



**ST HELENS**  
BOROUGH COUNCIL

# CABINET

**Wednesday, 23 September 2020**

<b>Report Title:</b>	<b>Development of the Red Bank Educational Unit and Relocation of Penkford Special School</b>
<b>Cabinet Portfolio</b>	Cabinet Member – Developing Young People
<b>Cabinet Member</b>	Councillor Sue Murphy
<b>Exempt Report</b>	Report – not exempt Appendix 1 – exempt by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972
<b>Reason for Exemption</b>	Appendix 1 – information relating to the financial or business affairs of any particular person (including the authority holding the information).
<b>Key Decision</b>	Yes
<b>Public Notice issued</b>	Yes 25 August 2020
<b>Wards Affected</b>	(All Wards);
<b>Report of</b>	Jim Leivers Interim Director of Children's Services jimleivers@sthelens.gov.uk 01744 671802
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<p><b>Borough priorities</b></p> <p>Please mark <b>X</b> for any priority supported by this report</p> <p><b>NB</b> Use Section 4 - Background Information to explain how each selected priority is supported</p>	Ensure children and young people have a positive start in life	x
	Promote good health, independence and care across our communities	
	Create safe and strong communities for our residents	
	Support a strong, diverse and well-connected local economy	
	Create a green, thriving and vibrant place to be proud of	
	Be a modern, efficient and effective Council	

## 1. Summary

Summary of key issues in the report:

- 1.1 Penkford Special School buildings have exceeded their life expectancy and there is a need to consider how pupils can be accommodated within a fit for purpose building.
- 1.2 There is an increasing pressure on the high needs budget of the Dedicated Schools Grant due to increasing demand for specialist provision for pupils with special educational needs and disability. This proposal is part of a range of initiatives to develop more cost-effective quality provision for pupils with Social, Emotional and/or Mental Health needs and reduce the reliance on independent non maintained special schools.
- 1.3 A feasibility study on whether the Red Bank educational unit could be re-purposed has established the building could provide a suitable alternative for Penkford School, at an approximate cost of £6.806 million.
- 1.4 Alternative options to have been considered including alternative sites or rebuilding Penkford School on its current site. However, the development of the Red Bank educational unit is considered to represent a better option for the children and young people and delivers better value for money.
- 1.5 The relocation of Penkford School to Red Bank educational unit is still subject to Charity Commission approval.

## 2. Recommendations for Decision

Cabinet is recommended to:

- i) Approve the development of the former Red Bank educational unit and the relocation of Penkford School; and, subject to Charity Commission approval of the proposed development, to enter into a lease with the Company on the terms set out at Appendix 1 of this report.

- ii) Approve the overall project costs associated with the development of the educational unit, estimated as £6.806m.
- iii) Approve the allocation of funding for the project as being £1.393m that is already earmarked in respect of Penkford School, with an additional £0.5m from currently uncommitted funding within the Children's Services capital programme, and £4.913m from Council capital receipts.
- iv) Approve the submission of a planning application in respect of the proposed works at the Red Bank site.
- v) Approve that, subject to tender costs being within approved budget levels, the appointment of a constructor is approved by Delegated Executive Decision following a competitive tender process via the North West Construction Hub.

### **3. Purpose of this Report**

- 3.1 To inform Cabinet of the condition and suitability issues that need to be addressed in respect of the current Penkford School building and site.
- 3.2 To identify current and future placement needs for children and young people with Education, Health and Care Plans.
- 3.3 To receive relevant information in relation to the number of Special Educational Needs and Disabilities (SEND) type placements planned for future provision.
- 3.4 To recommend alternative arrangements including the use of the former Red Bank secure children's home.
- 3.5 To give consideration to increasing the numbers of young people to be educated in the new provision.

