

# Central Bedfordshire Council

19 December 2024

SEND Sub-Committee

## Ivel Valley SEND School Places

### Responsible Director:

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The following sections of this report are exempt: -

N/A

### Purpose of this report

The SEND sub-committee of 17<sup>th</sup> October 2024 requested that a report be brought to an extraordinary meeting to:

1. Assess long term value for money in delivering SEND school places at Ivel Valley in a phased approach, or to continue with the new school build and deliver all 330 places at once.
2. That the Extraordinary meeting include details in relation to resource and capacity within the Asset Management Team to deliver the full Children's Service Capital Programme and that Members of the Corporate Resources OSC be invited to attend due to its cross-cutting nature.
3. That the Corporate Resources OSC consider the cost and value for money of consultancy and feasibility studies, currently at £777k.
4. Investigate the impact on the Free School project if Ivel Valley did not vacate the current site as part of its expansion

This report aims to address points 1., 2., and 4. above. Point 3. is the business of the Corporate Resources Overview and Scrutiny Committee and, to date, work on this has not been requested by that Committee.

### RECOMMENDATION(S)

The Committee is asked to:

1. Consider the information contained in the report.

## **Executive Summary**

2. In October 2022 the Council's Specialist School Place Plan 2022 - 2030 was approved by the Executive. The plan sets out the demand for specialist school places versus current supply and sets out how the additional places needed will be delivered.
3. Phase 3 of this plan, covering the period September 2026 - August 2030 includes a proposal for the reprovision of the Ivel Valley school, as a new build on a new site, whilst also increasing the number of pupil places by 55, from 245 to 300.
4. The Specialist School Place Plan was subsequently updated in October 2023, increasing the number of places to be delivered by the new school by a further 30 to 330 against the current provision of 245. This report was considered by Children's Overview and Scrutiny Committee at its October 2023 meeting.
5. The Council's Capital budget includes funding of £43 million for this project. This budget was approved by Full Council in February 2023, and again in February 2024.
6. In June 2024 the site-specific detailed cost estimate commissioned for the project estimated a total cost of £66 million, indicating a shortfall of £23 million. With insufficient funding to deliver the new school as planned work was paused, as proceeding would have meant committing to work which was significantly unfunded.
7. Increasing the capital budget for this project would require a decision by Full Council. The annual revenue cost of borrowing an additional £23 million would create a new pressure of around £1.4 million in the General Fund, and this would need to be reflected in the Council's revenue budget, and corresponding savings found elsewhere.
8. Officers are working on alternative plans to deliver the same number of additional places via alternative options staying within the approved capital budget. This work will be completed in January 2025.
9. Given the potential significant financial impact of the increased cost of this project in both capital and revenue terms, Executive Committee Members determined that these were best dealt with as part of the budget setting project so that they could be considered alongside the other competing pressures on the Council's finances.

## **Main body of the report**

10. The Council's approved Specialist School Places Plan 2022 - 2023 (Appendix A) is clear that: 'Central Bedfordshire Council (CBC) is committed to delivering the best for our children and young people. Improving SEND services and increasing the number of specialist school places for children and young people with SEND is a priority, working alongside our parent/carers community, with schools, early years settings and other partners including Health.'
11. CBC has statutory duties in relation to children and young people with special educational needs and/or disabilities (SEND), including those who are assessed to require an Education, Health and Care Plan (EHCP). CBC is required to consider the extent to which this provision is sufficient to meet the educational needs of these

children and young people. CBC has a statutory duty to ensure that sufficient school places are available in the area.

12. To help meet the growing demand for new specialist school places, Phase 3 of the Specialist Schools Places Plan 2022 – 2030 (SSPP) included an intention to build a new school to replace the Ivel Valley School's Hitchmead Road site in Biggleswade. This new school was initially planned to have 300 places for pupils, an increase of 55 over the current 245 capacity, but the revision of the SSPP in 2023 (Appendix B) increased this to 330 pupil places.
13. A budget of £43 million for this project was approved by Full Council, as part of the budget setting processes for 2023 - 24 and 2024 - 25. However, this figure was not changed in line with the increase in places in the SSPP from 300 to 330 and was based on the lower number.
14. The initial estimated cost of £43 million was based on initial costing work commissioned in 2022 by the Council from development consultants, Concertus, and at that stage, in line with normal practice, this was based on standard published costs.
15. Once final potential sites were identified a site specific and detailed cost estimate was commissioned from AECOM who are international leaders in this type of work. This detailed cost estimate, which was received in June 2024 puts the estimated cost of a new 330 place SEND school at £66 million, an increase of £23 million over the budgeted amount.
16. The difference between the two costs is due to the following reasons (to the nearest £0.5 million):
  - 16.1. £8 million risk. No allowance was made for risk in the original estimate. This is based on 15%, which is a reasonable worst-case scenario and deals with costs which may arise as work progresses that are currently unknown.
  - 16.2. £4.5 million additional external works. Costs now reflect the site-specific costs including extensive cut and fill works, roads / hard surfaces and drainage required. The extent of these would have been unknown in 2022 as they are specific to the site.
17. £2 million additional infrastructure works. To access the chosen site an access bridge needs to be designed and built, including maintaining the Right of Way on the site.
  - 17.1. £3 million base building cost. This reflects the increase of scope from 300 to 330 pupils.
  - 17.2. £4 million design fees. Design costs were not included in the initial Concertus estimate.
  - 17.3. £1 million additional cost of fixtures, fittings and equipment (FF&E) using the Department of Education's F&E calculator as opposed to a fixed allowance per pupil.
  - 17.4. £0.5 million adjustments to prelims, fees, overheads and profit on a percentage basis as the total project cost is now larger.
18. The AECOM report provides a very detailed cost breakdown, but this has not been included here as it includes commercially sensitive information which could aid any potential future bidder for this work, preventing the Council from achieving best value.

