

CITY OF PLYMOUTH

Subject: NEW PRIMARY SCHOOLS
Committee: Cabinet
Date: 7 November 2006
Cabinet Member: Councillor Purnell
CMT Member: Director of Children's Services
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Ref: C 71 06/07
Part: I

Executive Summary:

The report to Cabinet dated the 20th December 2005 on re-scoping the Schools PFI Project recommended that further reports in relation to primary schools, originally included within the scope of the PFI Project, be brought to Cabinet if external funding becomes available. In April 2006, the DfES confirmed to the Council that up to £10million of conventional grant funding would be made available for the construction of new primary schools. This report explains the:

- Background to the choice of the primary schools;
- Implications for the schools involved;
- Implications for the School Implementation Plan 2005-2015
- Estimated cost of the schools' construction and their financing;
- Preferred method of procurement;
- Indicative programme for their delivery.

The Cabinet is asked to confirm the selection of Chaucer, West Park and Ernesettle Primary Schools to benefit from the additional funding from the DfES and to endorse the related recommendations contained within this report.

Corporate Plan 2006-2009:

The construction of these primary schools achieves a number of objectives in the Council's Corporate Plan, namely to:

1. Improve the quality of school buildings and remove surplus places, including the development of 'extended schools';
2. Extend inclusive educational opportunities for pupils with special needs;
3. Improve adult basic skills through improved access to adult and community learning opportunities;
4. Raise pupil attainment;

5. Ensure a broad range of formal and informal curriculum opportunities is available to young people;
6. Improve the quality of sports and leisure facilities;
7. Improve access to arts and cultural activities;
8. Enrich the quality of life for people by improving their neighbourhoods; and
9. Improve transport and road safety.

**Implications for Medium Term Financial Plan and Resource Implications:
Including finance, human, IT and land:**

Finance

The Council has recently agreed with the DfES that the grant payments for the £10million additional funding for the new primary schools will be received between September 2006 and March 2008. The construction of the primary schools must commence by August 2007 for the grant funding to be retained by the Council. The estimated total cost of constructing the selected primary schools is £12million.

The funding gap of £2million between the available financing from the DfES and the costs of the primary schools will be met from the grant and capital receipts generated directly from related land sales of surplus school sites and, subject to schools forum approval, the revenue savings generated from the amalgamations. Sufficient capital from these sales will be ring-fenced to meet the funding gap for the project. If any surplus capital is generated above the requirements for the project, it will be retained within the Council's general capital fund. Other than the above, there are no new budgetary implications arising from this report

Human

In advance of commencing the planned new school for Chaucer and West Park Primaries, the Council will enter into formal consultation on amalgamation with all interested parties and their local communities in accordance with statutory procedures. Following the consultation, a formal notice will be published and if there are no objections, the final outcome of the amalgamation will be determined by the Council. If there are objections, the outcome will be determined by the Schools Organisation Committee. If amalgamation is approved, there will be an impact on teaching and support services staff at West Park and Chaucer Primary Schools in transferring to the new school upon its completion. There are however no proposals to transfer any of these staff under the PFI Contract.

Land

The development of the new school to replace Chaucer and West Park will depend on the achieving a suitable planning permission on the playing fields adjacent to Butt Park Road. The proposed site is in Council ownership. Consultation will be required with Sport England in relation to the potential loss of playing field provision in the Butt Park area and the proposals to develop acceptable alternative provision for the community. The two existing school sites at Chaucer and West Park would become surplus to requirements and would be sold once the schools have relocated to the new site. Sections of this land will be subject to Secretary of State approval.

Other Implications: e.g. Section 17 Community Safety, Health and Safety etc:

None

Recommendations & Reasons for recommended action:

It is recommended that, Members having considered the matters described in this report and taken advice from officers, Cabinet approve:

