

Estates Strategy 2022-2025

Purpose

The main purposes of this strategy are as follows:

- ***to ensure that the College has an excellent estate to respond to current and future business needs and utilises its current outstanding financial base to invest in the pursuance of excellent learning and teaching for all.***
- ***that the estate contributes to an outstanding student experience in terms of location, size, configuration, accessibility and quality.***
- ***to commit to an effective and efficient maintenance programme which underpins capital development and keeps the estate fit for purpose and compliant with all relevant statutory requirements.***
- ***Achieves environmental targets***

Introduction

The Estates Strategy is set within the context of the College's Strategic Plan and its primary objective and values including leading education and training for the jobs of the future as well as addressing the current skills deficit. The strategy measures the gap between the current property asset base and that which is needed to both effectively and efficiently support the core business of the College, now and in the future, and to act as a catalyst for development and investment.

The strategic plan states that Halesowen College will have learning environments that make a difference.

This estates strategy sets out options to close this gap and make best use of our estate recognising both government policies, the needs of learners and new initiatives which present opportunities for the College to continue to address the skills deficit within the local economy.

Ambition for the estate is dependent on affordability and whilst the College has some reserves, all opportunities for funding must be pursued considering in full the property, financial and educational case for each project alongside any conditions of funding and activity targets.

Buildings often contribute largely to the first impression of the College and can be a key element in attracting and retaining learners. The estate is one of the College's most valuable assets and therefore it is important to develop a strategy which is well managed and linked directly to:

- curriculum development
- the needs of learners/stakeholder/employer and partners
- affordability
- space requirements

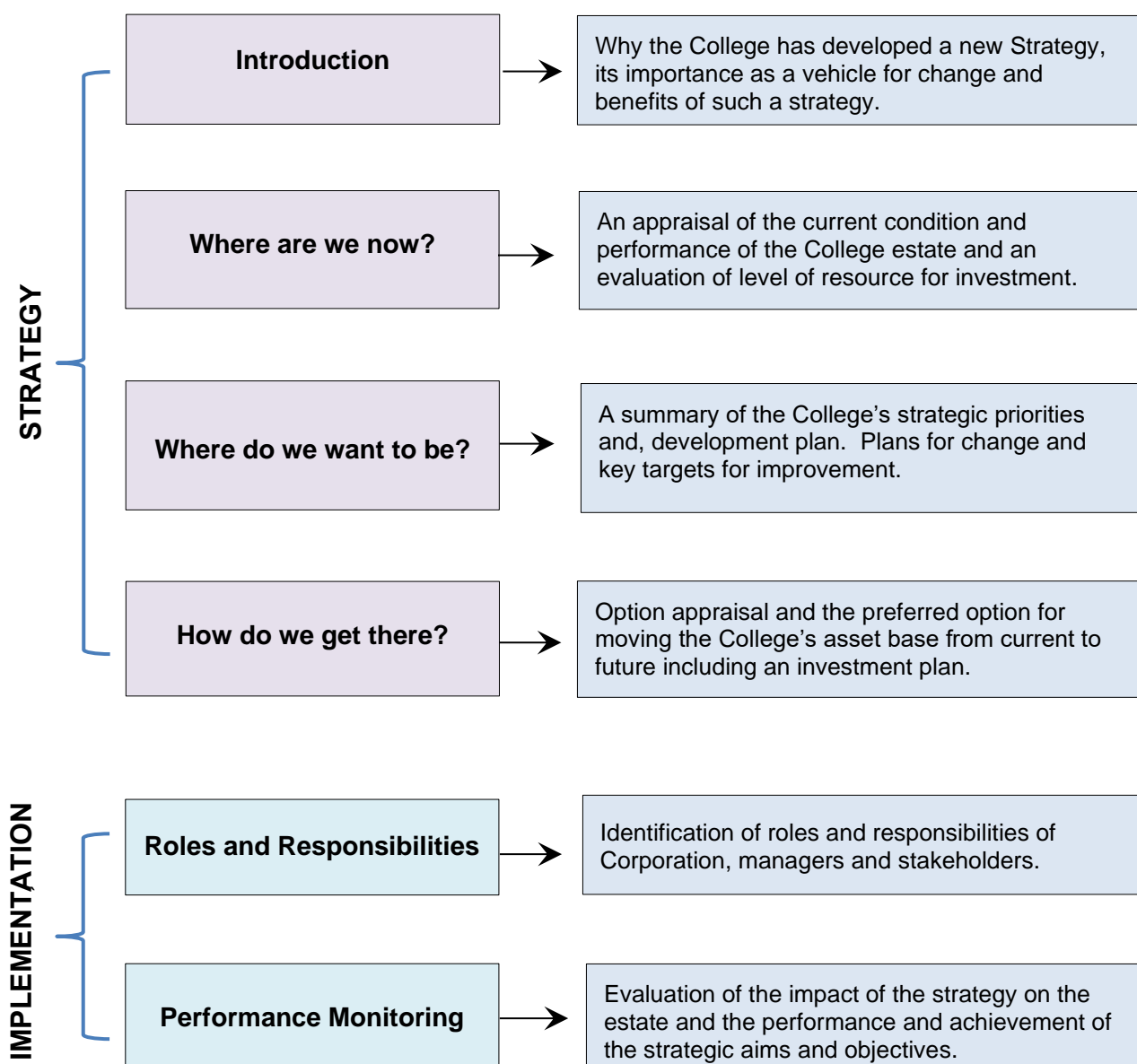
Objectives of the Strategy

An outstanding estates strategy leads to improvements which have impact and adds value to the College and benefits learners

Developing this strategy will lead to:

- acquisition and development of assets that support strategic priorities and provide a motivational and accessible learning environment which prepares learners for ongoing education and employment;
- the provision of safe, secure and the highest quality learning environments which aid student satisfaction and levels of staff morale and thus creating a well-resourced, safe, accessible and modern working and learning environment;
- a plan for change that enables progress towards goals, and impact on learners to be measured
- an estate which accommodates industry standard equipment and supports digital technologies
- a clear commitment to complying with sustainable development and carbon reduction initiatives;
- a means of targeting investment to within manageable risks but yielding maximum impact;
- flexibility to respond to post pandemic challenges, future priorities and models of delivery;
- an estate which is fully accessible and which meets the needs of students, staff and other stakeholders.

