
20 October 2009

Name of Cabinet Member:

Cabinet Member (Children, Learning and Young People) – Councillor Blundell

Director approving the report:

Director of Children, Learning and Young People

Ward(s) affected:

Wyken

Title:

Caludon Castle School – Change in funding source for the proposed Extended Learning Centre (ELC)

Is this a key decision?

Yes.

Approve the delivery of the ELC by way of a variation to the existing Caludon Castle School Private Finance Initiative (PFI) contract which is to be funded by a combination of the £1.93m Government co-location funding grant, Building Schools for the Future (BSF) ICT and a contribution from the Council's Education Capital Programme.

Executive summary:

This new Extended Learning Centre (ELC) will bring together the services of the Local Authority Education Service, NHS Coventry, Coventry and Warwickshire Mental Health Partnerships all of whom will contribute to the running costs of the new facility. Co-located provision will include behavioural support, outreach services, education welfare, education psychologists, mental health workers, youth workers, Connexions and the Youth offending Service.

The proposal fully compliments the wider ELC strategy as established under the Building Schools for the Future Programme (BSF).

The Centre will be designed to cater for up to 24 young people at risk of exclusion during the school day and be open during the evening and weekends for all young people in the community.

The Centre will provide the opportunity for cost savings by reducing the requirement to purchase out-of-city provision.

Following a successful bid for £1.93m under the Government's co-location initiative, Cabinet are being asked to agree to contribute £176,572 towards the overall capital costs of a new Extended Learning Centre (ELC) on the site of the existing Caludon Castle School.

This new grant funding proposal replaces the previous Private Finance Initiative (PFI) funding proposal.

It is proposed the £176,572 required be funded from the Education Capital Programme on the basis there will be no overall detrimental impact on the Primary Schools Capital Programme.

The terms and conditions of the co-location grant require the facility to be operational by August 2011. The current estimated opening for the Caludon ELC is January 2011.

Recommendations:

Cabinet are recommended to:

- 1) Approve the change in funding source from Private Finance Initiative to conventional grant.
- 2) Approve the allocation of £176,572 from The Education Capital Programme as the Council's "contribution" to the project.
- 3) Approve the Council entering into a variation to the existing Private Finance Initiative contract with Coventry Education Partnership (The PFI provider at Caludon Castle School) to enable the construction of a new Extended Learning Centre facility at the Caludon Castle site provided tender costs remain within the financial parameters of this report
- 4) Delegate authority to the Building Schools for the Future Programme Director, the Director for CLYP and Director of Finance and Legal to negotiate and approve the form of variation to the Project Agreement between the Council and Coventry Education Partnership, dated 7th December 2004, and any other ancillary project documentation provided the costs remain within the parameters of this report

List of Appendices included:

Appendix 1 – Caludon Castle Extended Learning Centre Design brief Final draft 1

Other useful background papers:

None.

Has it or will it be considered by Scrutiny?

No

Has it, or will it be considered by any other Council Committee, Advisory Panel or other Body?

Yes. BSF Programme Board on 10th September 2009.

Will this report go to Council?

No

Report title:

1. Context (or background)

- 1.1 The Caludon Castle Extended Learning Centre (ELC) will bring together services of the Local Authority, NHS Coventry, Coventry and Warwickshire Mental Health Partnership, and voluntary organisations to form a multi-disciplinary team, serving some of the most needy young people and families in the City.
- 1.2 The co-located staff will include behaviour support teachers, outreach workers, education welfare officers, educational psychologists, mental health workers, youth workers, workers from Connexions and workers from the Youth Offending Service.
- 1.3 In addition to providing a shared base for these workers, the Centre will cater for up to 24 young people at risk of exclusion on site during the school day and will be open in the evenings and weekends to provide activities for all young people in the community.
- 1.4 The Centre will provide services to the local community through its youth services programme, to secondary schools in the north east of the city; the host site Caludon Castle plus Cardinal Wiseman, Foxford, Grace Academy and Lyng Hall. It will also be part of the citywide secondary partnership on behaviour and attendance.