### **4. Background /Reasons for the recommendations**

#### Special Educational Needs and Disabilities Context

- 4.1 In 2015 the Children and Families Act introduced a new system of assessment, planning and support for children with special educational needs and/or disability, which has created demand pressures across the system. Since 2015 requests for statutory assessment of children with complex needs has increased annually. During 2017/18 there were a total of 165 requests for assessment; in 2018/19 there were 325 requests - an increase of 97%. As a result, the number of children in the borough supported with an Education Health and Care Plan (EHCP) has more than doubled from 490 to 1150. In July 2019 Cabinet approved additional investment in a range of services to meet new statutory burdens to ensure that children's needs are identified, assessed, planned for and met.
- 4.2 The growth in demand for specialist assessment has led to an increased demand for special school places, particularly in respect of pupils with anxiety or mental health issues. St Helens has a growing number of young people experiencing poor mental health, and it has some of the highest rates of hospital admissions for self-harm or mental health crisis in the UK. Typically, pupils with social, emotional and mental health (SEMH) needs will experience a range of issues such as attachment disorders, attention deficit hyperactivity disorder (ADHD) and autism spectrum disorder (ASD). Children with SEMH needs will often find it difficult to

maintain emotional well-being in all aspects of their lives and are often unable to sustain learning within a mainstream educational environment. Consequently, there are a number of pupils who currently attend in-borough Pupil Referral Units who require a specialist SEMH placement.

- 4.3 Analysis of the current placement profile shows that there has been a 35% increase in numbers placed in independent non-maintained special schools (INMSS) since 2015 as demand exceeds supply, with particularly high demand for SEMH placements. Penkford School provides for a maximum of 55 pupils and, alongside this, the Council commissions approximately 50 SEMH places from the INMSS. Almost half of these placements are for children who are in the care of the Council and, as a consequence, some of our most vulnerable young people are further disadvantaged as they may not benefit from wrap around support from local services.
- 4.4 In addition to an increase in the number of INMSS placements in recent years, the average placement cost has risen significantly. The average annual cost of a placement is £56k, whereas the Penkford average cost per place is £26k. Furthermore, the value for money provided by independent settings is not consistent across all settings. Analysis of costs indicates that the greatest impact in terms of cost efficiencies is in secondary-age placements, as the highest per-pupil costs tend to be at Key Stage 3. In many cases, these high-cost independent sector placements are necessitated by a lack of in-borough capacity rather than the complexity of pupils' needs.
- 4.5 Costs in respect of INMSS placements are funded from the ring-fenced Dedicated Schools Grant (DSG). Expenditure on placements has increased significantly in recent years (see table below). It is estimated that expenditure in the current financial year will be approximately £5.5m (a further increase when compared with 2019/20), which will result in a budget pressure against the DSG of £2.8m. In addition, there are usually significant transport costs associated with pupils attending out of borough educational settings. The further development of in-borough provision would enable more cost-effective transport arrangements to be put in place.

<b>Independent Non-Maintained Special Schools – Costs and Placements</b>			
	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>
Total expenditure	£2.8m	£3.5m	£4.8m
Number of placements	97	111	119

- 4.6 St Helens Council is committed to ensuring that all children can have their needs met in cost effective educational settings - in their local communities wherever possible. The proposed redevelopment and relocation of Penkford will complement a range of measures being taken to improve the quality and sufficiency of provision; respond to demand increases; and reduce spending on independent non-maintained special schools. These measures include a successful bid for the development of a special free school, in collaboration with Halton Council, that will provide an additional 25 places; a new specialist unit within Ashurst Primary; and strengthening the capacity within mainstream schools to manage pupils with SEMH. These developments aim to reduce the reliance on commissioning high cost placements from the independent non maintained sector (INMSS) and invest in our local education system.

- 4.7 The Red Bank site offers the opportunity to increase places (from 55 to 65) and create a more therapeutic learning environment to support young people to improve their emotional well-being, promote independent self-regulation, and build relationships and positive social interaction. Importantly, this will include a cohort of girls to ensure equity of places and the provision of a co-educational facility.
- 4.8 The site has the potential to offer flexible spaces and a more bespoke curriculum as well as safe spaces for young people in crisis, ensuring that they receive an appropriate level of care within a modern, fit-for-purpose facility.

