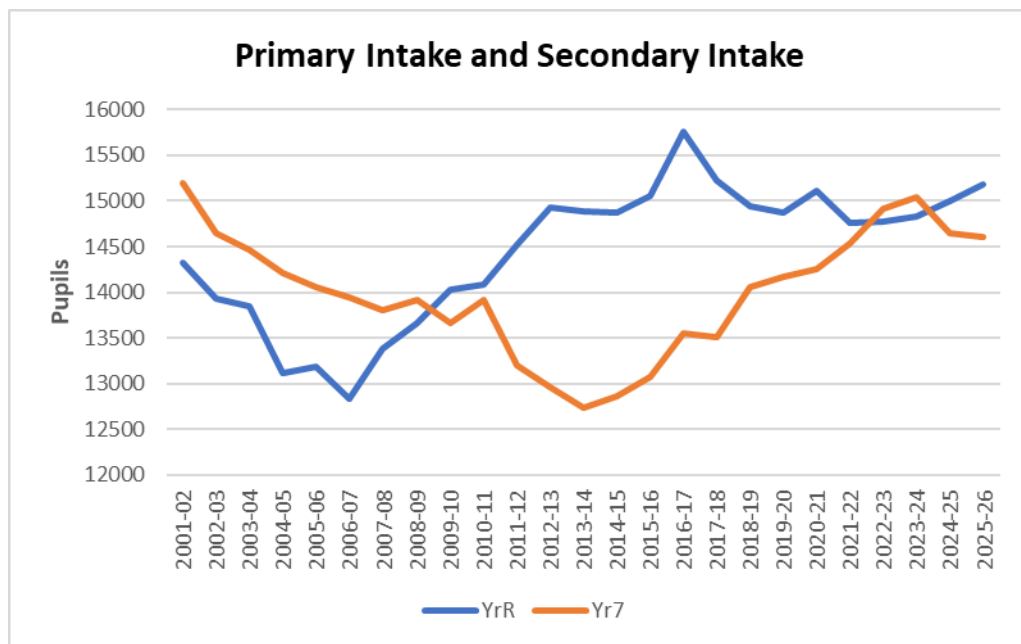
- 28 The planned investment programme continues with a focus on school places and school condition. The 2023/24 onwards programme is indicative and subject to change.

New School Places

- 29 Hampshire is proud of the quality of education provided by its diverse and high-performing system of schools, colleges and early years' settings. The county hosts popular and highly successful infant, junior, primary, 11-16 and 11-18 schools as well as new and innovative 4-16 schools and the largest post-16 college sector in the country. The County Council is committed to ensuring that families in Hampshire have access to a good local school that offers a rich and varied learning experience, has the highest expectations for their children's success and where parents can be confident that their children will be safe. All children have the right to an enjoyable, inclusive and expansive education and it is the role of the local authority to intervene on behalf of children, especially the most vulnerable, when this is not the case.
- 30 The proposals contained within this report continue an exciting investment by the County Council for Hampshire children that will not only help raise educational standards, but also create many additional local employment opportunities within its delivery. During the period 2013 to 2021 the County Council will have delivered 14,215 new school places with projects contained within the 2022/23 to 2024/25 programme totalling a further 8,066 places giving a total of 22,281 new school places by September 2025.
- 31 There are over 48,000 new dwellings planned for Hampshire between 2020 and 2027 for which most of the school pupil impact will fall outside the period of this report. Therefore, only a small number of the pupils that will be generated from those dwellings are accounted for in the places referred to above with the majority forming part of future programmes.
- 32 The County Council has a statutory duty to ensure a sufficiency of school places for Hampshire children. A revised Hampshire School Places Plan 2022- 2026 is appended to this report at Appendix 6. The Plan sets out the identified need for additional mainstream school places in the primary and secondary sectors across Hampshire through to 2026 with proposals shared with the Regional Schools Commissioner (RSC).
- 33 Hampshire continues to experience a significant pressure for school places across certain areas of the county as high birth years' work their way through the school system and new housing (over 48,000 dwellings planned 2020 to 2027) is built across the county. There are also areas where trends suggest that pupil numbers are starting to fall, these will need

to be monitored carefully. The new housing has been identified from existing local plan allocations and proposals emerging from District and Borough Council Local Plans currently in consultation.

