

ACCOMMODATION REQUIREMENTS AT CANTONIAN HIGH SCHOOL

REPORT OF DIRECTOR OF EDUCATION AND LIFELONG LEARNING

AGENDA ITEM: 6

PORTFOLIO: EDUCATION (COUNCILLOR SARAH MERRY)

Appendix A to this report is exempt from publication as it contains information of the kind described in paragraph 16 of parts 4 of Schedule 12A to the Local Government Act 1972

Reason for this Report

1. To seek Cabinet approval for funding to address the medium term accommodation requirements at the Cantonian High school site.

Background

2. In the cabinet report titled Realignment of the 21st Century Schools Programme, of the 19th March 2015, it was noted that “a significant number of educational properties, including both primary and secondary schools were in a poor state of repair”. Whilst improvements have been delivered through the implementation of the 21st Century School Capital programme, the Education estate still has some significant condition, suitability and maintenance issues to resolve.
3. Recent works at Cantonian High School led to the discovery that Block A of the school contained non-compliant electrical wiring. The immediate and rapid response to assure safety was to close the whole block, whilst a options appraisal was undertaken. This block contained over 32 classrooms and included a significant number of specialist spaces including IT, Textiles, Food Technology, 5 Science Laboratories, the school canteen and dining facilities and the main gymnasium.
4. Pupils have been subsequently accommodated in emergency accommodation until a medium term solution is identified. This temporary accommodation of 23 “Titan” demountable units, have allowed the school to function short term but are not a suitable medium term solution. The above units were hired directly on an interim basis only. However,

because of their size and shape they are not suitable classrooms and cannot meet the requirements of the curriculum on an ongoing basis.

5. A number of options have been considered with regard to providing a medium term accommodation solution for Cantonian High, these are as follows:-
 - **OPTION 1 - Do Nothing** – Not an option as the current temporary accommodation is undersized and does not fulfil the full curriculum needs of the school.
 - **OPTION 2 - Refurbish Block A** – Not considered a viable option as to bring the non-compliant Block A back into use would cost in excess of £5 million and would require temporary accommodation for up to 18 months whilst this was being undertaken. This work would include removal of all asbestos, installation of new ceilings, electrical re-wiring, windows and a complete refurbishment of the block. This work would be extensive and need comprehensive design, then procurement, and would require the temporary solution to remain in place whilst this process was undertaken, in the knowledge that this temporary accommodation does not meet the full curriculum needs.
 - **OPTION 3 - FastTrack a new school building** - Not considered a viable option currently as there is no definitive timescale for the approval of the Welsh Government Band B 21st Century School Programme Funding, with the earliest potential approval being the autumn of 2017 and monies not being available until April 2019. If prioritised, a new school building would not be in place until Sept 2021 and a medium term solution will be required in the interim period.
 - **OPTION 4 – Purchase a Modular Accommodation Block** – Not considered a viable option as a 30 classroom block, with specialist curriculum provision, would require significant capital investment and cost in excess of £10 million to procure. In addition, the design, procurement and installation could take up to 18 months to achieve. The school would need to remain in their existing emergency accommodation until such time as the new accommodation was ready.
 - **OPTION 5 - Lease a Modular Accommodation Block** – Considered as the most viable and cost effective option to deliver a curriculum-compliant accommodation solution for the medium term. This could be delivered and installed within 16 weeks of a decision date. The capital and revenue costs associated with this proposal are outlined in paragraphs 10 to 12 below.
6. On the basis of the options appraisal outlined above it is considered that Option 5, leasing a modular accommodation block, would be the most cost effective solution in the medium term.

7. In addition, the emerging situation at Cantonian High has highlighted the need for enhanced rigour between the Local Authority and Schools and clarity around the delegated responsibility between Governing Bodies and the Local Authority as the maintaining authority.

Issues – Lease of a Modular Accommodation Block

8. There is currently no collaborative framework available for temporary accommodation hire. However, from discussions with market providers, confirmation has been received of the availability of a 30 block classroom provision of demountables, known as a “Superblock”. This has a number of ancillary offices and breakout spaces that are of the required size and has large scale classrooms able to accommodate specialist provision, science, textiles and food technology. The “Superblock” units are available now and they could be installation at the beginning of January 2017. This would not however provide a school kitchen or dining facilities and would need to be procured via the framework specialist school catering provider.
9. There are only a small number of providers of demountable accommodation in the UK and it is unlikely that any other provider would have the bespoke unit that meets the size and space requirements of Cantonian High School in the short term. To run a tender exercise for this next step would also mean that units would not be able to be installed for some time. This would lead to the Authority incurring additional costs through hire of existing temporary units, as well as prolonging the use of accommodation that does not fulfil educational or curriculum needs and that could compromise the wellbeing of staff and pupils at the school. It is proposed, therefore, that a direct award of works contract be provided to the market provider, Portakabin, for the installation and supply of the “Superblock” for a period of three years. The approval of such contracts would be dealt with in a separate report using Director’s delegated powers.
10. The capital costs associated with the scheme are estimated to be £1 million and would be incurred during the 2016/17 financial year. This would be for the installation of the “Superblock” including groundworks, ICT and connecting the required utilities. In addition, there are refurbishment works being undertaken to bring the gymnasium back into use and to reconfigure the existing Block B of the school to accommodate the school’s ICT suite. These are currently both situated in the closed Block A.
11. There is currently no allocation within the Council’s agreed capital programme for this scheme. However, due to the urgent nature of the situation, a business case is being submitted to Welsh Government to utilise an identified £1m underspend within the Band A 21st Century School Programme to fund the capital requirements of the modular accommodation installation at Cantonian High. There would be no detriment to the overall delivery of the approved Band A school priorities,

however it is reliant on agreement from both a Welsh Government Capital Panel and the Minister before the reallocation of monies could take place. Should this business case not be approved by Welsh Government then a further report which outlines alternative methods of funding the capital installation will be brought forward in the New Year.