### Penkford Special School

- 4.9 Penkford Special School is a single-storey system-built school which, together with the supplementary modular buildings on site, has exceeded its life expectancy (being approximately 50 years old). The existing school site is adjacent to a number of sub-ground pipelines which would significantly reduce the opportunity to add further buildings or redevelop the site in the future (based on advice from the Health & Safety Executive). It is unlikely that any proposal to provide the future flexibility to accommodate additional students would be granted planning consent. Alternatively, consideration could be given to rebuilding a “like for like” replacement on the existing Penkford site. Logistically, this would probably require a closure and temporary relocation, which is unlikely to be financially viable. In addition, the underground site services restrict the development of a suitable on-site replacement. Relocation and re-provision on an alternative site is therefore, considered the most viable solution to the continued provision of the school.
- 4.10 The school was earmarked for a complete rebuild under the national Building Schools for the Future (BSF) programme and, as a result, only emergency and maintenance repairs have subsequently been undertaken. Due to the termination of the BSF programme the rebuilding of the school did not proceed.
- 4.11 The Council has been working with the Education and Skills Funding Agency (ESFA) to address the condition issues at Penkford. The school is included in the national Priority Schools Building Programme (PSBP) and money has been allocated through this programme to address some of the repair issues. The amount of funding available through the PSBP is £530k, which is not sufficient to make a significant difference to the overall fabric and suitability of the building. The ESFA has, however, confirmed that this grant could contribute to a relocated provision on an alternative site. A condition of the funding that is available through the PSBP is that projects should be completed by December 2021. Funding is likely to be withdrawn if projects are not completed by that date. The PSBP allocation of £530k represents less than 10% of the total cost of the proposed redevelopment of the Red Bank educational unit and, subject to the appropriate Council and Charity Commission approvals being in place, it is likely to be the case that a substantial proportion of the construction work will have been undertaken by December 2021. Discussions with the ESFA have indicated that this level of progress would reduce the risk of the PSBP funding being withdrawn.
- 4.12 The fire risk assessment for the building has recommended that a number of safety measures are required. The risk assessment is made more complex due to the unknown fire resistance of the original internal wall construction, which would need to be addressed throughout the school. The roof, external fabric and windows are in poor condition. The estimated cost of essential maintenance that is required at the school for it to remain safely operational for the next two years is currently being assessed.

- 4.13 Upgrades to the fire alarm system and the internal lighting have been completed during the summer 2020 holiday period.

#### The Former Red Bank Community Home

- 4.14 The former Red Bank Community Home was closed in June 2014, which has left Red Bank Schools Limited with a large, redundant, purpose-built facility with potentially significant associated liabilities.
- 4.15 In May 2014 Cabinet delegated to the Director of Urban Regeneration, Housing and Culture, in consultation with the Leader of the Council, all powers to manage the property upon the closure of Red Bank and progress the site to a future use.
- 4.16 The former Red Bank Community Home site is owned by Red Bank Schools Limited, with the Council having been responsible for the management and operation of the facility.
- 4.17 In 2010 approximately £4m was provided by the Department for Education to build a new educational unit. Whilst this building has been decommissioned following the closure of the site, it is feasible that this building could be reused for educational purposes. All other buildings on the site are no longer considered viable for re-use and therefore represent a liability to both the Council and the Company.
- 4.18 The Department for Education may require local authorities to repay (in full or in part) capital grants that have been provided for the construction of assets where those assets cease to be used for the intended purposes or where the asset is sold by the local authority. In 2011 the DfE issued specific guidance in respect of the recovery of grants in relation to secure accommodation for children, such as Red Bank. The Council has sought specific advice from the DfE in respect of the possible redevelopment of Red Bank for use as a special school and has received confirmation that no recovery of grant monies would be imposed.
- 4.19 In January 2019 Cabinet approved the following measures in relation to the potential development of the Red Bank site and relocation of Penkford School:
- to earmark the use of the former educational unit at Red Bank for the relocation of Penkford School (subject to the formal approval of Red Bank Schools Limited);
  - to proceed with a detailed design for the refurbishment and extension of the Red Bank educational unit in consultation with Penkford School;
  - to proceed with the demolition of all other buildings on the former Red Bank site (subject to assurances regarding reimbursement from any proceeds of sale from disposal by Red Bank Schools Limited).
- 4.20 An initial feasibility study was undertaken to establish whether the redundant educational unit could be re-purposed to allow the relocation of Penkford School. This study concluded that the building could provide a suitable alternative for Penkford School at an approximate cost of £3.6 million.

