



Reading
Borough Council
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DECISION BOOK

Issue: 590 Date: 8 April 2020

Decisions set out in the book have been made under delegated powers by the Chief Executive, Executive Directors or the Chief Finance Officer and Monitoring Officer, in consultation either with the relevant committee or Lead Councillor.

The Decision Book process has been altered to suspend the current Councillors' call-in arrangements within the 10-day period after its publication and replace it with the ability during that period for three Councillors to request a retrospective review of the decision in writing to the Head of Legal and Democratic Services.

The decision book can be accessed on the Council's website - www.reading.gov.uk/decisionbooks.

The officer reports accompanying the decisions are attached..

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DECISION BOOK - ISSUE 590 - 8 APRIL 2020

1. RELOCATION OF HAMILTON SCHOOL (formerly Phoenix College) TO THE HAMILTON CENTRE

<u>DECISION</u>	<u>LEAD COUNCILLOR(S)</u>	<u>WARDS AFFECTED</u>	<u>PAGE NO.</u>
1. RELOCATION OF HAMILTON SCHOOL (formerly Phoenix College) TO THE HAMILTON CENTRE	COUNCILLORS BROCK AND PEARCE	BOROUGHWIDE	1

Hamilton School, formerly known as Phoenix School, is a special needs school specialising in the education of secondary aged children with Social Emotional and Mental Health (SEMH) issues, and who cannot attend mainstream schools. The school is located within a detached house on the Christchurch Rd in Reading and has places for 64 pupils.

The current school buildings are in poor condition and would require circa £5.4m of remedial works to bring them up to a suitable standard. However, during the Priority Schools Building programme 2 (PSBP2) bid process, the DfE advised that, irrespective of their condition, the buildings are unsuitable for the provision of an SEMH school.

On this basis it has been agreed that the DfE would pay the equivalent of the value of the work necessary to repair the main building to the Council as a commuted sum as a contribution to re-providing Hamilton School in a fit for purpose building elsewhere.

The Council has identified the Hamilton Centre site as the new location for the Hamilton School. The full cost of re-developing and re-modelling the Hamilton Centre site to accommodate the School is £8.1m. The DfE are contributing £5.6m of priority schools grant and £0.7m of basic needs grant with the remaining £1.8m funded from the Capital Programme which was originally approved at full Council in February 2019.

Phoenix College became Hamilton School - an academy within the Maiden Erlegh Trust on 1 January 2020

It is the DECISION of the Chief Executive:

To release and allocate spend of the £8.1m budget to re-develop and re-model the Hamilton Centre site to accommodate a special needs school specialising in the education of secondary aged children with Social Emotional and Mental Health (SEMH) issues, and who cannot attend mainstream schools as identified in the Council's approved Capital Programme.

To enter into a Development Agreement for Lease with Maiden Erlegh Trust (MET) based on the terms set out in paragraph 4.11 and Appendix C together with the necessary actions required by the Council to deliver the site unfettered including,

if necessary, a disposal of open space and obtaining any relevant Secretary of State consents.

To authorise the Executive Director for Economic Growth and Neighbourhoods in consultation with the Assistant Director for Finance and the Lead Councillor for Education to:

- (a) Enter into a contract with ISG Ltd to carry out the refurbishment and new building works.
- (b) Make any variations to the terms set out in paragraph 4.11 of this report which are in the Council's interests and necessary to the delivery of the Hamilton School development, following consultation with the Leader of the Council and the Lead Councillor for Education.

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

LEAD COUNCILLORS:	JASON BROCK, LEADER OF THE COUNCIL, AND ASHLEY PEARCE, LEAD COUNCILLOR FOR EDUCATION	
DATE:	8 APRIL 2020	
TITLE:	RELOCATION OF HAMILTON SCHOOL (formerly Phoenix College) TO THE HAMILTON CENTRE	
SERVICE:	SCHOOLS ASSET MANAGEMENT UNIT	WARDS: ALL
LEAD OFFICER:	LINDA CHURCH	TEL:0118 9373860
JOB TITLE:	EDUCATION ASSET MANAGER	E-MAIL: Linda.Church@reading.gov.uk