- 34 The number of births in Hampshire reached a peak in 2012 of 15,400. Births in the County began to drop in 2012 and were at their lowest in 2019, reflecting national trends. This was a similar number to those in the early 2000's. However, births are predicted to grow again due to new housing and continue to grow during the next 5-year period.
- 35 The Plan sets out a strategy to manage school places over a five-year period taking in to account birth rates, housing development and inward and outward migration trends.
- 36 The following graph demonstrates primary numbers and movement into the secondary phase at Year 7.



- 37 The timing of the new provision to serve new housing will be dependent upon the build out of the housing. Forecast pupil numbers arising from new housing are based on current planned housing completion information. Experience suggests that these developments often take longer than first indicated to build out with the secondary pupil yield taking some time to have an impact on the school system.
- 38 The Community Infrastructure Levy (CIL) makes the developer contribution funding source more uncertain than through the use of Section 106 agreements. Detailed discussions continue to take place with the Local Planning Authorities and developers to keep abreast of the situation. Any shortfall in funding will need to be found from alternative capital programme resources or, if resources are not available, the use of reduced

specification in the finished form and modular accommodation will have to be considered.

- 39 The proposed three-year programme provides sufficient school places to meet the forecast demand. To date, the majority of the capital programme has focussed on the pressure of primary school numbers. The three-year planning period of this report continues to show a need for additional primary places. The secondary impact of these pupils is also starting to impact on the programme and is set out further in the School Places Plan.
- 40 This exciting investment in new school places for Hampshire children is costed at around £109m as part of a total investment programme of £150m over the next three years. The programme is forecast to rise significantly beyond the three year period of this report.

New Schools

- 41 The current presumption (by the DfE) is that every new school will be an academy/free school. This means that once built the County Council hands over the site and buildings to the Academy on a Full Repairing and Insuring 125-year lease but still retains the freehold of the site.
- 42 There are currently two routes available to open a new school, but it should be noted that the size and scope of the free school programme is under review and the following is subject to change. One option is for the local authority to seek a sponsor through the presumption route, where the local authority is responsible for providing the site for the new school and meeting the associated capital and pre-/post-opening costs. The second option is through an approved academy sponsor making a direct application to the DfE. The local authority can support such applications and is asked to comment on all submissions. To date, the County Council has successfully worked alongside academy sponsors making free school applications to provide additional school places. Currently, the DfE will meet the capital shortfall in funding for new free schools, but this is dependent on individual circumstances and funded using DfE building rates.
- 43 Therefore, going forward, each new school will be considered on an individual basis to assess the most effective route for delivery. The delivery of these new school places will be considered in the context of an evolving LA role. Whilst the provision of new school places is a DfE capital issue, capital grants are limited. Therefore, the County Council will need to keep under review its plans and proposals to ensure a sufficiency of school places within the combination of available government grants, developers' contributions and locally resourced capital funding.
- 44 The timing of the new provision to serve new developments will be dependent upon the build out of the housing. Master Place Planning and feasibility work is ongoing for the proposed new schools, particularly where

negotiations are taking place with developers and local planners for school sites and developer contributions are being sought. The lead in time to establish a new secondary school is around four years, two years in design and statutory consultation and two years to build.

- 45 A list of new schools on the current planning horizon is shown in Table 4. It should be noted that the proposed opening dates are subject to change and will be monitored alongside housing completions.

Table 4 – New and Proposed Schools to September 2025

Area / School	Size & Type of School	Opened and Proposed Opening Date	Sponsor Status
Austen Academy, Basingstoke	125 place 4-16 SEND School	April 2021	Catch 22 Multi Academies Trust
Cornerstone CE (Aided) Primary, Whiteley	3fe Primary (relocation and expansion of 1fe Primary)	Sept 2021	Portsmouth & Winchester Diocesan Aided School
Deer Park School, Hedge End	7fe Secondary	Sept 2021	Wildern Academy Trust
Hounsome Fields Primary, Basingstoke	2fe Primary	Sept 2024	tbc
AUE 2 nd Primary, Aldershot	2fe Primary	Sept 2025	tbc
Berewood 2 nd Primary, Waterlooville	1.5fe Primary	Sept 2025	tbc
Hartland Village Primary, Fleet	2fe Primary	Sept 2025	tbc
One Horton Heath Primary, Fair Oak	2/3fe Primary	Sept 2025	tbc
Manydown Primary, Basingstoke	2fe Primary	Sept 2025	tbc
Welborne Primary, Fareham	2fe Primary	Sept 2025	tbc