#### The Charity Commission and Red Bank Schools Limited

- 4.21 Red Bank Schools Limited is a registered charity and it is not possible to purchase or lease any land owned by it at a price which is less than market value without the consent of the Charity Commission. As a residential allocation has been sought for the land as part of the

Local Plan process, the potential open market value of the land could be significant. Hence the Charity Commission will need to carefully consider any proposal to transfer the land at an undervalue.

- 4.22 In March 2018 the Council made a formal request to the company directors of Red Bank Schools Limited to permit the relocation of Penkford School to the former educational unit located on the Red Bank site. The Company was agreeable in principle to the proposal, however, formal approval by the Charities Commission would also be required to be sought once details of the development were finalised, and the terms of the lease from the Company agreed. In addition, the company would be required to consult and get the consent of Legh Family Estate who have a legal interest in the site.
- 4.23 As the proposals for the site have evolved the Company has continued to liaise with the Charity Commission with the aim of achieving consent to the proposed relocation of Penkford School. However, the speed of progress is determined by the Charity Commission and the Council has only been in a position to seek formal approval on the matter once the proposals for the re-siting of Penkford school had been finalised.
- 4.24 A formal application to the Charity Commission for consent was made on 30<sup>th</sup> March 2020. After initially considering the application, the Commission raised a number of detailed questions of the Company. Subsequently the Company has worked with the Council to seek to obtain full answers to the questions raised. On 17<sup>th</sup> July the Company provided a substantive response to the Commission and is now awaiting the further view of the Commission.

### **Development of Proposals**

#### Estimated Cost of Red Bank Redevelopment

- 4.25 Galiford Try was appointed in March 2019, following a competitive tender process via the North West Construction Hub, to undertake the pre-construction phase of the project which would result in a fully developed design and costed scheme.
- 4.26 The overall projected costs for the scheme are as follows:

	<b>£m</b>
Estimated build costs including preliminaries	5.728
Risk register allowance	0.400
Contingency	0.150
<b>Sub-total</b>	<b>6.278</b>
Professional fees (net of fees previously claimed)	0.428
COVID risk allowance	0.100
<b>Total Estimated Cost</b>	<b>6.806</b>

- 4.27 The estimated costs referred to above are prior to undertaking a competitive tender process for the construction phase. In addition, non-recoverable VAT would be payable on all works procured on the project until such time that the Council has a confirmed legal interest in the property. This matter is currently being progressed by the Council's legal department. The costs referred to above are exclusive of VAT, loose furniture and ICT equipment. Without the confirmed legal interest referred to above, the estimated total scheme cost would increase by

approximately £1.3m due to non-recoverable VAT. There is not considered to be any impediment to obtaining the appropriate legal interest in the property. However, should this prove not to be possible, the development of the Red Bank educational unit will be subject to review.

4.28 The latest estimated scheme costs are significantly higher than previous desk-top based estimates. This is due to a number of factors:

- the original estimate was based on a direct re-provision of the current school – the latest design incorporates revised accommodation requirements that improve the internal organisation of the school;
- the proposed design creates three wings of similar provision with the shared specialist accommodation within the central core areas. This ensures that students mostly do not cross into other key stage zones when accessing specialist areas. These changes result in a more substantial internal reconfiguration of the building. Also incorporated into the design are the DfE recommended minimum room areas of 46 square metres – the existing rooms in the secure accommodation unit are smaller than this. This change has a consequential impact on the potential to retain existing internal walls and building services elements, the majority of which would be replaced;
- due to the presence of great crested newt DNA on the site (being a protected species), design changes have been included to provide for alterations to the pond and Multi Use Games Area;
- the development of an access road and pedestrian footpath (including street lighting, as the current access is an unadopted road) from the main road adjacent to the Red Bank site;
- the re-provision of statutory utility services (eg gas, electricity) including the mains cables that have been stolen, and CCTV provision;
- the pupil capacity has been increased from 55 places (which is the current Penkford capacity) to 65 places. The increase in places will enable female pupils to be accommodated. The expansion in places is part of a package of measures to increase the capacity of specialist provision to reduce the need for relatively expensive out of borough educational placements (see paragraph 4.7).

