

SCHOOLS CAPITAL PROGRAMME

Children and Young People's Overview & Scrutiny Sub-Board Report

22 April 2024

This report provides an update on the Torbay Schools Private Finance Initiative (PFI) project and the Schools' Capital Programme.

TORBAY SCHOOLS PFI:

Torbay Council has a PFI contract in place for two schools in Torquay, The Spires College (secondary) and Homelands Primary. The contract expires in October 2027 and as the IPA recommends that Local Authorities start the process at least 5 years before expiry, Officers have begun to map out the expiry plan for the next 3 and a half years.

Torbay PFI is one of the first school PFI projects in the South West to reach expiry. As a result, both the IPA and the DfE are offering extensive support to Torbay to ensure a successful handover process. If the handover is not carefully managed there could be both financial and reputational penalties for the Council.

There are several workstreams involved in the expiry process, these are as follows:

1. Expiry Management

Torbay LA is well advanced with this activity. With the support of the IPA, Officers have commissioned a high-level contract review with further legal involvement required in the near future. An Expiry Plan and a Resource Plan have been compiled to identify investment needed and the key milestones over the next few years.

2. Governance

A PFI Project Board has been established under the Children's Services Transformation Board. Membership includes Finance and HR. The Board meet regularly to review the Expiry Plan and the risk register, identify resource requirements and map progress against key milestones.

3. Stakeholder Planning

Officers are holding regular meetings with the PFI Provider and the schools to ensure all parties are aware of responsibilities and are involved with key milestone planning. This workstream will also look at the future staffing requirements for the schools post-handover including any TUPE arrangements.

4. Expiry Condition

One of the critical workstreams is ensuring that the assets are handed over to the schools in good condition and in accordance with the clauses set out in the contract. Under the contract, there will be three sets of condition surveys required in the lead up to handover. The DfE have undertaken the first set of surveys in September 2023. Officers are currently working with the DfE and the PFI Provider to ensure that all issues highlighted in those surveys are addressed. The second set of surveys is due to be undertaken in October 2024 (3 years prior to expiry). These will be instructed by the LA using survey parameters agreed with the IPA. A final set of surveys will be then undertaken just before the expiry date.

Negotiations with the PFI Provider to rectify any issues identified will be critical to a successful handover. The current relationship between Torbay Officers and the PFI Provider is collaborative and effective but there is likely to be challenge during the process that will need to be carefully managed.

5. Data Gathering

Officers are working with the PFI Provider and the schools to establish what information is required to (a) manage the assets post expiry (asset management system, statutory compliance logs, as built drawings, O&M manuals etc), and to (b) specify and procure the future services (staff numbers/types, cost base, TUPE/pensions, back office

functions, helpdesk, equipment, IT/systems etc.). HR for the Council and the schools are involved to ensure that the staffing structure post TUPE is appropriate and to support the TUPE process at that point.

6. Future Services

Officers will need to commission a high-level commercial strategy to set out the anticipated direction of future services strategy, namely are the assets still fit for purpose going forward, are the future FM services likely to be different in any way to the existing service. This workstream will also need to consider any implications of academisation either pre or post expiry.

SCHOOLS CAPITAL PROGRAMME

The programme consists of a variety of projects, ranging from works to provide additional school places and improvements, to essential and planned maintenance.

PRIMARY

St Michael's Academy Free School Paignton

St Michael's Academy is a new "Free School" which is being managed, funded, and delivered by the DfE. The school actually opened in September 2021 in temporary accommodation with the expectation it would move into its new premises Spring 2022. Unfortunately, this project has experienced unforeseen delays due to the collapse of the main contractor, MIDAS. Officers are meeting the DfE weekly to gather updates and ensure the project is being progressed. The DfE recently entered into contract with a new completion contractor, ISG. The permanent/new accommodation is expected to be completed in Summer 2025. Until then the school will remain in temporary accommodation. All current and prospective parents are being kept up to date with the situation. There are no resource implications or risks for the LA as its contribution was to provide the site for the school which is complete.

Windmill Primary School / Inglewood

The conditional approval from DfE for a second free school for Paignton has been withdrawn due to a fall in demand for primary school places across Torbay. A site for a new school is still secure through a S106 agreement for the Inglewood development however the need for a school would need to be confirmed and the land requested within the next 5/6 years. Officers are maintaining a watching brief to see if, and when, a new school is required. If primary demand increases then the LA would need to re-submit the free school application or alternatively would need to fund the capital.

Primary numbers across Torbay remain low although there are still pockets of high demand, particularly in the Western corridor of Paignton. Officers are monitoring need in this area and will consider options for expansion as required and subject to the resources available.

SECONDARY

St Cuthbert Mayne – Phases 1 & 2

This capital project, funded through the LAs Basic Need allocation, was to facilitate the school taking bulge classes between 2021 and 2025. Both phases are now complete and the school have seen a significant improvement in their school estate and an increase in pupil numbers over the last few years.

Secondary numbers in Torbay remain high but the higher demand is temporary and is being managed through bulge classes and through schools agreeing to accept numbers above PAN as this is more sustainable than permanent expansion. No further capital investment in secondary school places is expected in the short to medium term.