Special Educational Needs and Disability (SEND) Strategy

- 46 Historically, funding has been included within the overall programme to support SEND projects and it is proposed to continue the annual allocation of £1m for special school improvement projects with project details being brought to future Decision Days.
- 47 In October 2021 the government announced a new commitment of £2.6bn nationally to support children with special educational needs and disabilities with a target to create 30,000 new places for pupils across the country to support their learning in both mainstream and special educational needs schools. It will also be used to improve the suitability and accessibility of

existing buildings and go towards new special and alternative provision free schools to help drive up standards in special education. Hampshire's allocation from this funding will be brought to a future Decision Day with details of projects to help manage the pressure on school places.

- 48 There has been a significant increase in numbers of pupils requiring a SEND specialist school place. The increase in the SEND school population has put a significant pressure on existing special schools and resourced provision. Increased numbers alongside advances in medical technology are giving rise to some schools having very specific accommodation needs to meet the specialist and often complex requirements of individual pupils. For these reasons, there are some significant suitability issues within special schools across the county.
- 49 Forecasting for the future need and type of SEND School Places is complex and the cost per place of provision is significantly more expensive than in mainstream schools. The forward capital programme includes a number of special school projects. Table 5 details schemes currently in development.

Table 5 – Current SEND Schemes in Development

Area / School	Places/ Type of School	Proposed Opening Date
Osborne School, Winchester	20 SLD	March 2022
Riverside School, Waterlooville	20 MLD/SLD	March 2022
Henry Tyndale School, Farnborough	35 SLD/ASC	Sept 2022
Hollywater School, Bordon	8 SLD	Sept 2022
Norman Gate School, Andover	10 MLD/ASC	Sept 2022
Samuel Cody Specialist Sports College, Farnborough	90 SEMH	Sept 2022
Icknield School, Andover	10 SLD	Dec 2022
Mark Way School, Andover	20 MLD/ASC	Feb 2023
New SEND places	TBC	Sept 2025

Key

ASC – Austistic Spectrum Condition

MLD – Moderate Learning Difficulty

SEMH – Social, Emotional & Mental Health

SLD – Severe Learning Difficulty

Table 5 identifies investment projects costed at over £35m for special educational needs and disabilities provision in Hampshire.

Early Years

- 50 As part of the Early Years Sufficiency Strategy, it is proposed to allocate £3m of resources to create new places and improve the condition of existing provision. Part of this funding will support existing operators to operate more efficiently and therefore remain in the market. The funding will be spread over the financial years 2022/23 – 2023/24.
- 51 Proposals for consideration against this funding will be brought to a future Decision Day.

Schools Programme – delivery

- 52 The continuing size of the programme is significant and requires a structured programme-wide approach with teams geared up to meet the future challenges of fewer financial resources and variability in timing. Taking on the local delivery of Free Schools for the DfE has also required a change of approach with different skills and (reduced) resource capacity required to follow the design and procurement process required by Central Government. However, this is bearing fruit with the County Council having an influence and some control over the design and layout of the new buildings to ensure the best outcome for Hampshire children within the constraints available.
- 53 Table 12 lists the potential school expansions and new school projects through to 2024/25, although this table is not exhaustive. A large proportion of these schemes are planned to be funded with significant developers' contributions. Developer contributions are dependent upon housing completions which will continue to influence the timing of the need for additional school places. The identified project costs are initial allocations only and are not project allocations. There remains a target to reduce the costs of all schemes where possible.
- 54 Recognising the need to progress these schemes it is recommended that the necessary public consultations are undertaken and that the Director of Culture, Communities and Business Services (CCBS) undertake costed feasibility studies for each of the projects listed in Table 12. More detailed cost appraisals will be brought to future Decision Days.

School Suitability Investment Programme

- 55 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. County Council 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. This report proposes continuing this important investment programme with an allocation of £2m per annum from 2023/24 onwards.