2. Options considered and recommended proposal

- 2.1 Caludon Castle School has been rebuilt under the Private Finance Initiative (PFI). As reported to Members in January 2007, an additional £2.4m PFI credits were granted to Coventry City Council to fund the subsequent ELC project.
- 2.2 As a direct result of the credit crunch earlier this year, private finance became difficult to secure and funding terms expensive to an extent where Officers became concerned that the ELC project as a PFI scheme was no longer feasible or affordable.
- 2.3 In February this year, the Department for Children, Schools and Families (DCSF) launched the Co-location fund bid invitation process, a grant funded initiative which appeared to compliment the Caludon ELC project.
- 2.4 Council Officers determined there were no other competing projects that could be developed quickly enough to take advantage of the funding and the DCSF gave Coventry their blessing to re-bid the Caludon project under the Co-location initiative as an alternative to the PFI route.
- 2.5 Although nationally the Co-location fund bidding process was significantly oversubscribed, Coventry's bid for the Caludon ELC project was approved by Ministers in May.
- 2.6 The DCSF subsequently withdrew the original £2.4m PFI credit allocation on 16 June 2009.
- 2.7 The £1.93m capital grant awarded is broadly equivalent in value to the £2.4m PFI credits surrendered, and now enables the Council to procure the Caludon ELC as a conventionally funded project.
- 2.8 The alternative involves retention of the ageing Wyken unit. The Wyken unit is in a poor state of repair and requires replacement. If the Caludon ELC is not delivered and then in

3. Results of consultation undertaken

3.1 Consultation has been undertaken with NHS Coventry, Coventry and Warwickshire Mental Health Partnership and Caludon Castle School. A copy of the initial design brief is at appendix 1.

4. Timetable for implementing this decision

4.1 Approval of the decision will enable stakeholders to finalise design proposals in October. Key milestones anticipated thereafter include:

- May 2010 – Detailed planning approval
- May 2010 – Award of Contract
- July 2010 - Construction starts
- January 2011 – Facility opens
- August 2011 – Co-location Grant expires

4.2 Progress and risks will be monitored by the Building Schools for the Future Programme Board.

5. Comments from Director of Finance and Legal Services

5.1 Financial implications

5.2 In the approved cross government co-location bid document, Officers committed to find a local contribution of £215,000. For this, £40,000 has been earmarked from the wider BSF ICT capital funding and the remaining £175,000 is to be allocated from Education capital. Officers are confident this commitment can be maintained without undermining other projects either earmarked or approved under the Primary Capital Programme. In the absence of any alternative funding sources being identified therefore, the recommendation is to allocate £176,572 from the Education Capital Programme to fund the Council's capital contribution towards the project.

5.3 The current budget estimate for capital costs is as follows:-

New build costs	£1,636,904*
Professional fees**, surveys, contingency	£509,668

Total Gross Capital Costs	<u>£2,146,572</u>
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To Be Met By

Co-location funding grant	£1,930,000
ICT BSF funding	£40,000
CCC contribution	£176,572

Total Funding	<u>£2,146,572</u>
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* Estimated construction costs as at Q2 2010, excluding sprinklers. Fire detection and prevention strategy to be determined by detailed design process and agreed with insurers.

** Includes estimated costs of PFI contract variation

5.4 As regards funding the projected running costs of the ELC, all of the partner organisations are committed to using the Centre in the following ways, and to funding revenue costs as set out in 5.5 below.

