

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 13th July 2015

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WARD(S): All

PORTFOLIO: Councillor Rob Anderson, Leader of the Council and
Commissioner of Finance and Strategy
Councillor Pavitar Kaur Mann – Commissioner for Education
and Children

PART I **KEY DECISION**

PROPOSAL FOR SECONDARY, FE AND HE EDUCATION: CAPITAL INVESTMENT IN EAST BERKSHIRE COLLEGE TO CREATE A NEW HIGHER EDUCATION INSTITUTE IN SLOUGH

1 Purpose of Report

To advise the Cabinet of an opportunity that had arisen via the Thames Valley Berkshire LEP (TVBLEP) to use £1m Skills Capital funding that has become available to create a new Higher Education institute at the Langley Campus as part of East Berkshire College. This report seeks approval to the principle of investment and, if so, for the Chief Executive to be given delegated authority, following consultation with the Section 151 officer, Leader and Commissioner for Education and Children, to consider the proposal and finalise the terms and values within the bid, if appropriate.

2 Recommendations

The Cabinet is requested to resolve:

- (a) That the principle of investment of Basic Need capital grant in East Berkshire College to create a new Higher Education facility in Slough and attract £1m from the TVBLEP be approved; and
- (b) That the Chief Executive be given delegated authority, following consultation with the S151 officer, Leader of the Council and Commissioner for Education and Children to explore the proposal further and, if agreed finalise the terms and values within the bid, with the investment by Slough capped at £2m.
- (c) That the principle of an appropriate adjustment to the capital programme is reported to Council.

The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

3. Wellbeing Priorities:

- Economy and Skills – the delivery of post-16 and Higher Education places for Slough residents will support delivery of skills and qualifications to young people and adults in Slough and improve their life chances.
- Housing – there is an acute shortage of developable land in the borough, this represents an opportunity to create a new Higher Education facility using an existing site.

4. Five Year Plan Outcomes

- Slough will be the premier location in the south east for businesses of all sizes to locate, start, grow and stay – Higher Education in the town will increase its profile and competitiveness, regionally and on a wider basis. The project will focus on STEM skills, employability, promoting business innovation and align delivery to workforce needs.
- Children and young people in Slough will be healthy, resilient and have positive life chances – the new facility will encourage and grow the progression into technical HE via a local pathway

5. Other Implications

(a) Financial

- 5.1 **Funding Source:** Responsibility for ensuring sufficient school places rests with Slough and the Education Funding Agency (EFA) provides annual allocations of Basic Need capital grant to Slough for delivery of places to fulfil its statutory obligation. Slough has overall received a consistently good level of allocations each year. At the same time Slough has seen a relatively high number of Free Schools approved. As Free Schools are externally funded from a different funding stream, this has deferred the need for Slough to invest its Basic Need allocations in new secondary school places.
- 5.2 Members received a summary of the financial position at their June meeting. The current 5-year capital programme approved by the Council includes provisional sums to fund the school places expansion programmes for the entire period of the programme. Of the current available funding of £62 million, £26 million is committed to specific schemes, with a further £30.5 million allocated provisionally leaving an unallocated sum of £6 million.
- 5.3 Subject to the caveats below, the council will expect to attract further Basic Needs Grant and S106 in future years and will also continue to support appropriate free school bids.
- 5.4 It could therefore be assumed that the financial forecast shows a relatively healthy position with some leeway for investing in projects beyond volume places.
- 5.5 There are caveats to this position. In addition to the delivery of volume places which have typically been classrooms only, there is a further need to consider proportionate expansion of support spaces, e.g. halls, offices, staff rooms etc.
- 5.6 The annual SCAP return submitted to the EFA includes in-depth reporting on investment in schools by the authority compared to the basic need allocations made. In this case any investment in EBC, where it did not provide secondary places would not appear on the submission and it could be concluded by the EFA that £2m of

Basic Need was spent elsewhere other than schools. This is not a legal issue as the funding is not ring fenced to schools but the EFA are free to review policy and alter the basis on which future allocations are made. The council would always have to consider the possibility, although it has not been the case in the past that the EFA claw back unspent resources.

- 5.7 **Cost per place:** Basic Need income is based purely on the shortfall of places for 5-15 year olds, statutory age groups only and excludes post-16 places (as well as nursery and SEN places). Income to Slough for secondary age pupils is approximately £15.5K per pupils place. By way of value for money comparison Slough's investment in primarily HE places at East Berkshire College would create new places at a lower cost than this:

	If £1m invested by Slough	If £2m invested by Slough
Cost per place for Slough residents:	£5.4K	£10.9

These figures are based on the creation of 184 additional HE places by 2018, assuming 185 already occupied in 2014-15.

(b) Risk Management

5.8

Risk	Mitigating action	Opportunities
Legal Challenge from schools	Communicate available funding levels and this investment does not impact current expansion or investment programmes in schools.	
Property		
Human Rights		
Health and Safety Traffic risks	Sound transport planning	
Employment Issues		
Equalities Issues Challenges	Ensure needs of all parts of community are considered	
Community Support Risk of objection	Communicate benefits	
Communications Risk of objection	Effective communication plan	
Community Safety		

Financial Future shortfall of funding for school capital programmes	Fully fund current 5 year capital programme first Take cautions approach to future income levels Continue to support Free School projects including site identification	Use Basic Need funding as it is not ring fenced to attract additional £1m for Slough by investing up to £2m.
Timetable for delivery Miss funding deadline	Obtain Cabinet approval in good time	
Other		

(c) Human Rights Act and Other Legal Implications

5.09 There are no Human Rights Act Implications of the proposed action.

(d) Equalities Impact Assessment

5.10 The proposal will have a positive impact since it will increase Higher Education in Slough, improving access and choice for all those aged 16 upwards looking for an alternative to school provision. The proposal will also specifically increase access to SEN education in a Further Education/Higher Education setting.