- 56 Projects from the existing allocation have been identified in Primary, Secondary and Special schools within three key areas:
- Environmental improvements to the function of the space – light, ventilation, acoustics
 - Modernisation of teaching spaces to better meet current curriculum delivery – including specialist rooms
 - Related improvements to school facilities, such as refurbishment of toilets
- 57 The first tranche of projects in 2020/21 focused on improving lighting and toilets. The second tranche of projects in 2021/22 focused on improving special school environments. The third year of the programme focused on improvements to science laboratories, food technology spaces and toilets. Projects identified for 2021/22 and 2022/23 are detailed for approval at Appendix 7.
- 58 The remaining funding and future years allocations will be targeted towards improvements to general teaching spaces in primary and secondary schools, science laboratories and additional SEND projects and will be reported at a future Decision Day.

Other formulaic allocations

- 59 In addition to the funding for new pupil places, funding is also identified for other priorities as listed in Table 6.

Table 6 – Proposed allocations for three-year programme

	2022/23 (Assumed)	2023/24 (Assumed)	2024/25 (Assumed)	Totals
	£m	£m	£m	£m
New schools and extensions	18.318	15.340	75.046	108.704
Early years/childcare sufficiency	2.000	1.000	0.000	3.000
New modular classrooms	2.000	2.000	2.000	6.000
Other special school and SEN improvements	1.000	1.000	1.000	3.000
School Suitability Programme	2.000	2.000	2.000	6.000
Access improvements in schools	0.500	0.500	0.500	1.500

Social Care projects	0.350	0.350	0.350	1.050
Health and Safety	0.400	0.400	0.400	1.200
Schools' devolved formula capital	3.349	3.349	3.349	10.047
Furniture and equipment and ICT	0.250	0.250	0.250	0.750
Contingency	2.363	1.370	5.000	8.733
Totals	32.530	27.559	89.895	149.984

Note: Individual scheme allocations have been updated to the 4Q21 price base.

Other improvement and modernisation projects

Access improvements in schools

- 60 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 proposed that £0.5m is included in each year's capital programme to finance specific access improvement projects in schools.
- 61 Therefore, it is recommended that the projects listed at Appendix 4 are approved from the capital programme for 2022/23.

Foster Care

- 62 Provision of £0.1m each year is proposed within the programme to fund adaptations to foster carers' properties.

Adaptation Equipment

- 63 Funding has been identified within the programme from 2022/23 onwards to provide equipment and adaptations for disabled children and young people to support their independence at home. This is a statutory duty on the local authority and without this support and intervention; many of these children and young people would not be able to remain at home resulting in a significant demand on the revenue budget.
- 64 Therefore, it is proposed to allocate £0.25m each year from the programme to support this essential work.

Schools' Devolved Formula Capital

- 65 Government grant allocations for schools' devolved formula allocations have yet to be announced. The assumption is that the allocation for 2022/23 will remain at the 2021/22 level and exclude Academies. The allocation per school will be according to the DfE formula set out in Table 7

and is intended to fund high priority projects identified through schools' Asset Management Plans.

Table 7 – Schools' Devolved Formula Capital allocation

School Phase	2022/23 Formula (assumed) £
Per nursery/primary pupil	11.25
Per secondary pupil	16.88
Per special school or education centre pupil	33.75
Lump sum (all schools)	4,000.00

- 66 Officers continue to work closely with schools to ensure that devolved formula capital allocations are spent appropriately on Asset Management Plan priorities. There is particular emphasis on ensuring that they are used in conjunction with County Council and other capital resources so that the maximum number of schools benefit and that resulting projects make optimum use of available resources.