19. Once the revised cost estimate for the work was known to be significantly beyond the current budget for the project, the Council's Chief Executive instructed that work be paused for the following reasons:
  - 19.1. Undertaking further work would commit the Council to construction work for which it did not have the agreed funding to complete, meaning the budget would need to be increased beyond the delegated authority of Officers.
  - 19.2. Risk continuing to spend money on a project that may not be funded, meaning any expenditure would become revenue pressure as there would be no asset at the end of the work.
20. A decision to alter the capital budget in-year requires a Full Council decision following an Executive recommendation.
21. The cost of borrowing an additional £23 million would be around £1.4 million per year in revenue. As the Council is required in law to have a balanced budget, on-going efficiencies to this value would need to be found to compensate for this revenue cost.
22. An alternative would be to stop £23 million of other capital projects to the same value.

### **Long Term Value for Money**

23. The SEND Sub-Committee asked for an assessment of long-term value for money in delivering SEND school places at Ivel Valley in a phased approach, or to continue with the new school build and deliver all 330 places at once.
24. The Council's agreed and adopted plans state the need for additional SEND places each year until at least 2030. It has approved a £43 million spend on creating 85 new places for SEND pupils at Ivel Valley whilst also replacing the exiting school.
25. The current estimated cost of building a new 330-place school exceeds this budget by £23 million.
26. The AECOM report includes benchmarking figures for similar SEND school builds based on a £/m2 basis (adjusted for cost inflation). The following chart and text is taken from that report:

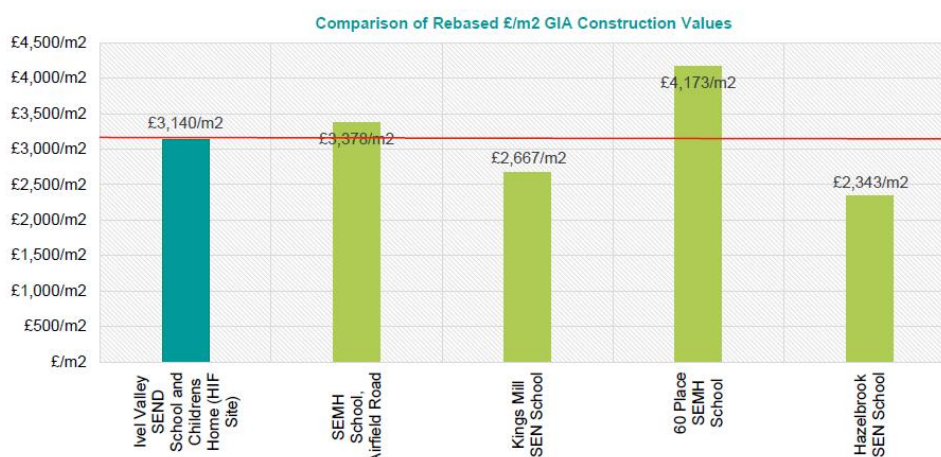


## 4 Benchmarking

### 4.1 SEN School Benchmarking with Relevant Projects

Benchmarking information is a useful tool in determining the comparative costs of the building in relation to others projects of a similar nature. This information, combined with that of building ratios can be used to drive value into the design efficiency of the building.

The following chart displays the cost of this scheme compared against other relevant projects. The costs exclude facilitating works, external works, main contractor prelims and OH&P. All costs have been adjusted to a base date of 2Q24.