1. The selection of Chaucer, West Park and Ernesettle Primary Schools to benefit from the additional £10million funding received from the DfES.
2. The redevelopment of Ernesettle Primary School site to form a new 315-place school and incorporate a Mill Ford Special School inclusion unit and Children's Centre.
3. Consultation with the community for the construction of a new 420-place school and alternative playing field provision, to replace Chaucer and West Park Primaries, on the playing field site adjacent to Butt Park Road, subject to the granting of a suitable planning permission. Should planning permission not be granted, the development and new schools could not proceed and officers will revert to Cabinet to seek further guidance on the application of the residual DfES funding.
4. To modify the School Implementation Plan 2005-2015 to include proposals to amalgamate Barne Barton and Bull Point Primary Schools, and Chaucer and West Park Primary Schools.
5. The commencement of statutory consultations with all interested parties on a proposals to amalgamate Chaucer and West Park Primary Schools, and Barne Barton and Bull Point Primary Schools, on dates to be agreed by the Cabinet Member for Children's Services in consultation with the Director for Children's Services.
6. The delivery of the additional primary schools within the overall procurement of the PFI schools project subject to the satisfactory conclusion of the current negotiations with the preferred bidder. The determination of the final form of contract for the procurement is delegated to the Head of Legal Services.
7. The Chief Executive, in consultation with the PFI Project Board, is delegated the responsibility to take all necessary steps to negotiate a suitable design and construction contract and, if value for money, defined facilities management services contract as soon as possible for the development of both primary schools.
8. The disposal of the surplus school sites at Chaucer and West Park and the use of the resulting capital receipt to fund the estimated gap of £2million between the available funding from the DfES and the capital cost of the schools.

9. The Head of Asset Management, in consultation with the PFI Project Board, agree the extent of disposal of the old school site and adjacent land at Chaucer, currently occupied by School Library Services and Social Services, which could be included in the surplus land disposal.

Alternative options considered and reasons for recommended action:

None as Government has allocated funding for this purpose.

Background papers:

1. Report C78 03/04 to the Cabinet, 14th March 2004 and minute 130.
2. Report EX 103 02/03 to the Cabinet, 20th December 2002 and minute 128.
3. New Corporate Plan 2004 - 2007, approved by the Council on 4th March 2004.
4. Report C55 04/05 to Cabinet, 12th October 2004 and minute 63.
5. School Implementation Plan 2005-2015 BB. AML (CAB) No. 43 (030605) and minute 22 approved by the Council on the 25th July 2005.
6. Report C79 05/06 to Cabinet 20th December 2005 and minute 114.
7. Report C2 06/07 to Cabinet 30th May 2006 and minute 7

Correspondence, draft schemes, working drawings and other documents associated with the project and held by Children's Services, Development and Corporate Resources all contain exempt information and are accordingly not required to be listed here since there can be no public access to them under Local Government (Access to Information) (Variation) Order 2006.

Sign off:

Fin	AB	Leg	LT	Head of HR	IR	Head of AM	NTS/083	Head of IT	N/A
Originating CMT Member - Bronwen Lacey									

Additional Primary Schools

1.0 Introduction

In the report to Cabinet dated the 20th December 2005 on re-scoping the Schools PFI Project, it was recommended that further reports in relation to primary schools, originally included within the scope of the PFI Project, be brought to Cabinet if external funding becomes available. In April 2006, the DfES confirmed to the Council that up to £10million of conventional grant finance would be made available. In the report to Cabinet on 30th May 2006, it was recommended that the Chief Executive, in consultation with the Project Board, review whether it would be appropriate and advantageous for the Council to use the PFI procurement to deliver certain of the primary schools excluded from the Project.

This report considers the selection of primary schools that should benefit from the grant funding from the DfES of £10million, outlines the costs of delivering the proposed new schools and makes recommendations on the preferred method of procurement.

This report is divided into the following sections and explains the:

- Background to the choice of primary schools that will be constructed;
- Implications for the schools involved;
- Estimated cost of school construction and their financing;
- Preferred methods of procurement;
- Indicative programme for the delivery of the schools.

2.0 Choice of Primary Schools

A detailed analysis was undertaken in the re-scoping exercise in December 2005 to determine which of the primary schools that were in the scope of the PFI project should be included in the event that further funding became available. The analysis covered a range of factors that were considered most relevant to performing an objective and meaningful assessment. These fell under the broad categories of community setting, educational performance, asset condition and utilization and Council affordability. The results of this analysis confirmed that the highest-ranking school was a proposed new school to replace Barne Barton and Bull Point Primaries on land off Poole Park Road. At this time, Chaucer and West Park were assessed as separate schools within their own setting.

The detailed measures that were assessed in the analysis were cost per pupil place, surplus place reduction, removal of temporary accommodation, backlog maintenance, suitability of existing school, access to playing fields, super output data and contextual value added. These factors are defined more specifically as follows:

Affordability	Council financial contribution
Surplus Places	Net capacity less current number on role
Value for Money	Capital cost (£) divided by number of primary aged pupils
Temporary Classrooms	Based on the number of class bases only
Backlog Maintenance	Priorities items as per condition survey
Suitability	The ability to deliver the curriculum in the relevant spaces
Super Output	Measure of deprivation of the catchment area
Contextual Value Added	Measure of the attainment of pupils in comparison to pupils with similar prior attainment

To revise the assessment in light of the potential amalgamations and to up-date the data, a fresh evaluation has been undertaken which considers the readiness of the schools and communities to embrace the amalgamations with the additional investment available.