SPECIALIST PROVISION

Higher Needs Provision Capital Allocation (HNPCA)

In March 2022, Torbay was allocated £2.67m to support the provision of new places and improve existing provision for children and young people with special education needs and disabilities or requiring alternative provision. The funding covered a 2-year period, 2022-2024. Investment has been focused on supporting all schools with developing and enhancing their existing provision. The table below shows some examples of where the funding has been used to enhance provision:

Cockington (primary provision)	£40,000
Brixham College	£200,000
STEPS at Paignton Academy	£750,000
Combe Pafford (match funding)	£40,000
Schools Funding Opportunity focused on Graduated Response	£100,000
Barton Hill Academy - Development of Outdoor Learning Environment	£35,000
Watcombe Primary School - Create an alternative high-needs provision incorporating outdoor learning experiences.	£41,500

As of April 2024, there remains an available balance of approximately £1.6m of the original grant that has not yet been allocated to schemes and is set aside to support the strategic delivery of SEND across Torbay in accordance with Council priorities. The LA has also received a further allocation of £2m to be allocated in 2024-25. A Strategic Working Group will be looking at how this funding can support the wider objectives of the SEND Sufficiency Review.

Paignton Academy STEPs & SEN Provision

STEPS is an enhanced resource provision catering for secondary pupils with ASD. The provision is run by Paignton Academy, part of the Thinking Schools Academy Trust (TSAT) and is the only secondary provision of this type within the local area. STEPs is currently located approximately 1.5 miles from the main school site at QED Community Centre. Managing a provision based off site is having a detrimental impact on service delivery with logistic issues and lack of facilities. The pupils attending the provision have fewer opportunities for integration and miss access to wider facilities such as sport centres, libraries, and social spaces.

The LA and the Trust agree that the only solution to address the ongoing service issues and ensure the provision remains open is to relocate it to the main Academy site. To facilitate the relocation of STEPs, the Academy requires sufficient fit for purpose accommodation to be re-provided on its Borough Road site. The provision requires dedicated office space, therapy space, one to one spaces and toilet facilities. To support this relocation, the LA has allocated £750,000 of the HNPCA to this scheme.

To ensure value for money and maximise the capital investment, this project has been aligned with the Trust's strategic vision for the Academy. Rather than treat the relocation in isolation, the Trust has taken the opportunity to review and reconfigure its existing accommodation to better fit its service delivery needs and they are contributing £500,000 towards the total cost.

This has resulted in a two-phase capital project.

- Phase 1 will be the refurbishment of existing library area into a suitable environment for an enhanced resource unit for the relocation of STEPs.
- Phase 2 will consist of the demolition of 2 condemned mobiles and the building of a new block with 2 purpose-built spaces to accommodate PAs existing onsite SEND provision. The academy's library will then move into the space vacated by the onsite SEND unit.

The entire project is being managed by the Council in collaboration with the TRSUT. The works are currently out to tender and the expected start on site is early Summer 2024. Phase 1 will be completed by September 2024 and Phase 2 will be completed by September 2025.

LA Repairs & Maintenance Programme

This is a rolling programme of essential repairs and maintenance projects at LA maintained schools. The LA currently has a carry forward of £342,278 from previous years and an allocation of £348,883 for the 2024-25 financial year. Officers have reviewed recent condition surveys to identify the next priorities to be funded, this includes projects which reduce school's carbon emissions supporting the Council's pledge to become carbon neutral.

Proposed works included in the first phase of this programme and to start this summer are:

School	Agreed Budget	Proposed Works
Mayfield BXM Chestnut	£30,000	To enclose the heating distribution throughout the site & cover panel radiators with low surface temperature panels
	£11,000	To bring the electrical wiring up to current regulations & address EICR defects
Mayfield PTN Occombe House	£10,000	To implement various gas works to make the site compliant
	£35,000	To rationalise redundant pipework to reduce risks of legionella
Mayfield TQY	£20,000	Works to address the bowing in external masonry
	£16,000	To bring the electrical wiring up to current regulations & address EICR defects
	£70,000	To replace the air handling unit in the hydrotherapy pool area with a heat recovery unit to address temperature & humidity issues
Sherwell Valley Primary	£15,000	To address external emergency lighting issues throughout the site & replace exit boxes for all blocks
	£15,000	To review fire doors throughout the site & address shortfalls
	£20,000	To refurbish Year 3 and 4 boy's toilets
Watcombe Primary	£6,000	To install Manual Call points throughout school linked to fire system
	£12,000	To rationalise and improve electrical installations throughout school
	£12,000	Match funding to support school's installation of solar panels
White Rock Primary	£70,000	To replace boiler in Block N with heat source pump
	£8,000	To install emergency lighting & address electrical issues
General	£5,000	To design and undertake feasibility of new carbon neutral heating system for entire school site in readiness for Salix bid submission

The remaining funding will be held to address any unforeseen breakdowns or works that may be needed during the year, particularly during the winter.

For further information on any of these projects, or the Children's Services Capital Programme, please contact:

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