(e) Property and Site Issues

5.11 There is a shortage of suitable sites within the borough boundaries for new school places and housing. This project utilises an existing site removing the need to identify alternative land.

(f) Carbon Emissions and Energy Costs

5.12 The expansion of provision at the Langley College site has and will continue to increase energy consumption, a natural result of a larger population. All new buildings will comply with current building regulations which include energy efficient buildings and will meet the requirement to provide 10% of energy consumption through renewables where applicable. Current investment in the school has upgraded many old and run down elements of the school including windows, roofs, the heating system etc creating a larger but more energy efficient campus.

6 **Supporting Information**

6.1 The Thames Valley Berkshire LEP (TVBLEP) has set aside a proportion of funding from Skills Capital available on a match funding basis. Due to the withdrawal of interest by another Berkshire Local Authority, £1m has been released for alternative allocation. There is an opportunity to use this funding to create a new Higher Education institute at the Langley Campus as part of East Berkshire College.

6.2 The original terms of the grant was that match funding was on a 2:1 basis, meaning £2m would be required by Slough to secure £1m from the TVBLEP. It is possible that through negotiation the match funding ratio can be reduced as low as 1:1. In this case £1m would be required to secure the £1m from the TVBLEP and £2m would be

invested in EBC. The current expectation is that the final ratio will be somewhere between these two figures.

- 6.3 Since Thames Valley University left the Slough campus there has not been any significant site-based Higher Education facility in the borough and it is much needed both for its contribution to the town's skills gaps and for its symbolic status.
- 6.4 East Berkshire College is Slough's only Further Education (FE) college. It provides places for 1,531 16-18 year olds from Slough which is 70% of the total cohort, with most of the remaining 30% being educated in local school 6th forms. The College is split across 2 sites, one in Langley and one in Windsor. The College also provides education and training for 2,484 adult students from Slough.
- 6.5 The College is currently investing £31m at the Langley Campus between 2012 and 2015 to improve facilities. This current investment will expand the number of post-16 places in the town by 496 including 60 places for Learners with Difficulties and Disabilities (LDD) pupils. 200 places will also be created for local 14-16 pupils to attend (in partnership arrangements with local schools). Plus 215 adult places will be created.

Slough Institute for Higher Education (SIHE)

- 6.6 The College currently provides 225 HE places as a result of the recent investment and expansion programme funded by the College. 185 of these new places are taken up by Slough residents. It is planned this the new investment will double this figure for Slough residents by 2018.
- 6.7 The proposal by the College is to use the new investment to establish a new setting called the SIHE. The College's stated aims for the project are:
- To align academic offerings with workforce needs,
 - To foster and encourage progression into technical higher education through seamless progression pathways,
 - To grow the numbers of young local people accessing and succeeding in technical higher education,
 - To promote STEM skills as the foundation for employability (with a focus on Engineering and Computing),
 - To foster and promote business innovation,
 - To foster and promote a research culture and research mentality in teaching staff and students.

Value for Money

- 6.8 The cost per place demonstrates value for money in isolation. Further consideration needs to be given to the relative value of this investment versus other needs.

Collaboration and Local Support

- 6.9 As part of this project EBC wants to increase partnership working with other schools (as well as business) and is keen to 'sweat' the assets they create and purchase by making them available to Slough schools. The college will be acquiring hi-tech equipment that could be used as a central resource.

- 6.10 The College has established strong links with 5 local secondary schools via the Alliance Technical Academy which it has established. Both the Alliance members and the Slough Association of Headteachers (SASH) are supportive of the proposals by EBC to create a new HE institute and have agreed to work in support of its development. Although SASH support the project, they do not support the use of Basic Need funding for the project. They would prefer that this funding is ring-fenced for creating new school places and alternative funding is found to match fund the TVBLEP bid. Clearly this is a significant concern and officers are considering what steps they could take to reassure headteachers of future opportunities for school investment.

Benefits to Slough of Higher Education

- 6.11 East Berkshire College has undertaken a report to outline what they see as the benefits of creating the new facility for Slough. The following points are taken from the report '*The Slough Institute for Higher Education, Keeping Slough's Best In Slough*':
- HE improves the quality of life for those educated and others in the community,
 - Provides a new engine of economic growth, HE could create growth and jobs,
 - In the global economy, HE is key to ensuring Slough remains competitive regionally, nationally and internationally.

7 Comments of Other Committees

This report has not been considered by any other committees.

8 Conclusion

- 8.1 This proposal offers an immediate opportunity for Members to invest in HE provision but presents a future risk that, if further Basic Needs Grant and S106 is not forthcoming there will be a pressure later in the plan period. Members are asked to consider the principle of investment of between £1m and £2m in East Berkshire College to attract further funding of £1m to create centralised new HE facilities for Slough and if approving that principle to agree that following further exploration of value for money and other needs, and final investment figure will be agreed by the Chief Executive following consultation with the S151 officer, Leader of the Council and Commissioner for Education and Children.

9 Appendices Attached – None

10 Background Papers

None