The table below provides the summary results of a revised comparative analysis that has been undertaken for each of the schools under consideration. The difference in the analysis from the earlier version is that it includes a new school to replace the existing Chaucer and West Park Primaries, and a new school for Plym View and Highfield Primary, serving the Torridge Way developments. Both these options would involve an amalgamation of the existing schools.

In the case of Chaucer and West Park, this could be onto a new site on land adjacent to Butt Park Road. For Plym View or for Highfield, either of the existing sites would be appropriate and the choice could be determined on how best each would serve the wider community. These proposals therefore provide a more comprehensive and sustainable educational solution.

School	Assessment of readiness	Surplus Capacity	VfM - Capex	Temporary Classrooms	Condition cost per sq m	Weighted Suitability	Overall Score	Overall Ranking
Kinterbury	0.17	0.07	0.10	0.25	0.05	0.09	0.72	1
Ernesettle	0.21	0.11	0.12	0.18	0.02	0.02	0.67	2
Butt Park	0.15	0.07	0.05	0.05	0.03	0.20	0.55	3
Torridge Way	0.02	0.20	0.15	0.00	0.03	0.08	0.48	4
Montpelier	0.21	0.01	0.03	0.07	0.02	0.12	0.47	5

Given that the new school at Kinterbury, to replace Barne Barton and Bull Point, is included within PFI Project, the new rankings demonstrate that Ernesettle Primary School is the highest ranked with a new school to replace Chaucer and West Park the next highest ranked.

3.0 Implications for the Schools

The School Implementation Plan 2005-2015, approved by the Council in July 2005, proposes the rebuilding of Barne Barton Primary School under the (then) PFI scheme, but does not include a proposal for Bull Point Primary School. It also includes separate proposals to reduce the capacity of and rebuild Chaucer Primary School, and rebuild West Park Primary School, both under the (then) PFI scheme. Accordingly, in the light of this report, it is recommended that Cabinet now approves modifications to the Plan to allow for the amalgamation of

Barne Barton and Bull Point Primary Schools in a new 420-place school on a new site, and the amalgamation of Chaucer and West Park Primary Schools in a new 420-place school on a new site.

The selection of Chaucer and West Park Primaries as schools to benefit from the additional capital allocation from the DfES would, in their eventual amalgamation, have operational implications for both. Its implementation is entirely dependent on obtaining planning permission on the land adjacent to Butt Park Road. In advance of commencing any development of the new school, the Council will enter formal consultation on the amalgamation of the two schools with all interested parties, including staff and recognised trade unions, at Chaucer and West Park and will, as required, consult with their local communities. This will be carried out in accordance with statutory procedures.

Following this consultation process, a formal notice will be published and, if there are no objections, the final outcome of the amalgamation will be determined by the Council. If there are objections, the outcome will be determined by the Schools Organisation Committee. If the amalgamation were approved, there would be an impact on the teaching and support services staff at West Park and Chaucer Primary Schools in transferring to the new school upon its completion. There are, however, no proposals to transfer the teaching or support staff employed at the school as part of the PFI contract.

At Ernesettle, the infant and junior schools have recently been amalgamated into a new primary school and preliminary redevelopment proposals were formulated for the school site in 2005. Outline planning permission was also granted in 2004. The basis of the initial proposals included the incorporation of an inclusion unit from Mill Ford Special School and a new Children's Centre. These will be retained within the current proposals.

4.0 Cost of School Construction and Financing

The ability for the Council to finance these two schools is an important aspect of the decision to proceed with their redevelopment. Estimates have been made of the planning, development, design and construction costs of constructing the proposed schools to determine the total cost of rebuilding the selected schools and to enable value for money assessments to be carried out.

The estimated cost of building a new 2FE school on land adjacent to Butt Park Road is £5.4million. The cost of building Ernesettle, a primary school incorporating an inclusion unit from the adjacent Mill Ford Special School and children's centre, is £6.2million. This cost is based on a 420-place school. However, some savings should be generated in rebuilding as a 315-place school, but these are yet to be quantified. The estimates do not include the costs associated with off-site highway works, planning, surveys, project management and other advisor and related direct contract procurement costs. These are estimated to be about £500K. As a result, the total estimated cost of building the proposed new school to replace Chaucer and West Park and the rebuilding of Ernesettle Primary School, is not expected to exceed £12million.