- In terms of the Centre's function in providing education for young people at risk of exclusion, revenue costs will be met through the already agreed system of charges to schools and the base budget. This provides funding to cover the costs of teachers, teaching assistants, administrative staff and other running and maintenance costs. All education posts at the ELC are existing positions which are fully funded.
- In terms of the Centre's function as a shared office and service delivery base for children's services, the Local Authority, NHS Coventry and Coventry and Warwickshire Mental Health Partnership have agreed to commit funding to sustain the ongoing revenue costs of the Centre. This will include professional staff such as Connexions workers, primary mental health workers, speech & language therapists & health visitors and will include a contribution towards running costs.
- In terms of the Centre's function as a Youth Centre during evenings and weekends, the Youth Service will meet the revenue costs, including the provision of Youth Workers, administrative staff and running costs. Local Young people are to be consulted as part of the design engagement process.

5.5 We have had discussions with representatives of the provider arm of NHS Coventry and the General Manager of the Coventry and Warwickshire Mental Health Partnership Trust. Both parties are fully committed to the use of the Centre, and will contribute towards running costs to be apportioned on an agreed pro-rata basis. NHS Coventry is looking to use the facility for service delivery and the Coventry and Warwickshire Mental Health Partnership Trust intend to secure office space and deliver services as part of their involvement in the project. Connexions, too, are fully supportive of the Centre and will contribute towards the costs of providing their services at the Centre.

5.6 In terms of financial benefit, the Centre's main focus will be on value for money rather than direct cost savings. The facility will essentially replace an existing pupil referral unit in the Wyken area of Coventry which has provision for a similar number of pupils than that proposed for Caludon. Value for money will be achieved largely through progressing the work which has taken place in recent years around the Council's Inclusion Strategy, which has already resulted in falling levels of permanent exclusions from city schools as well as out of city provision.

5.7 Gross expenditure levels for Wyken in the 2008/09 financial year were £1.009m. This compares to a cost of out-of-city provision of circa £2.388m (24 young people at a cost of £0.099m based on the Council's 2008/09 average). However, by netting income from schools and other funding sources against Wyken, its net expenditure position amounts to £0.604m, meaning that it works out at a saving of around £1.784m by providing services within the city compared to out-of-city provision. If this new centre can't be delivered as a replacement for the Wyken unit, then in the future when Wyken ceases to be a suitable facility, there will be a significant risk that our level of out-of-city provision would need to increase, which would clearly be at a substantial cost.

5.8 Had the Council progressed along the PFI route, the Council would have been faced with an affordability gap of £3.6m spread across the remainder of its contract with CEP. This gap would have arisen as the difference between an increase in unitary charge payments to CEP and the PFI credits. Whilst the PFI route can often demonstrate value for money on larger scale build projects we believe a conventionally funded design & build route for the relatively small scale Caludon ELC represents an option.

5.9 Legal Implications

The Council entered into the PFI contract with CEP for the design, build, financing and operation of the Caludon Castle School on 7th December 2004 for a period of 30 years. The OJEU notice published by the Council in 2002 and the PFI Contract itself provide a process to enable contract variations to be made. The new ELC will therefore be delivered as a variation to the existing contract in accordance with the variation procedure. As part of the variation process, and in accordance with the PFI contract, the Council requires CEP to seek and evaluate competitive tenders for design and construction services to enable the centre to be built.

The Council has the power to enter into the variation to the contract pursuant to

- Section 111 Local Government Act 1972
- Section 19 Local Government (Miscellaneous Provisions) Act 1976 (in respect of the Community Facilities)
- Section 2 of the Local Government Act 2000

6. Other implications

6.1 How will this contribute to achievement of the council's key objectives / corporate priorities (corporate plan/scorecard) / organisational blueprint / LAA (or Coventry SCS)?

The project relates directly to the following strategic priorities within the Local Area Agreement, to:

- Reduce the number of school leavers who are not in education, employment or training
- Change the behaviour of the most persistent offenders and reduce reoffending
- Improve targeted support for underachieving individuals, groups and schools

In addition it meets the objectives within the Children & Young People's Plan to:

- Develop further multi-agency partnerships to support children and young people
- Develop more personalised, flexible and relevant provision.