Developers' contributions

- 67 Developers' contributions are a vital source of resources to the Children's Services capital programme. Over the period 2013 - 2021 developer contributions totalling £165m have been secured towards the cost of new places. However, such funds only cover costs incurred and their availability depends on the rate of house building.
- 68 The Community Infrastructure Levy (CIL) was introduced to ensure that all development contributes towards the provision of infrastructure and provides transparency to developers about planning obligations. In practice, Section 106 is still the primary mechanism for securing infrastructure funding for strategic development sites, and this includes new schools.
- 69 Prior to 1 September 2019, the Community Infrastructure Levy (CIL) regulations restricted the use of Section 106 insofar as it was not possible to secure more than five planning obligations for any one infrastructure type or project. This prevented Section 106 from being used to deal with the cumulative impact of development on school places. This restriction was removed by the updated CIL Regulations which came into force on 1 September 2019. Subsequently Cabinet agreed on 29 September 2020 the principal of the County Council fully utilising existing provisions under Section 106 to secure the necessary infrastructure to mitigate the impact of development, including the cumulative impact of smaller developments.
- 70 The government launched the white paper on planning reforms on 6 August 2020 entitled 'Planning for the Future'. The paper proposes

significant changes to reform the planning system which are currently being reviewed.

- 71 The current policy for contributions was approved by the Executive Member for Children's Services and updated in September 2019. Contributions fall into three categories:
- Where funding for a project has been allocated from the capital programme in advance of the contribution being received. The receipt is therefore repaying past expenditure and is available to add to the current year's cash limit;
 - Where funding has been borrowed through the School Balances Loan Scheme or the Prudential Code to enable a project to begin in advance of the contribution being received. The receipt is used to repay borrowing;
 - Where funding is available for a specific project, to be identified, within the area of the housing development to which the contribution relates.

72 There remains a risk that, where Districts/Boroughs propose to use CIL to fund education infrastructure, the levels of funding raised through Section 106 Agreements for the provision of additional school places will not be matched through CIL receipts. Discussions are regularly held with the local planning authorities to try and agree the best way forward to ensure the right number of school places are provided in the right location, at the right time.

73 The regular meetings held with local planning authorities ensure a collective understanding of the school places strategy for individual areas and need for developer contributions to meet the cost of the additional school provision. In those areas that do not have an adopted local plan, the opportunity arises for speculative development proposals.

Capital programme summary 2022/23 to 2024/25

74 The total amount available to fund starts in 2022/23 is £32.53m. Table 3 in paragraph 26 illustrates how this sum is arrived at.

75 On the basis of the position outlined above, the total value of the capital programmes submitted for consideration for the three years to 2024/25 is shown in Table 8 and attached at Appendix 1.

Table 8 – Capital programmes 2022/23 to 2024/25

	2022/23	2023/24	2024/25	Total
	£m	£m	£m	£m
Schemes within locally resourced guidelines	4.323	1.850	1.100	7.273
Schemes funded with developers' contribution	3.848	15.110	58.446	77.404
Schemes supported by Government grants and borrowing	24.359	10.599	30.349	65.307
Totals	32.530	27.559	84.895	149.984

2023/24 to 2024/25 programmes

- 76 As indicated above, it is possible to fund those schemes where starts need to be made in 2022/23. The indicative resources available in 2023/24 total £27.559m and are summarised in Table 9.

Table 9 – Resources for 2023/24

	2023/24
	£m
Basic Need – New pupil places	7.250
Calls on developers' contributions	15.110
Schools' Devolved Capital grant	3.349
Corporate Resources	1.850
Totals	27.559

Pressures on the capital programme

- 77 The Children's Services capital programme has reached a balanced position between income and expenditure in recent years. However, despite the ongoing primary pressure and secondary impact, indications are that a balanced position will be maintained over the five-year period beyond the scope of this report.
- 78 Some of the forecast financial challenges have reduced as a result of extensive negotiations to secure developer contributions and the work undertaken to reduce the cost of school building design as set out in the following section. Alongside this, the strategy to pursue free schools has also helped reduce the forecast deficit and officers will keep abreast of any new funding initiatives that may help to reduce the deficit further.
- 79 It is essential that officers design and deliver at the most economic cost while minimising the detrimental effect on the teaching spaces and environment. Future design solutions will also carefully consider the impact

of climate change. Detailed project appraisals will cover this in more detail through individual reports for approval by the Executive Member for Children's Services.

- 80 It should also be noted that the construction industry is in a period of instability and inflationary pressures are currently volatile (Covid-19 etc.). This is covered in more detail in paragraph's 85-88. Allowance has been made for future inflation costs using national available data and local knowledge. However, inflation, the availability of resource and capacity to deliver in the industry will be kept under review. The three-year programme has been updated to the 4Q21 price base.