1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 Hamilton School, formerly known as Phoenix School, is a special needs school specialising in the education of secondary aged children with Social Emotional and Mental Health (SEMH) issues, and who cannot attend mainstream schools. The school is located within a detached house on the Christchurch Rd in Reading and has places for 64 pupils.
- 1.2 The current school buildings are in poor condition and would require circa £5.4m of remedial works to bring them up to a suitable standard. However, during the Priority Schools Building programme 2 (PSBP2) bid process, the DfE advised that, irrespective of their condition, the buildings are unsuitable for the provision of an SEMH school.
- 1.3 On this basis it has been agreed that the DfE would pay the equivalent of the value of the work necessary to repair the main building to the Council as a commuted sum as a contribution to re-providing Hamilton School in a fit for purpose building elsewhere.
- 1.4 The Council has identified the Hamilton Centre site as the new location for the Hamilton School. The full cost of re-developing and re-modelling the Hamilton Centre site to accommodate the School is £8.1m. The DfE are contributing £5.6m of priority schools grant and £0.7m of basic needs grant with the remaining £1.8m funded from the Capital Programme which was originally approved at full Council in February 2019.
- 1.5 Phoenix College became Hamilton School - an academy within the Maiden Erlegh Trust on 1 January 2020.

2. DECISION:

It is the DECISION of the Chief Executive:

- 2.1. To release and allocate spend of the £8.1m budget to re-develop and re-model the Hamilton Centre site to accommodate a special needs school specialising in the education of secondary aged children with Social Emotional and Mental Health (SEMH) issues, and who cannot attend mainstream schools as identified in the Council's approved Capital Programme.

- 2.2 To enter into a Development Agreement for Lease with Maiden Erlegh Trust (MET) based on the terms set out in paragraph 4.11 and Appendix C together with the necessary actions required by the Council to deliver the site unfettered including, if necessary, a disposal of open space and obtaining any relevant Secretary of State consents.
- 2.3 To authorise the Executive Director for Economic Growth and Neighbourhoods in consultation with the Assistant Director for Finance and the Lead Councillor for Education to:
 - (a) Enter into a contract with ISG Ltd to carry out the refurbishment and new building works.
 - (b) Make any variations to the terms set out in paragraph 4.11 of this report which are in the Council's interests and necessary to the delivery of the Hamilton School development, following consultation with the Leader of the Council and the Lead Councillor for Education.

3. POLICY CONTEXT

3.1 The project meets the following criteria in terms of Council policy

- Maintains existing facilities
- Improves the overall school environment (non-statutory/non-emergency)
- Meets essential (including statutory) health & safety requirements

4. THE DECISION

4.1 EXISTING HAMILTON SCHOOL SITE

4.2 The Council made several successful bids for the renovation of school buildings in very poor condition and were successful with bids for capital work at Caversham Primary, Phoenix School (Hamilton School), and St Michael's Primary. The Department for Education (DfE) have agreed that the projects at Hamilton School and St Michaels be designated as 'Self Delivery' essentially meaning the physical improvements to the schools would be completed by the Council whilst works to Caversham Primary would be delivered by the DfE direct.

4.3 Reading Borough Council (RBC) scoped renovation works to the main building at Christchurch Road in order to respond to a need to improve the building. However, the building that the Hamilton School currently occupied which was not purpose built for educational needs, presents a major constraint for any renovation project, as it is neither suitable, nor correctly sized for its purpose as a school. It is significantly undersized for a 64-place school facility, has no space to expand and has no playing field.

4.4 Working in partnership, the DfE and RBC agreed that such a scheme would not represent good value and would fail to achieve modern standards required to support a high quality educational offer. It was agreed that the DfE would apply a pragmatic approach and offer to pay the Council the equivalent of the sum involved in renovating the main building on the basis that the Council would then find an alternative location to develop a new fit for purpose school facility. The value of this arrangement is estimated at £5.6million and subject to final approval from the DfE. In addition, the DfE funding needs to be spent by 31 March 2021.

4.5 In an Ofsted report published in December 2018, the College received an 'inadequate' rating. This resulted in Phoenix College being forced to become an Academy. Phoenix

became an Academy under to Maiden Erlegh Trust on 1st Jan 2020. The college was renamed the Hamilton School.

4.6 HAMILTON CENTRE SITE

4.7 Initial consideration focused on sites owned by the Council within the Borough. On reviewing the alternatives, the Hamilton Centre site presented significant advantages for the redevelopment of Hamilton School, mainly on the basis that the existing building, although in need of renovation, could be remodelled to provide the additional space required to bring Hamilton School up to the approved standard for 64 pupils, with the option to extend to 96 pupils as and when required. Additional 'play space' would however be required. In addition, the estimated cost of converting and improving the Hamilton Centre is circa £8.1m whereas a new build facility for 64 pupils is estimated to be £10m.