4.29 The option to extend the site to accommodate up to 100 pupils has been assessed. Although detailed design changes have not been undertaken, it would be feasible to add a fourth educational wing to the site. It is estimated that the total cost of the scheme would increase by £1.5m to £2m as a result of such an expansion.

4.30 Children and young people who have difficulties with their emotional and social development will often present with challenging, disruptive or disturbing behaviour. Pupils may also experience anxiety or depression, problems of conduct, self-harming, substance abuse, etc. A significant proportion of pupils have recognised disorders such as attention deficit disorder (ADD), or attention deficit hyperactive disorder (ADHD). In addition, pupils may have autistic spectrum disorder (ASD) as a secondary diagnosis. In order to break the negative cycles that can limit life chances, pupils with SEMH require a calm and nurturing environment that supports a more personalised approach. For this reason, it is recommended that the development of the Red Bank educational unit is limited to 65 places.

## **5. Community Impact Assessment**



The Community Impact Assessment identified the following key implications

- 5.1 The proposal seeks to improve the educational experience of vulnerable young people with social emotional or mental health issues, improving their chances of developing protective friendships, training and employment opportunities which will support them in managing their emotional health and wellbeing as adults.
- 5.2 The proposed expansion of Penkford provision will enable female pupils to receive education and support in their local community.

## 6 Consideration of Alternatives

- 6.1 The option to construct a new special school on an alternative site has been considered and four potential sites have been identified: Carr Mill, Wynne Road, Parr Street and Simms Avenue (adjacent to Mill Green special school).
- 6.2 The use of the Wynne Road site would be subject to confirmation by the Department for Education because of its status as a former school playing field. Parr Street is contained within the geographical area of the potential town centre redevelopment and, as such, the use of the site upon which to construct a new school would need to be considered in the context the wider redevelopment plans.
- 6.3 Preliminary advice from the Council's Planning Section is that the Carr Mill and Simms Avenue locations would be considered appropriate school sites in terms of planning regulations. Both sites are smaller in area than the Penkford site, although initial indications are that they could accommodate the preferred design of a new special school. Detailed feasibility assessments would need to be undertaken in respect of both sites to ascertain their suitability.
- 6.4 An assessment of the cost of a new-build option on an alternative site has been undertaken based on the current proposed scheme, specification and floor area. The estimated cost is summarised below and does not include site-specific abnormal costs, statutory utility services costs, and potential demolition or site preparation costs.

	<b>£m</b>
Overall build costs	6.680
External works and drainage	1.159
Contingency	0.150
Professional fees (10%)	0.790
<b>Total Estimated Cost</b>	<b>8.779</b>

- 6.5 The estimated cost of the development of an alternative site for the potential relocation of Penkford School is significantly higher (approximately £2m) than the proposed refurbishment of the Red Bank site. In addition, it is likely to be the case that the development of a new-build school on an alternative site to Red Bank would take longer to complete.

### Estimated Cost of Rebuilding Penkford on the Existing Site

- 6.6 The estimated cost of rebuilding Penkford School on the existing site is summarised below. The costs are based on rebuilding to the same floor area and consideration has not been given

to which area of the site the new build could be located (see comments in respect of sub-ground pipelines in paragraph 2.9 above). No allowance has been made for potential decant accommodation.

	<b>£m</b>
Main construction works (including demolition / segregation)	3.526
External works and drainage	0.300
Preliminaries	0.556
Insurance, overhead and profit	0.189
<b>Sub-total</b>	<b>4.571</b>
Risk allowance, utilities, groundworks	0.250
Contingency	0.200
<b>Sub-total</b>	<b>5.021</b>
Professional fees (10%)	0.502
Specialist surveys and COVID risk allowance	0.150
<b>Total Estimated Cost</b>	<b>5.673</b>

- 6.7 Due to the site access constraints, construction work would be required to take place over a number of holiday periods. The alternative would require the extensive use of temporary accommodation which would incur significant additional cost. The reconstruction of the school on the existing site would not change the existing suitability shortcomings at the school particularly in respect of the creation of separate areas for individual key stage groups, and the potential for the school to provide for additional pupil numbers.

