# AGENDA ITEM 5

**Title of report: Update on Education Capital Programme (March 2022)**

**Officer to present the paper to Schools Forum:** Terry Bryan

## Report to Schools Forum – Update on Education Capital Programme (March 2022)

The Local Authority (LA) has a statutory duty to provide and plan for sufficient, high quality and appropriate schools, which are accessible to children in the local community and available when they are needed. Evidence of projected need is reviewed regularly to enable decisions on future provision to be taken in a timely manner.

As with all other local education authorities, Tower Hamlets receives a contribution towards the cost of creating additional school places through the ‘Basic Need’ grant from the Department of Education (DfE). As this is a limited funding source and mainly for areas of the borough with pupil growth, the council must ensure that its use is focussed on adding educational value to the schools estate, normally by creating new schools or adding places at popular Schools, ideally, at those rated by Ofsted as ‘Outstanding’.

The current funding available for Education Capital projects consists of funding from the DfE (including Basic Need Grant, High Needs Provision Capital Allocation and Special Provisions Capital Fund (SPCF), Schools Condition and Improvement (C&I), s106/CIL developer contributions ringfenced for education, plus other funding received over the period of the council’s 3-year capital programme e.g. a DfE free school scheme specific grant for London Dock School. The rest is made up from council borrowing, where this is appropriate and necessary.

## Table of Current Education Capital Funding Sources (2022-25)

|  |  |
| --- | --- |
| Source | Amount (£0.000m) |
| DfE (Basic Need, SPCF, C&I) | **52.599** |
| s106 (Developers contributions) | **11.734** |
| CIL (Community Infrastructure Levy) | **45.143** |
| Council Borrowing | **32.684\*** |
| Total | **142.160** |

\*Subject to further council capital budget approvals

The disposal of former school sites that have been confirmed as surplus to requirement, subject to the DfE approval process (s77), will also be used to generate capital receipts for re-investment in the education capital programme and reduce capital borrowing.

## Primary School Provision

*New School at Wood Wharf (Isle of Dogs)*

In September 2020, the council approved a capital budget allocation of £4.8m to fund the creation of a new 2FE primary school at Wood Wharf. Following the build contract tender process in 2021 approval was sought to increase the budget by £1.79m, to reflect current development costs. This project is being funded from CIL and the DfE Basic Need Grant.

The Developer completed the ‘Shell and Core’ phase of construction in June 2021, handing over the building to the council for the ‘Fit Out’ phase. The council has since appointed a contractor and is now working on a phased completion with the new building able to open for the School’s first reception intake in September 2022.

In the meantime, and following an LA run competition, Mulberry Schools Trust has been appointed as the new school provider. The Trust is therefore now fully involved in the ongoing work for the ‘Fit Out’ and also the final completion stage.  *Expansion of St Saviour’s Primary School (Poplar)*

In September 2020, the council approved a capital budget allocation of £4m for an expansion of primary provision in Poplar, because this is an area with significant pupil population growth. This budget will come from s106 contributions. It will be used for the 1FE expansion of the oversubscribed St Saviour’s CE Primary School, rated by Ofsted as ‘outstanding’. The project is currently in the final feasibility stages and works will be scheduled for completion by the start of the 2024/25 school year.

*Arnhem Wharf Primary School*

In January 2022 the council allocated £3m to address significant structural problems with the Arnhem Wharf Primary School building, caused by damp penetration. These unforeseen, but essential, works will ensure that the School can continue to safely operate. The works will be funded in full by the Schools Condition and Improvement (C&I) Grant.

## Secondary School Provision

*New School at London Dock*

In September 2019 the council approved a capital budget allocation of £52m for the development of a new secondary free school, to be funded by DfE Grant and CIL. The DfE has confirmed a grant allocation of £47m and has approved the Mulberry Schools Trust as the free school provider.

A building contractor has been appointed and works commenced last year. The costs for the project have increased: following new DfE specification requirements; changes to the building design following a revised fire strategy; and changes in the market due to Brexit/Pandemic that have resulted in increased material and labour costs. An additional £10.7m has therefore been added to cover these extra costs, which the council will fund from CIL contributions. The new building is scheduled for partial completion by September 2023 and full completion by January 2024.