4.8 A contractor has been selected via the Intermediate Construction Framework (an OJEU tender framework). The contractor was selected from the framework following commercial and ability responses and at the first stage of the mini competition two contractors expressed an interest in tendering. The second stage comprised a project related written submission and commercial analysis. ISG Ltd were selected through this process to work on a collaborative basis during the pre-construction phase with a view to being awarded the construction contract.

4.9 A detailed planning application was subsequently developed and planning approval granted in February 2020.

4.10 The planning submission considered the need for additional secure outside space to ensure adequate provision for pupils. Overall, the land currently within the curtilage of the Hamilton Centre site is not of a sufficient area to accommodate the full requirements of the 64 place SEN school. In order to provide sufficient space an agreement needs to be reached with the University Technical College (UTC) and Maiden Erlegh School (MET) to alter the extent of their land ownership to facilitate the enlargement of the Hamilton Centre site. This will involve the acquisition of the land edged black on the enclosed plan Appendix A from the UTC and a variation of METs lease hold interest at Maiden Erlegh school and shown edged black on plan Appendix B.

4.11 In order to facilitate the Hamilton Centre development and relocation of the current Hamilton School, the Council and MET will need to enter into a Development Agreement for Lease on the following terms setting out their respective roles and the conditional elements and obligations including those relating to the building works, any necessary consents, agreement of the draft Hamilton School Academy Lease. Appendix C sets out the preconditions of the grant of the Academy Lease.

4.12 In summary, the preconditions will secure the funding and land required to develop the school and the lease arrangements following its completion.

5. CONTRIBUTION TO STRATEGIC AIMS

5.1 The Council's Corporate Plan 2018 - 2021 'Shaping Reading's Future' sets out the Council's priorities. These priorities include:

- Securing the economic success of Reading
- Improving access to decent housing to meet local needs
- Protecting and enhancing the lives of vulnerable adults and children
- Keeping Reading's environment clean, green and safe
- Promoting great education, leisure and cultural opportunities for people in Reading

5.2 The proposals set out in this report supports a number of those strategic aims but principally ‘Promoting great education, leisure and cultural opportunities for people in Reading’ by ensuring that all Reading children will have a school places and a safe and fit for purpose place in which to learn.

5.3 It is intended that Reading children are educated within buildings that are fit for purpose within settings fit for learning.

6. COMMUNITY ENGAGEMENT AND INFORMATION

6.1 The changes proposed to the playing field outlined within the report have been part of a pre planning local consultation before proceeding with plans involving accessibility and the development of the STP.

7. EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment will not be relevant to this decision to award a contract. The relocation of the school will provide significantly improved education facilities for secondary aged children with Social Emotional and Mental Health (SEMH) issues, and who cannot attend mainstream schools.

8. LEGAL IMPLICATIONS

8.1 The Council has a statutory duty to provide a school place for every child of statutory school age, resident in the borough who seeks one. The admissions code suggests that the maximum time a child should be out of school is 20 school days.

8.2 Wherever applicable, it is proposed that schemes are procured through HCC (Hampshire County Council) using their Framework Agreements in accordance with contract procedure rule 9 (3). These Framework Agreements have been through the EU regulated tendering process to appoint the Framework Contractors. This means that individual projects using the Frameworks and carried out by Framework Contractors do not have to be advertised in the Official Journal of the European Union (OJEU) again. Works contracts with the framework contractors in respect of each of the individual school projects will be entered into.

8.3 It is proposed that the design work and contract administration is undertaken by Hampshire County Council, working in accordance with the Reading & Hampshire Property Partnership.

8.5 The Council will enter the required contracts as referred to in paragraphs 4.11 above.

8.6 If the Council is required to dispose any of the open space to MET then in accordance with S123 of the Local Govt Act 1972 this will involve advertising the disposal for 2 consecutive weeks in a local press publication and any objections received will need to be considered at a future meeting of Policy Committee.

9. FINANCIAL IMPLICATIONS

9.1 The Council’s 2020/21 3-year Capital Programme approved by Full Council in February 2020 refers to a capital project to relocate the school - ‘Phoenix redevelopment Priority Schools Building Programme’ with a total funding envelope of circa £8.1m.