It is linked closely with the Council's BSF strategy by developing a new Centre that will form part of the network of Centres within school federations which are already included within the BSF programme

The creation of this Centre supports the national requirement for schools to work in behaviour/attendance partnerships, which Coventry has a very successful track record in, as one of the original pathfinder authorities. It also supports the aspirations in the 'Back on Track' white paper to develop innovative approaches for disaffected pupils.

6.2 How is risk being managed?

A risk register will be compiled once the stakeholder groups reconvene in October. This will be recorded and managed as part of the wider risk management process for BSF, which is owned by BSF Programme Board.

6.3 What is the impact on the organisation?

None.

6.4 Equalities / EIA

This initiative is aimed at increasing opportunities for all. Proposed users of the new facility, and in particular the local young people, will all be consulted as part of the design process.

6.5 Implications for (or impact on) the environment

The new facility will conform to current statutory requirements for energy efficiency and environmental sustainability. However, there is no funding allowance for specific energy saving devices.

6.6 Implications for partner organisations?

The project will have a positive impact on our partner organisations party to this initiative and on the immediate community.

Report author(s):

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This report is published on the council's website:

www.coventry.gov.uk/cm1s

Appendices

Appendix 1 – Caludon Castle Extended Learning Centre Design brief Final draft 1



**CALUDON CASTLE
EXTENDED LEARNING CENTRE
DESIGN BRIEF
Final Draft 1
11th December 2008**



IID ARCHITECTS
www.iid.co.uk

INITIAL VISION FOR CENTRE / PRELLIMINARY BRIEF

- A new purpose built multi-agency centre for KS3 students providing flexible specialist accommodation to enable a multi-agency team to offer easy access to a range of support services.
- Support team typically comprises : behaviour support staff / outreach workers / youth workers / mental health workers / education welfare officers / educational psychologists / Connexions workers / Youth Offending Service.
- To cater for up to 18-24 young people at risk of exclusion during the school day and be open during the evenings and weekends for all young people in the community.
- Centre is to serve the immediate local community through the Youth Services programme and the secondary schools in the NE Federation, as well as being part of a city-wide partnership in behaviour and attendance
- £1.7million capital cost = 700sqm – 750sqm net internal space
(NB Agreed to omit ICT Training area if required to meet budget)