Successfully delivering better value school buildings

- 81 The County Council has a local and national reputation for the quality of its school buildings. Significant work continues to be undertaken to successfully the capital programme with a focus on:

- Appropriate and sufficient space to accommodate learning and provide flexibility.
- Climate Change.
- The use of good quality and robust materials to ensure longevity and low maintenance over the lifetime of the buildings.
- Ensuring that designs are efficient, compact and as economic as possible whilst ensuring that costs are within available funding.
- Adopting common design approaches and standards, replicating templated proposals across a number of sites where possible.
- Innovating the construction of the schools with contractors in response to climate change targets using modern methods of construction and engagement with supply chain and manufacturers.

- 82 Better value schools have been delivered over recent years despite the Covid-19 pandemic. Delivery has been achieved by forward planning, using existing contractor framework arrangements with common design principles projects batched into programmes of work delivered at cost with the least impact on quality or scope. Given the scale of the County Council's Capital Programmes (including Children's Services), early and good design judgements, together with innovation in modern methods of construction and robust cost controls, continue to be imperative.

- 83 The approach to the delivery of Free Schools has been refined through working with the DfE. The 'Local Delivery' route has been established with benefits to the County Council where sufficient funding is not available from other sources such as developer contributions, this route is pursued. The relationship with the DfE continues to develop positively and Deer Park Secondary School was successfully completed and opened in September 2021. This gives continued confidence for the future. In addition, the DfE have invited Property Services to undertake further local delivery on their

behalf on the Isle of Wight and in Reading, reinforcing the view of Hampshire as a reliable delivery partner.

- 84 The County Council is continuing to lead the national study to benchmark the cost of schools across the country. This study is endorsed by the DfE and provides invaluable information on the 'true' cost of providing school places. This evidence is being used to benchmark value for money for Hampshire schools and to inform negotiations with Government, local planning authorities and developers to maximise funding for the provision of additional pupil places across Hampshire.

Emerging construction inflation and resource capacity issues

- 85 Given the scale of the County Council's Capital Programmes (including Children's Services), early and good design judgements, together with innovation in modern methods of construction and robust cost controls, continue to be imperative.
- 86 The outlook for the UK economy is uncertain, given the uncertainties of material price increases and availability of labour. Site productivity has returned to around 94% following the Covid-19 pandemic. Material prices have increased by 6.4% in the 3Q21 (on a quarterly basis) which is a 16.9% increase year on year and is becoming evident in recent tender returns.
- 87 Tender price inflation is influenced by the level of risk accepted by the supply chain and how that is priced. The BCIS are indicating an increase of 6.4% on the year (4Q20-4Q21) which is evident in recent tender returns. A further increase of 4.4% is forecast for the year (3Q21-3Q22). This is considered a reasonable assessment. Consequently, individual projects within the Children's Services capital programme have been updated to the 4Q21 price base.
- 88 The general fiscal position for the UK economy remains uncertain although site productivity and construction activity are increasing again having reduced earlier in 2021. There is a risk of higher prices but until material and labour shortages are resolved they are difficult to predict. Continued use of local and regional construction frameworks and the early engagement of contractors will be vital in securing value for money and capacity from the industry for the successful delivery of projects within this programme.

Revenue Implications

- 89 The revenue implications of the proposed capital programme are shown in Table 10.

Table 10 - Revenue implications of capital programme

Schemes within the guidelines	Full Year Cost			Total £m
	2022/23 £m	2023/24 £m	2024/25 £m	
Current expenditure	0	0	0	0
Capital Charges	0.716	0.405	0.554	1.675
Totals	0.716	0.405	0.554	1.675

Amendments to the 2021/22 programme

Brookfield Community School, Sarisbury

- 90 Brookfield Secondary School has recently been successful in securing external funding from the Football Foundation to provide a new 3G artificial grass pitch for the school and local community.
- 91 Therefore, it is recommended that funding of £0.554m (including fees) be added to the 2021/22 capital programme. The project is expected to complete during the autumn term 2022.