12. In light of the urgency of the situation, it is proposed that the installation of the preferred solution would take effect from 1st January 2017. The block would be complete for occupation by the end of March 2017, thereby the agreement would commence on 1st April 2017. The total revenue costs per year for the hire of the modular accommodation are anticipated to be £623,333 per year, £481,000 of which relates to the modular “Superblock” of classrooms and £142,333 to the catering unit, which contains a kitchen and dining facility. The total revenue cost of the preferred solution is, therefore, £1.870 million over three financial years, with the intention being to either fund the total cost of the catering unit from the Catering Reserve or to refurbishing the existing building to provide a catering unit. This is currently being considered and will be confirmed in the separate report mentioned in paragraph 8.
13. In addition to the costs of the modular block and catering unit, costs are currently being incurred in relation to the interim solution that is currently in place on the school site. From the date of installation of these temporary units to the end of March 2017, it is anticipated that the cost will be in the region of £150,000.
14. To summarise, given that this school is in poor condition overall, the temporary accommodation is only viable in the short term, it is prudent to put in place a compliant and more affordable option now. The provision of a “Superblock” of modular accommodation, demountable canteen and dining facility, in addition to the consequential improvements to the existing block B, would provide the most appropriate way to resolve the medium term accommodation issues at Cantonian High.

Local Member consultation

15. Local Members were notified of the proposals on 13 December 2016 prior to publication of the report.

Reason for Recommendations

16. To resolve the temporary accommodation situation at Cantonian High School for the medium term.

Financial Implications

17. This report seeks approval to procure and install a three-year temporary accommodation solution at Cantonian High School, ensuring that the school can continue to operate following the permanent closure of one of the main teaching blocks. This solution represents a significant financial investment, both in terms of initial capital costs and ongoing revenue

costs. The urgent nature of the situation and the lack of availability of suitable solutions within the market, identified within the report, is a significant factor. As a result, procurement advice has been to undertake direct award of contracts, ensuring the implementation of the solution is not delayed.

18. The capital costs associated with both elements of this scheme are estimated to be £1 million and would be incurred during the 2016/17 financial year. There is currently no allocation within the Council's approved capital programme for this scheme. However, an underspend of £1 million has emerged within the overall envelope for the Council's 21st Century Schools Band A Programme. On this basis, a business case has been submitted to Welsh Government requesting a reallocation of funds from existing schemes to a new scheme for Cantonian High School. This funding, which would be on a 50%/50% basis, would be contained within the overall financial envelope for Band A and, therefore, would not result in the need for the Council to identify additional capital funding. Should the bid not be successful, alternative funding options will need to be considered and a new recommendation brought to Cabinet for future consideration.
19. This report assumes installation of the preferred solution will have been completed as at 31st March 2017. As such, the three-year revenue costs will be incurred until 31st March 2020 and cover three financial years. Total revenue costs are anticipated to be a maximum of £623,333 per year, of which £481,000 relates to the modular block of classrooms and £142,333 to the catering unit. The total revenue cost of the preferred solution is, therefore, £1.870 million.
20. Of the £1.870 million identified in the preceding paragraph, £427,000 relates to the catering unit. Due to the connection with the Catering Service, this cost will be funded from the Catering Reserve, which, subject to the reprioritisation of planned resource utilisation, has a sufficient balance to fund the entire cost.
21. The residual revenue cost, relating to the modular "Superblock" of classrooms therefore totals £1.443 million. In line with the budget framework set out as part of the approved 2016/17 Budget Report, Cabinet, subject to the Section 151 Officer raising no objection, have authority to commit expenditure and use of reserves in future years up to a total of £1.5 million. This report, therefore, requests Cabinet approval to commit £1.443 million in future revenue costs. A financial pressure bid will be made, as part of the Council's 2017/18 budget process, to provide for the annual base funding required to meet the cost of the preferred solution. Should this not be approved, alternative means of funding will need to be identified and considered as part of the 2017/18 budget process.

22. In addition, revenue costs are currently being incurred in 2016/17, in relation to the interim solution that will be in place until the preferred solution is implemented. The revenue costs in 2016/17 are anticipated to total approximately £150,000. The intention is for this cost to be absorbed within the in-year budget monitoring position for the Education directorate. This cost will be met through managed underspends and, where required or appropriate, supplemented by the use of earmarked reserves.

Legal Implications

21. Please see exempt appendix A.

HR Implications

22. There are no direct HR implications arising from this recommendations contained in this report. However, it is important that trade unions and staff at the school are kept in informed of the proposed accommodation improvements.

RECOMMENDATIONS

The Cabinet is recommended to:

1. Note that that an application for the £1 million capital funding, from within the current 21st Century School Programme, has been submitted and is subject to Welsh Government approval.
2. Agree to commit expenditure of £1.443 million over the next three years for the supply of modular accommodation at Cantonian High School, subject to confirmation of the approval of capital funding by Welsh Government and the Section 151 Officer raising no objection,
3. Agree that, should the application not be approved by Welsh Government, a report outlining an alternative source of capital funding for the Cantonian High School scheme will need to be considered by Cabinet in the New Year.

NICK BATCHELAR

Director

13 December 2016

The following appendix is attached:

- Appendix A – exempt legal implications

The following background papers have been taken into account

- Realignment of the 21st Century Schools Programme, Cabinet Report of the Director of Education & Lifelong Learning, 19th March 2015.