## **7 Conclusions**

- 7.1 The estimated cost of the development of an alternative site for the potential relocation of Penkford School is significantly higher (approximately £2m) than the proposed refurbishment of the Red Bank site. In addition, it is likely to be the case that the development of a new-build school on an alternative site to Red Bank would take longer to complete.
- 7.2 Although the rebuilding of Penkford School on the existing site is a potentially lower cost option than developing the education unit at Red Bank (the difference in estimated costs being approximately £1.1m), the existing shortcomings would not be fully addressed and additional significant costs may be incurred in respect of, for example, decant accommodation.
- 7.3 The development of the Red Bank educational unit is, therefore, considered to represent better value for money.

## **8. Implications**

- 8.1 Legal Implications

8.1.1 Any approval to proceed with the relocation which involve a transfer at an undervalue would be subject to the directors of Red Bank Schools Limited obtaining Charity Commission approval. Further details on this aspect of the matter are set out at paras 4.21 – 4.24 above. The proposed heads of terms of the lease between the Council and the Company are set out at Appendix 1.

8.1.2 Red Bank Schools Limited is additionally in the process of seeking freeholder consent from the Legh Family Estate for the proposed works to be carried out.

## 8.2 Community Impact Assessment (CIA) Implications

### 8.2.1 Social Value

8.2.1 Contractors at tender stage will be asked to outline within their submission Social Value targets including education/ employment opportunities.

### 8.2.2 Sustainability and Environment

8.2.2.1 The original Penkford school building is circa 50 years old, whilst the current Red Bank school was designed to higher standards as relevant at 2010 with the extensions proposed being delivered to meet the current building regulation requirements for thermal and energy in use performance. The new school is expected to perform more efficiently than the current school.

8.2.2.2 An ecologist has undertaken site surveys to assess species present on site. Initially the presence of great crested newts was identified through DNA testing and subsequent surveys have now identified that this is not the case. An existing area of the proposed school site is unaffected by the works and is available for development as a habitat area.

### 8.2.3 Health and Wellbeing

8.2.3.1 The Red Bank site offers the opportunity to increase places and create a more therapeutic learning environment to support young people to improve their emotional well-being, promote independent self-regulation, and build relationships and positive social interaction. The site has the potential to offer flexible spaces and a more bespoke curriculum as well as safe spaces for young people in crisis, ensuring that they receive an appropriate level of care within a modern, fit-for-purpose facility.

### 8.2.4 Equality and Human Rights

8.2.4.1 Access to good quality education in an appropriate environment is essential to raise achievement and address inequality.

## 8.3 Customers and Resident

8.3.1 The proposal seeks to improve the educational experience of vulnerable young people with social emotional or mental health issues. An expansion in pupil numbers will allow more pupils to go to school close to their communities.

## 8.4 Asset and Property

8.4.1 The report proposes a redevelopment of the existing Red Bank site to allow for the re-location of Penkford School.

## 8.5 Staffing and Human Resource

8.5.1 None.

## 8.6 Risks

8.6.1 The existing facilities at Penkford school are in poor condition. Remedial work needs to be undertaken to maintain the school in a safe condition if the school were to remain operational for a further two years. A detailed review of required has been undertaken and work has been undertaken over the summer as set out in para 4.12 – 4.13.

## 8.7 Finance

8.7.1 The Children's Services capital programme includes earmarked but currently uncommitted funding of £863k in respect of refurbishment works associated with Penkford School (professional fees totaling £143k have previously been incurred). Prior to this report, no formal decision has been taken by the Council to rebuild or relocate Penkford. As such, the departmental capital programme does not contain funding to rebuild the school. The £863k of available funding referred to above comprises money that was previously allocated for necessary maintenance works at the school, in addition to grant funding provided by the Department for Education to enable local authorities to undertake capital investment in provision for pupils with special educational needs and disabilities:

- £422k SEND capital grant;
- £441k previously committed for refurbishment work.