Post-16 Resourced Provision at Hampshire Colleges

- 92 At the decision day on 13 January 2021 it was reported that significant revenue funding has been committed for Post-16 SEND pupils to attend independent and out of county education provision. The January report recommended that four new SEND specialist Post-16 facilities for up to 40 places be approved at Farnborough College of Technology, Brockenhurst College, Alton College and Queen Mary's College, Basingstoke.
- 93 Since the 13 January 2021 Decision Day, the provision in the Basingstoke area will now be at Basingstoke College of Technology and a fifth provision at Andover College has been agreed.
- 94 The Havant South Downs College (Alton Campus) specialist provision opened in September 2021. The provisions at Andover College, Basingstoke College of Technology, Brockenhurst College and Farnborough College of Technology are scheduled to open in September 2022.
- 95 The colleges are working closely with Hampshire Special School Head Teachers to support the transition of pupils after year 11. The colleges will undertake the remodelling of assigned areas of their sites to provide appropriate classroom, hygiene, independent working areas and therapy spaces. A memorandum of understanding will be agreed for the provision of up to 40 SEND places per year. The places will be available for September 2022. The cost of the works across the five college

sites is estimated at £2.7m for which the resources have been identified from the 2021/22 capital programme.

- 96 Therefore, it is recommended that further grant agreements with The Basingstoke College of Technology and Andover College be approved from a total allocation of £2.7m across the five Hampshire Sixth Form Colleges named above to provide SEND resourced provision for Hampshire SEND pupils.

Swanwick Lodge, Fareham

- 97 The DfE recently awarded Swanwick Lodge Secure Children's Home grants totalling £0.545m to support internal anti-climb improvements and an upgrade of the heating system. The grant has been awarded on the basis that works will be completed by March 2023.
- 98 Therefore, it is recommended that resources of £0.545m (including fees) are added to the 2021/22 capital programme.

Resources for the 2021/22 programme

- 99 The revised capital programme for 2021/22 reflecting the adjustments made during the year is shown at Appendix 2. This lists all the schemes in the current programme at the latest cost, which, where appropriate, takes account of the latest design specifications and inflation together with a reconciliation of resources.
- 100 A number of decisions have been taken under delegated officer powers since the last meeting in July 2021. These are all under the officer delegated amount of £0.5m and have been funded from the block vote allocations reported on 7 July 2021 when the current programme was approved.
- 101 Details of decisions taken since the last report in July 2021 are recorded for information in Appendix 5.

Resources and projects proposed to be carried forward to 2022/23

- 102 It will not be possible to start the schemes listed in Table 11 during 2021/22. In many cases this is due to the need to obtain the necessary statutory approvals and sometimes as a result of changes in the scope, brief or programming of projects. Therefore, it is proposed to defer these projects, with their resources, to 2022/23.

Table 11 – Resources and projects to be carried forward from 2021/22 to 2022/23

Project	Cost of Projects & Resources carried forward
Named projects	£m
Early Years/Childcare Sufficiency	0.500
Henry Tyndale School, Farnborough	1.100
High Needs Grant	0.310
Hollywater School, Bordon	0.530
Icknield School, Andover	2.800
Little Deer's Nursery, Burley	0.500
The Mark Way School, Andover	2.180
School Suitability Programme	2.000
South Farnborough Junior	0.450
Stanmore Primary, Winchester	0.500
Winton Academy, Andover	6.000
Total carry forward	16.870

- 103 It is proposed to carry forward resources of £16.870m as shown in Table 3 and Table 11.
- 104 Updates relating to individual projects proposed to be carried forward are set out in the following paragraphs.

2021/22 Carry Forward Schemes

Hollywater School, Bordon

- 105 This project was reported to ELMCS on 7 July 2021 to approve the public consultation process. A detailed scheme has now been developed to provide additional internal teaching accommodation along with the refurbishment of existing spaces and is due to start during 2022 and complete in late 2022. A detailed costed project appraisal for this scheme will be brought to a future Decision Day.

Icknield School, Andover

- 106 This project was reported to ELMCS on 13 January 2021 to approve the public consultation process. A detailed scheme has now been developed to provide a major refurbishment of the school along with additional teaching spaces and is due to start during 2022 and complete in late 2022.