27. The chart shows that in base building terms the proposed school, at £66 million, is within the expected range of costs for similar projects, although this excludes the significant groundwork and costs required at this specific site. However, it must also be noted that most comparator schools are much smaller in scale than the 330-place proposed new school.
28. Building in phases at this site will not address the projected need for SEND places at the time they are needed as there is only a four-year window meaning building phase two would need to begin almost immediately phase one was complete.
29. The groundwork, drainage and access works would all need to happen in phase one, as would the building of any communal and reticulation spaces, halls, dining rooms, kitchens etc., meaning the split of cost would be heavily loaded into the initial phase. Furthermore, building in phases would incur two sets of mobilisation costs and potentially two sets of tender costs.
30. Officers are undertaking work to determine whether there are options for creating additional places within the existing capital budget. This could include a phased approach or, for example, retaining and refurbishing the existing school and building a smaller new school on another site. Given the costs involved this work needs to be thorough and requires technical site assessments, as a consequence it will not be complete until January 2025.
31. The existing school comprises 30% temporary buildings and includes rooms that are too small for current class sizes using the latest design guides. Around £800,000 of maintenance work (predominantly mechanical and electrical works and a new roof) is needed and scheduled over the next three years. However, the expected lifespan of the building, if maintained, is 40 - 60 years.

### **Resource and capacity within the Asset management team to deliver the full Children's Service Capital Programme.**

32. The Council's Assets team has, year on year, consistently delivered a large number of building projects on behalf of the whole council, from care homes, schools and leisure centres to boiler replacements.
33. In the current financial year, the Assets Team has completed, or is delivering the following projects on behalf of Children's Services:
- 19 x three to two tier school build projects.
  - 18 x school capital maintenance projects.
  - 3 x new school places build projects.
  - 6 x SEND and ARP build projects.
  - 9 x feasibility projects (includes Ivel Valley).

At the same time the team has (year to date):

- Carried out 268 inspections of school buildings.
  - Responded to 473 helpdesk calls from schools relating to school assets.
34. In addition to the over 70 permanent staff in the assets team, specialist work for large projects is commissioned as needed from external companies, whether this be whole building design, mechanical and electrical design, cost consultants or quantity surveying.
35. The team has grown its skillset and knowledge of the school estate since 2015 and is able to meet the current level of demand, even though this is considerable. The schools capital programme represents the largest area of work for the team.

### **Impact on the Free School project if Ivel Valley did not vacate the current site as part of its expansion**

36. In October 2022 Central Bedfordshire Council submitted an application to the Department for Education for a new 130 place Special Free School.
37. Under this scheme the school would be delivered by the DfE and its appointed contractors at their cost, and subsequently run by an academy trust.
38. CBC would be required to provide a site and potentially cover the costs of any abnormal site costs, such as flooding mitigation, demolition of existing buildings, S278 highways works, S106 or utility provision.
39. On the 1<sup>st</sup> March 2023, the Department for Education confirmed that CBC's application had been successful
40. In CBC's application we had to include an indicative (but not final) site and, as the plan was to build a new Ivel Valley school on a new site, the existing Hitchmead Road site was put forward.
41. We continue to keep DfE updated on our ability to vacate the proposed site. In the meantime, the DfE have commissioned LocatED, its arms-length property company, to identify any alternative sites that could be acquired to bring delivery forward.

42. CBC's Assets Team is also assessing potential alternative CBC owned sites, and this work will conclude alongside the options for delivering the Ivel Valley school places in January.
43. Following the change of Government, the DfE has announced a review of the Free School programme. Information to date suggests SEND Free Schools projects will continue but there will be additional checks to ensure they are providing value for money. A key consideration is likely to be any site acquisition costs and abnormalities. If we propose a site with large abnormal costs (such as the demolition of an existing school building) the DfE is likely to ask CBC to meet them.

### **Council priorities**

44. Create opportunities for all children and young people to reach their full potential.
45. Enable the right care, at the right time, in the right place for those in need of support

### **Implications**

#### **Legal Implications**

46. None, this report is for information only, not decision making.

#### **Financial and Risk Implications**

47. None, this report is for information only, not decision making.

#### **Equalities and Fairness Implications**

48. None, this report is for information only, not decision making.

#### **Biodiversity and Sustainability Implications**

49. None, this report is for information only, not decision making.

#### **Other Corporate Implications**

50. None

### **Conclusion and next steps**

51. This report provides the additional information as requested by the SEND sub-committee for that committee to consider.

### **Appendices**

The following Appendices are attached/provided through an electronic link.

**Appendix A:** [11.4 Appendix A - Specialist Place Plan August 2022 v2.pdf](#)

**Appendix B:** [12.2 231031 App B Specialist School Place Plan.pdf](#)

## **Background Papers**

The following background papers, not previously available to the public, were considered and are available on the Council's website:

- N/A

## **Report author(s):**

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