*Rebuild of George Green’s School*

In January 2021, the council approved a capital budget allocation of £51.4m to deliver a new secondary school building for George Green’s on its existing site, with funding from grant (£1.714m), s106 (£5.779m), CIL (£4.456m) and the remainder from borrowing (£39.451m). At that time, the intention was to swap out ring-fenced capital receipts from the disposal of assets identified as surplus to requirement. These have yet to be generated. However, with additional CIL having been received for development schemes on the Isle of Dogs, a proportion of this has been allocated to the George Green’s scheme. This will replace at least £20m of the original borrowing (£39.45m), which has now been reallocated to other schemes in the capital programme.

The project is now at the final feasibility stage and is intended for completion by September 2024.

*Expansion of Oaklands School*

In January 2020, the council agreed to increase the capacity of Oaklands School by two forms of entry, following the closure of Raine’s Foundation School in August 2020. This expansion requires capital investment to develop both the existing Oaklands school building and the building at the former Raine’s Lower School site (Old Bethnal Green Road). The 2021-24 approved capital programme includes a budget of £2.3m, to which an additional £5.485m has been added for the expansion works, funded by the Basic Need Grant (£2.05m), s106 (£1.215m) and substituted borrowing (2.22m). The plan is to complete this expansion by September 2024.

The purchase or long term lease of the former Raine’s Lower School building is expected to be funded from education capital receipts. At least two former school sites have been declared surplus to requirement and their disposal will generate more than adequate receipts to cover the cost of the site acquisition and other capital projects.

## SEND Provision

*ASD Resource Base at Hermitage School*

A capital budget of up to £3m has been allocated to enable the expansion of Hermitage School to provide specialist provision for pupils with SEND (ASD) as well as enable their integration across all teaching groups. This will be funded by a combination of the High Needs Provision Capital Allocation and Special Provisions Capital Fund and s106/CIL. These works are now in the latter stages of feasibility design with the plan for them to be completed between June – August 2023.

*SEMH Resource Base at Ben Jonson Primary School*

A capital budget of £0.95m has been allocated to complete the specialist SEMH provision at Ben Jonson School, to be funded by the High Needs Provision Capital Allocation and Special Provisions Capital Fund. The first phase of these works has already been completed and the second phase is due to be completed by August 2022.

## Condition and Improvement

The DfE Condition and Improvement Grant funds the annual rolling programme for high priority condition works in schools, health and safety, statutory requirements i.e. accessibility and security. Schools are expected to contribute up to 10% of the value of their Devolved Formula Grant. The budget totals £9.645m, which includes an additional £3m for 2024/25.

## Future Projects

Further funding will be identified to fund future schemes to meet projected need/improve the school estate as part of the regular review process. Feasibility work is currently underway to explore options to expand accommodation at London East Alternative Provision to facilitate a Primary Pupil Referral Unit, and for the reconfiguration of accommodation at Chisenhale Primary School to enable full size classes across all year groups.

A complete list of all the currently funded Education Capital Projects is provided in the attached appendix.

Terry Bryan

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**Appendix - List of the Current Education Capital Projects (2022-25)**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Project | Phase | Planning Area | Category | Budget | Target Completion Date |
| London Dock 6FE New Build | Secondary | Stepney | Basic Need | £64.7m (47m from DfE) | Sept 2023 Partial Opening  Jan 2024 full Opening |
| George Green’s 7FE Rebuild | Secondary | Isle of Dogs | Condition Improvement | £51.4m | Sept 2024 |
| Oaklands 2FE Expansion | Secondary | Bethnal Green | Basic Need | £7.8m | Sept 2024 |
| St Saviour’s 1FE Expansion | Primary | Poplar | Basic Need | £4m | Sept 2024 |
| Wood Wharf 2FE New Build | Primary | Isle of Dogs | Basic Need | £6.59m | Sept 2022 Partial Opening  Jan 2023 Full Opening |
| Arnhem Wharf Primary School | Primary | Isle of Dogs | Condition Improvement | £3m | Aug 2023 |
| ASD Resource Base at Hermitage School | Primary | Wapping | SEND | £2-3m | June - August 2023 |
| SEMH Resource Base at Ben Johnson School | Primary | Stepney | SEND | £0.95m | Aug 2022 |
| 2 Year Old Provision | Early Years | All Areas | N/A | £0.25m | March 2023 |