Little Deer's Nursery, Burley

- 107 This project was reported to ELMCS on 15 March 2021. It is proposed to provide either new nursery accommodation or refurbish the existing accommodation. Subject to planning, it is hoped that the project will complete in late 2022. A detailed costed project appraisal for this scheme will be brought to a future Decision Day.

The Mark Way School, Andover

- 108 This project was reported to ELMCS on 7 July 2021 to approve the public consultation process. A detailed scheme has now been developed to provide a three classroom expansion on the existing site and is due to start during 2022 and complete in late 2022. A detailed costed project appraisal will be brought to a future Decision Day.

Stanmore Primary, Winchester

- 109 This project was reported to ELMCS on 10 January 2020. The scheme provides a new reception area along with additional parking and is now due to start during 2022 and complete in late 2022. The project was pushed back to enable a joint scheme to be developed with the decarbonisation funding. The decarbonisation work needs to complete before the reception works can commence.

South Farnborough Junior, Farnborough

- 110 This project was reported to ELMCS on 10 January 2020. This complex scheme is an extension to the school hall and is due to start during 2022 and complete in late 2022.

Winton Academy, Andover

- 111 This project was reported to ELMCS on 13 January 2021. The scheme provides a permanent expansion on the existing school site and is due to start during 2022 and complete in 2023. A detailed costed project appraisal will be brought to a future Decision Day.

Potential Capital Projects 2022 – 2025

- 112 Table 12 lists the potential capital projects for the years 2022 – 2025.

Table 12 – Potential Capital Projects 2022 – 2025 with indicative costs

Projects Starting in 2022/23	Planned Expansion (additional places)	Estimated Cost £'000	Expected Date Places Available
Liphook Infant & Junior	School improvements	1,048	Sept 2023
Little Deer's Day Nursery, Burley	Nursery provision	500	Sept 2023
Sharps Copse Primary, Havant	School improvements	1,850	Sept 2023
South Farnborough Junior, Farnborough	Hall expansion	450	Sept 2023
Stanmore Primary, Winchester	Site improvements	500	Sept 2023
Berewood Primary, Havant	New SEMH Resourced Provision	750	Sept 2023
Henry Tyndale School, Farnborough	Major refurbishment	1,100	Sept 2023
Hollywater School, Bordon	Expansion	530	Sept 2023
Icknield School, Andover	Major refurbishment	2,800	Sept 2023
Pinewood Infant, Farnborough	New ASD Resourced Provision	200	Sept 2023
The Mark Way School, Andover	Expansion and refurbishment	2,180	Sept 2023
Winton Academy, Andover	1fe expansion	6,600	Sept 2023
Projects Starting in 2023/24	Planned Expansion (additional places)	Estimated Cost £'000	Expected Date Places Available
Bordon Infant & Junior, East Hants	Expansion to 3fe	4,000	Sept 2024
Guillemont Junior, Farnborough	New ASD Resourced Provision	780	Sept 2024
Hounsme Fields, Basingstoke	2fe New School	10,560	Sept 2024
Projects Starting in 2024/25	Planned Expansion (additional places)	Estimated Cost £'000	Expected Date Places Available
AUE 2 nd Primary, Aldershot	2fe New School	8,980	Sept 2025
Berewood Primary, Havant	1.5fe new School	8,546	Sept 2025
Hartland Village Primary, Hart	2fe new school	8,980	Sept 2025
Manydown Primary, Basingstoke	2fe New School	8,980	Sept 2025
One Horton Heath Primary, Fair Oak	2/3fe New School	8,980	Sept 2025
Welborne Primary, Fareham	2fe New School	8,980	Sept 2025
New SEND Places	New provision	12,000	Sept 2025
Alderwood School, Aldershot	1/2fe expansion	5,000	Sept 2025
Oakmoor Academy, Bordon	1fe Expansion	4,600	Sept 2025

Modular Classrooms

- 113 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.
- 114 Details of the location of planned modular buildings required for September 2022 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 2022 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 2022/23 academic year.

- 115 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 £1.2 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 £1.2m of identified 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

- 116 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.

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>Reference</u>	<u>Date</u>
Children's Services Capital Programme 2017/18 to 2019/20	7917	18 January 2017
Children's Services Capital Programme update	n/a	19 June 2017
Children's Services capital programme update	n/a	20 September 2017
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.