9.2 The DfE have given Outline Business Case approval for the grant of £5.6million. Following completion of the tender process the DfE grant will be confirmed by Full Business Case Approval. There is also £0.7m of basic needs grant funding towards the costs associated with the school’s relocation to the Hamilton Centre which are expected to be £8.1m.

9.3 If a school is developed at the Hamilton Centre, a capital receipt for the land of approx. £1.8m would not be achieved. This receipt is assumed as part of the council's capital programme.

10. ENVIRONMENT AND CLIMATE CHANGE IMPLICATIONS

10.1 Greater levels of insulation to the building, replacement windows and new services pipework will create an environment capable of achieving a better ambient temperature with much greater efficiency. New lighting will also enhance the learning environment.

10.2 Improved building thermal values should generate greater energy efficiency for the school going forward.

10.3 It is proposed to retain the existing Solar panels on the roof of the building and provide 2 electric vehicle points in the car park

11 BACKGROUND PAPERS

11.1 *2020/21 Capital Programme.*

READING BOROUGH COUNCIL
REPORT TEMPLATE

FINANCIAL IMPLICATIONS

The financial implications arising from the proposals set out in this report are set out below:-

1. Revenue Implications Not Applicable

2. Capital Implications

Capital Programme reference from budget book: page line	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000
Proposed Capital Expenditure	500	6300	1300	0
Funded by Grant - DfE Priority Schools Funding Grant - Special provisions Fund Section 106 (specify) Other services Capital Receipts (Christchurch Rd Property)	500	3900 600 1,800	1300	0
Total Funding	500	6300	1300	0

3. Value for Money (VFM)

3.1 The all in cost of this project as a part new build, part refurb at £8.1 million would be in the region of £3,350 per m2. Data has been requested of the National School Buildings database for comparability

4. Risk Assessment.

4.1 Key risks associated with this project have been identified in the text.



Title: Hamilton Centre, 135 Bulmershe Road, Reading, RG1 5SG

UTC LAND REQUIRED - 0.791 hectares/1.96 acres

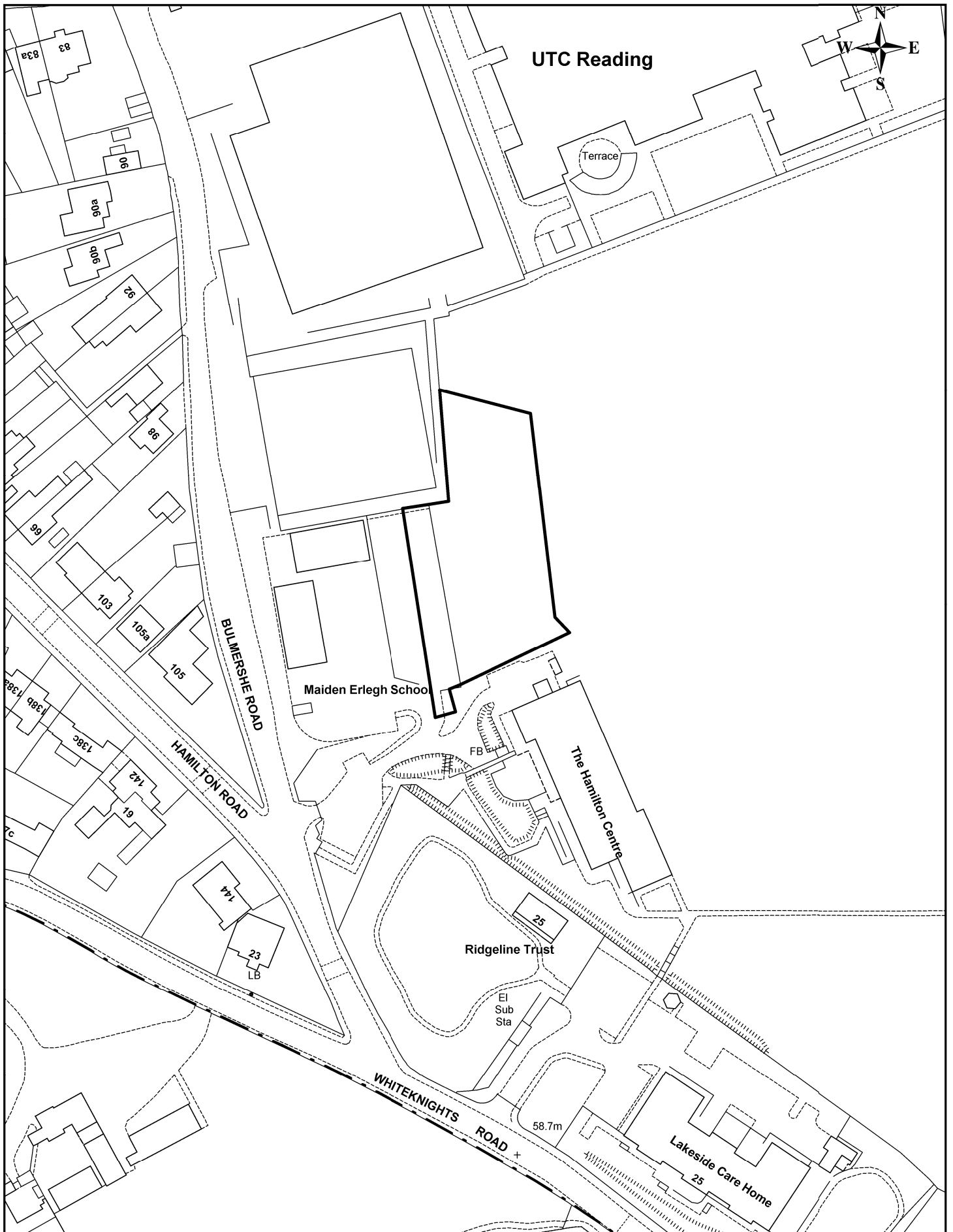
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Title: Hamilton Centre, 135 Bulmershe Road, Reading, RG1 5SG
 proposed transfer MER to HC