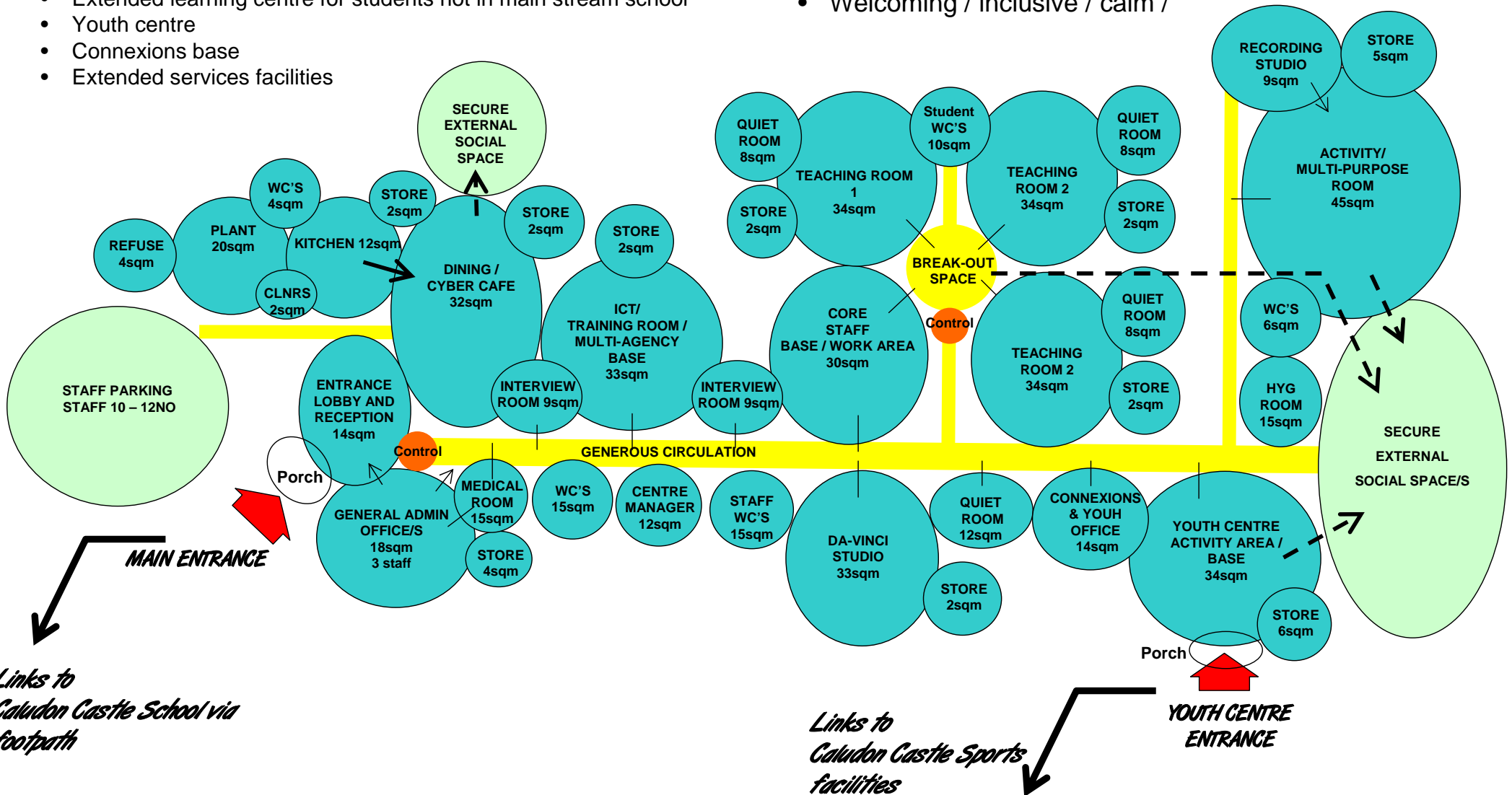
INITIAL ACCOMMODATION REQUIREMENTS

FUNCTION / ACCOMMODATION

- Extended learning centre for students not in main stream school
- Youth centre
- Connexions base
- Extended services facilities