8.7.2 The Education Skills and Funding Agency (ESAF) has confirmed that £530k has been earmarked within the Priority Schools Building Programme (PSBP) in respect of Penkford. It has also confirmed that the funding would be available as a contribution towards a larger value scheme eg rebuild, and that the contribution would also be available as part of works that involved the relocation of Penkford school to the Red Bank site. However, the funding is time-limited and PSBP projects need to be completed by December 2021 (see paragraph 2.11). Discussions with the ESFA have indicated that, as the PSBP funding represents less than 10% of the total cost of the scheme, the likely progress that will have been made on the project by December 2021 would reduce the risk of the PSBP monies being withdrawn.

8.7.3 The SEND capital grant referred to above (£422k) is part of a three-year funding allocation that covers the period 2018-19 to 2020-21. Local authorities are required to develop a special provision plan, which is subject to consultation with parents and carers, and are required to regularly update the plan to demonstrate progress achieved. The redevelopment of Penkford forms part of the current special provision plan for St Helens.

8.7.4 Based on the funding that is currently allocated within the capital programme and the money provided through the PSBP, a total of £1.393m is available in respect of the refurbishment / relocation of Penkford. However, due to the poor condition of the existing facilities at Penkford it is likely that significant expenditure will need to be incurred to maintain the school in a safe condition prior to any relocation or rebuild. Approximately £50k has been incurred in the previous 18 months in respect of essential safety work. A detailed review of required works would need to be undertaken if the school were to remain operational for a further two years.

8.7.5 The Children's Services capital programme includes uncommitted capital funding for the current financial year as follows:

- £1.785m in respect of School Condition funding. This funding is provided to local authorities to help maintain and improve the condition of school buildings and grounds;
- £99k in respect of Basic Need funding. This funding is provided to local authorities to assist them in fulfilling their duty to ensure there are enough school places for children in their local area.

8.7.6 In addition to the uncommitted monies that are available in the current financial year, local authority Basic Need allocations for the financial year 2021-22 have been published. The allocation for St Helens is £2.818m and is intended to create the school places that may be needed for September 2022. At the current time, local authority School Condition allocations for the financial year 2021-22 have not been published.

8.7.7 The extent of any capital works that may be needed to ensure sufficient school places are available locally for September 2021 and September 2022 is not yet known. In addition, there is a continuous programme of work required to maintain and improve the condition of all schools. Furthermore, although costs are yet to be determined, it is likely that significant expenditure will need to be incurred to maintain the existing Penkford school in a safe and operational condition prior to any relocation to the Red Bank site. For these reasons it is not considered prudent to allocate all currently uncommitted monies to meet the funding gap in respect of the proposed development of the Red Bank educational unit. It is therefore proposed that £0.5m is allocated from the currently uncommitted funding within the Children's Services capital programme towards the cost of the educational unit. It is also requested that the residual funding gap of £4.913m is met from the Council's capital receipts. The estimated scheme cost and proposed funding are summarised below.

	<b>£m</b>
Estimated cost of developing the Red Bank educational unit (as per paragraph 2.24 above)	6.806
Proposed funding:	
Existing funding contained within the Children's Services capital programme intended for Penkford refurbishment works (see paragraph 3.1 above)	0.863
Funding available from the Department for Education through the Priority Schools Building Programme (see paragraph 3.2 above)	0.530
Existing School Condition funding within the Children's Services capital programme that is currently uncommitted	0.500
Contribution from Council capital receipts	4.913
<b>Total funding</b>	<b>6.806</b>

8.7.8 As stated in paragraph 4.27 above, the estimated scheme costs are prior to undertaking a competitive tender process for the construction phase. In addition, non-recoverable VAT would

be payable on all works procured on the project until such time that the Council has a confirmed legal interest in the property. This matter is currently being progressed by the Council's legal department. Without the confirmed legal interest referred to above, the estimated total scheme cost would increase by approximately £1.3m due to non-recoverable VAT. There is not considered to be any impediment to obtaining the appropriate legal interest in the property. However, should this prove not to be possible, the development of the Red Bank educational unit will be subject to review.

## 8.8 Policy Framework Implications

8.8.1 The recommendations in this report are in line with existing Council policies.

## **9. Background papers**

9.1 Scheme designs and cost plans.

9.2 Ecology Surveys

## **10. Appendices**

10.1 Draft Heads of Terms