Date: 20/11/2019 Scale at A4: 1:1250
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Produced by Valuation Section



APPENDIX C:

These will include the following preconditions of grant of the Academy Lease:

- i) the Council will seek to enter into the necessary funding agreement with the DfE for the sum of £5.6m.
- ii) MET or the Council will secure the transfer of the UTC land (Appendix 1) to the Hamilton School either direct by MET or via the Council, subject to any necessary permissions such as DfE or Secretary of State consent being obtained if necessary and also in the case of the Council a disposal of open space process if necessary.
- iii) The Council will secure all necessary consents for the building works including planning consent and tender the building works.
- iv) The various land transactions will then complete simultaneously enabling the Council to undertake the building works to a decorative finish suitable for immediate occupation.

The building works will be designed and undertaken by the Council at its sole discretion, but mindful that MET will be the end user and occupier of the property and in this respect, MET will be part of the project team and attend the monthly contract meetings.

The Council will novate all necessary contractor/works and design warranties to MET and post completion the Council will have the ability to inspect and carry out any additional works during the defect's liability period under the build contract.

- v) upon completion of the building works, the Council will transfer the long Leasehold interest of the Hamilton Centre site, based on a standard Academy form of Lease
- vi) The 40 Christchurch Road Academy Lease will be determined, and MET will vacate the site leaving it secure, clean and tidy and free of encumbrances and in no worse condition than upon grant, fair wear and tear accepted.

To this effect the Christchurch Rd Academy Lease will be in the standard 125-year Academy Lease but will require a break clause provision triggered by the drawdown of the 125 Hamilton School Academy Lease and occupation

- vii) The draft Hamilton School Lease will be in the standard 125-year Academy Lease format other than:
 - MET will ensure community use of the changing rooms and ancillary parking area outside of school hours on a managed booking basis within the new development with hours and terms of use to be agreed with The Council and the UTC
 - should MET of its own volition cease or alter the use of the Hamilton School Academy site within a restricted period of 10 years from the date of grant then the Council shall be reimbursed the cost of its funding of the building works depreciated over the Restricted Periodic
 - MET will not carry out major alterations to the site without the Council's consent
 - If for any reason MET ceases operating the Hamilton Centre site and it is still required for education purposes, then MET will transfer their interests in the Hamilton Centre School site to the Council for a nominal sum of £1
- viii) Delegation to the Council's Director of Economic Growth and Neighbourhood Services and Assistant Director of Legal & Democratic Services in consultation with the Lead Councillor for Education to approve any minor variations to the above terms necessary to deliver the Hamilton School Academy