The capital funding available from the DfES is £10million. The receipt of these funds has been negotiated with the DfES on the basis of a provisional delivery programme and an indicative requirement to reach the construction phase as soon as possible in 2007. The additional funding will be generated from the sale of the surplus sites at Chaucer and West Park but such receipts would not be available until after the schools have decanted into the new school. The means that there will be an additional funding requirement of about £2m to bridge the gap between the £10million receipt from the DfES and the total costs of the two developments.

Independent valuations have been carried out on the two school sites at West Park and Chaucer. The value of the West park site is estimated to be £0.7million. The value of the existing Chaucer Primary site varies depending on the extent of land taken consideration. Surplus land directly associated with the current school site would generate a receipt of about £1.0million. If the remaining old school buildings, currently occupied by social services and the school library service, were included together with the adjacent field, the area would amount to some 8.0 acres and the value for the site would be about £4.0million.

5.0 Preferred Method of Procurement

Considerable work has been carried out in reviewing the most advantageous route for the Council to procure the proposed two schools. On the basis of market comparative cost checks and analyses of an assessment of a variety of factors including deliverability, risk transfer and management, it has been concluded that using the current PFI procurement offers the shortest programme for delivery and provides value for money. Discussions with the preferred bidder and their advisors confirm that this route is acceptable to them and would not hinder the closure of the PFI contract.

Legal advice has been obtained from the solicitors appointed to advise on the project and they have advised that this route is appropriate. The final details of the contract form have not been agreed but are under discussion with the preferred bidder.

This route also provides the option to assess whether individual operational services, which would not involve the transfer of staff but which form part of the PFI contract, would provide value for money. These could include planned maintenance, grounds maintenance and security but would not involve the transfer of staff under the PFI contract.

6.0 Programme

A provisional timetable for the design and construction of the schools has been prepared. This indicates the following:

Ernesettle Primary School

Detailed Planning – decision by April 2007

When granted, construction commencement by May 2008 and school opening by

December 2008.

New Primary adjacent to Butt Park Road

Outline Planning – decision by April 2007

If granted, construction commencement by September 2007 and school opening by September 2008.

7.0 Summary and Recommendations

Following the re-scoping of the Schools PFI Project to meet the Council affordability constraints, the DfES has now provided additional financial support of up to £10million for the construction of additional primary schools.

The most appropriate use of this additional capital is to target those schools which demonstrably have the greatest need according to a range of established criteria covering community setting, educational performance, asset condition and utilization and affordability.

It is recommended that, Members having considered the matters described in this report and taken advice from officers, Cabinet approve:

1. The selection of Chaucer, West Park and Ernesettle Primary Schools to benefit from the additional £10million funding received from the DfES.
2. The redevelopment of Ernesettle Primary School site to form a new 315-place school and incorporate a Mill Ford Special School inclusion unit and Children's Centre.
3. Consultation with the community for the construction of a new 420-place school and alternative playing field provision, to replace Chaucer and West Park Primaries, on the playing field site adjacent to Butt Park Road, subject to the granting of a suitable planning permission. Should planning permission not be granted, the development and new schools could not proceed and officers will revert to Cabinet to seek further guidance on the application of the residual DfES funding.
4. To modify the School Implementation Plan 2005-2015 to include proposals to amalgamate Barne Barton and Bull Point Primary Schools, and Chaucer and West Park Primary Schools.
5. The commencement of statutory consultations with all interested parties on a proposals to amalgamate Chaucer and West Park Primary Schools, and Barne Barton and Bull Point Primary Schools, on dates to be agreed by the Cabinet Member for Children's Services in consultation with the Director for Children's Services.
6. The delivery of the additional primary schools within the overall procurement of the PFI schools subject to the satisfactory conclusion of the current negotiations with the preferred bidder.

7. The determination of the final form of contract for the procurement is delegated to the Head of Legal Services.
8. The Chief Executive, in consultation with the PFI Project Board, is delegated the responsibility to take all necessary steps to negotiate a suitable design and construction contract and, if value for money, defined facilities management services contract as soon as possible for the development of both primary schools.
9. The disposal of the surplus school sites at Chaucer and West Park and the use of the resulting capital receipt to fund the estimated gap of £2million between the available funding from the DfES and the capital cost of the schools.
10. The Head of Asset Management, in consultation with the PFI Project Board, agree the extent of disposal of the old school site and adjacent land at Chaucer, currently occupied by School Library Services and Social Services, which could be included in the surplus land disposal.