KEY CHARACTERISTICS

- Welcoming / inclusive / calm /



Links to Caludon Castle School via footpath

Links to Caludon Castle Sports facilities

REPRESENTS APPROX 750SQM GROSS INTERNAL FLOOR AREA

CALUDON CASTLE EXTENDED LEARNING CENTRE



EXISTING AERIAL PHOTOGRAPH SHOWING CONTEXT



CALUDON CASTLE EXTENDED LEARNING CENTRE



EXISTING AERIAL PHOTOGRAPH SHOWING SITE



CALUDON CASTLE EXTENDED LEARNING CENTRE



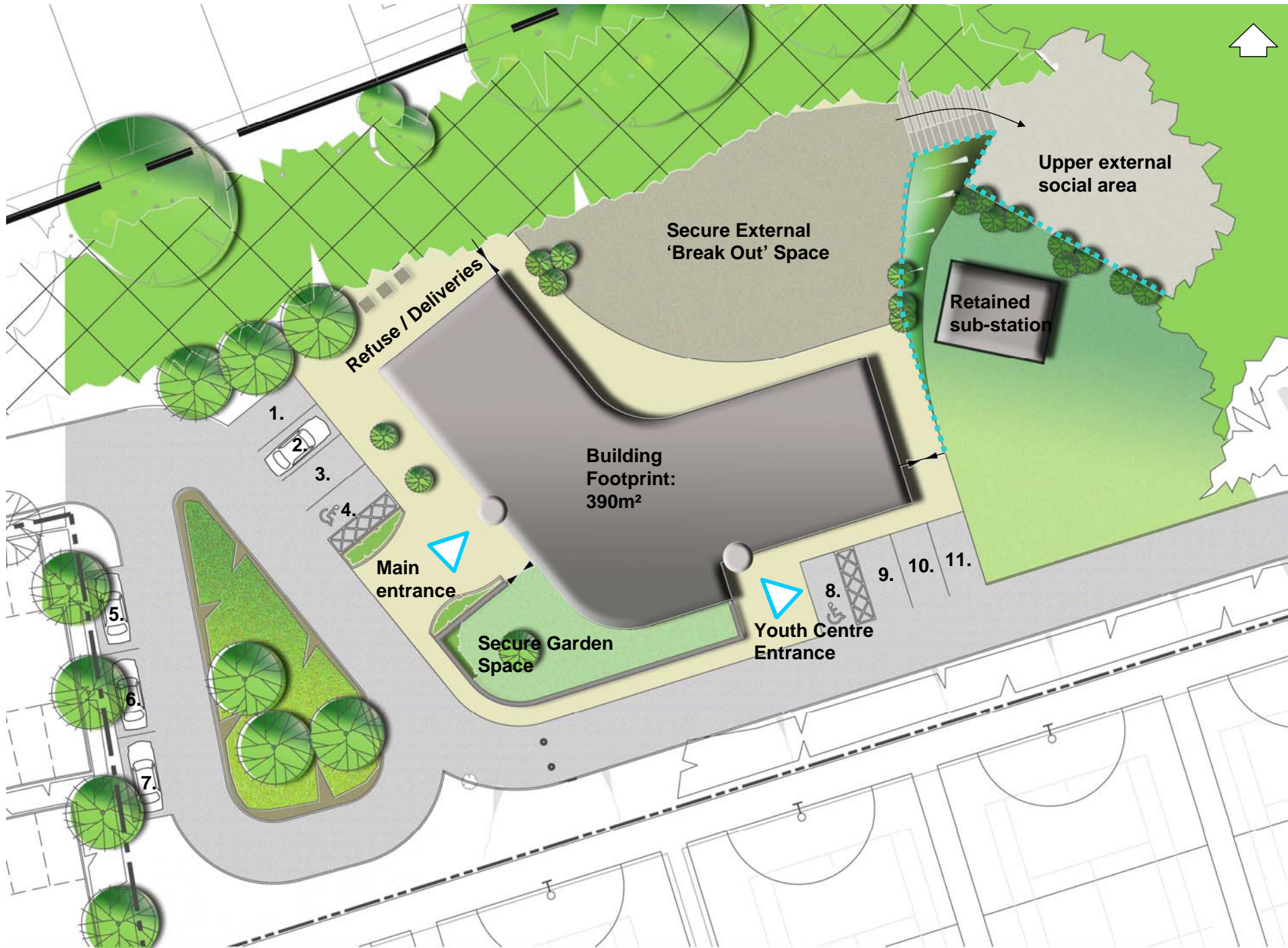
EXISTING SITE PHOTOS



CALUDON CASTLE EXTENDED LEARNING CENTRE



DEVELOPMENT OPTION 3



DEVELOPMENT OPTION 3 – Ground Floor Schematic Layout



- 1 Entrance and Reception and Stairs
- 2 Dining
- 3 Administration
- 4 Kitchen
- 5 Plant and support
- 6 Youth Centre
- 7 Toilets/support areas
- 8 Specialist Room/studio
- 9 Multi-Purpose Room
- 10 Youth Centre entrance and stairs
- 11 Youth Services/Connexions Office

DEVELOPMENT OPTION 3 – First Floor Schematic Layout