Structure of the Estates Strategy



Current Position

Halesowen College opened as a tertiary College in September 1982 and has built a reputation for providing an exceptional range of learning opportunities for students predominantly those 16-18. However, in recent years the College has extended its adult offer and seeks to grow apprenticeship provision in specific subject sector areas. The College is also working more collaboratively and establishing its position in the educational landscape of the area.

The College has a distinctive inclusive character representing high quality teaching and learning and, student support. It is well placed to continue to make a major contribution to the education and skills development needs of the local economy and wider community and will be a cornerstone in upskilling local people and supporting employers.

The College operates within a very competitive environment and there are an increasing number of options for students post 16 and a range of choices for apprenticeship provision, higher education and adult skills. Whilst outstanding facilities are not a panacea, high quality resources and learning accommodation are attractive to students. Certainly, fee paying students expect a level of resource

to view the investment in skills as value for money. The College needs to continue to invest in its estate ensuring that it is fit for purpose to support current and future business needs.

The College currently operates from three sites. The largest is Whittingham Road which is 5.265 hectares and consists of thirteen teaching Blocks.

The most recent capital developments have included the refurbishment of three teaching blocks to create high quality, modern and attractive teaching facilities and creating a student HUB and Business School. This has been supported by a 70% contribution from the Black Country LEP and there are many activity targets associated with the funding that the College must now discharge. Student numbers have risen over the last three years as a result of the disaggregation of the Stourbridge campus of BMET and an increase in the demographic. This has led to an overcrowding on the Whittingham Campus. A further part of the strategy is a revised approach to the use of space to ensure the estate is supportive of a modern curriculum and a range of learning modes also that the College utilises available space efficiently and effectively.

The completion of these recent developments concluded the previous property strategy.

Given increasingly significant financial pressures, the College is forecast to move from outstanding to good financial health.

There are mounting financial challenges ahead given the risks and uncertainties within the budget model. It is vital to maintain strong liquidity and ensure cash flows are positive in order to continue to demonstrate going concern. All capital schemes must be fully appraised for affordability with realistic budgets set in advance of any orders being placed.

In order to continue to ensure financial strength and stability to deliver excellent facilities and resources, the financial plan needs to balance risk against the need to invest in the future business needs of the College. The primary aim is to re-evaluate financial targets to maintain resilience whilst sustaining investment to leading edge standards. The main risks to the income profile surrounds volatility in student numbers given that around 85% of the income profile is from funding agency contracts, student loans and apprenticeship funding. For 16-18 funding there is limited in year claw back if contractual targets are not realised which provides short term stability. However, a fluctuation year on year can make longer term development difficult to sustain if income levels drop. Other sources of income may be more fluid with the College subject to in year clawback for adult skills and only realises apprenticeship funding based on actual levels of delivery. . Expenditure is well controlled but revenue cost pressures of pay and rising prices continue to present challenges especially for essential commodities such as utilities, food and digital components.

The financial targets were recently reviewed and will be updated again for 2023/24 linking with the revised strategic direction new financial strategy, transformational projects and the changing educational landscape. It is important that the financial targets sustain the medium term viability of the College but also are sufficiently flexible to allow the College to develop and achieve its strategic objectives. Financial targets are revised annually not only to maintain a robust financial framework but also to facilitate investment in the future. There is a risk of missing opportunities if rigid adherence to existing targets. Targets must be fit for purpose in securing a strong financial base. The overarching themes of profitability, liquidity and constraint of cost remain relevant.

Securing earnings before interest, taxation, depreciation and amortisation (EBITDA) as a surplus as a percentage of income would ensure that the College retained a level of financial health and provide opportunities to resource activities. When establishing the level of EBITDA to attain, consideration must be given to the agency's framework for financial health. The liquidity targets are reflective of the current balance sheet gearing.

As at 31 July 2022 the College had net assets worth £32,748m (excluding the pensions liability £6,488m) on the face of the balance sheet. Tangible fixed assets (land and buildings) totalled £32,948m.

Despite the challenging financial landscape, the College is well placed to invest in the future and deliver its strategic plan.

The College has secured funding from the ESFA Transformation Fund and continues to work with the Local Authority for Levelling Up Funding. The College must continue to seek funding from the various capital funding streams available for FE to support its vision.

A 2019 ESFA commissioned review of College's estates concluded that in the main the estate at Halesowen College was in good or better condition. However, what this review failed to include was whether the estate was fit for purpose and supported the current and future curriculum demands, blended learning and the needs of learners. It also did not consider space requirements of the rising student numbers and demand for skills development within the local area.

In terms of floor space, the College uses property measures first established by the former LSC designed to enable Colleges to effectively assess the utilisation of its floor space. The ethos of this guidance was that the governors and management of the College are expected to keep their College's estate under constant review with the aim of improving its effectiveness, its efficiency and its economy. Although this guidance is over 15 years old it is a constant measure of space and was utilised by the consultants employed by the college in 2022 to conduct a review of space requirements and utilisation. The College uses the guidance contained in The Further Education Estates Planning information found at www.gov.uk/guidance/further-education-estates-planning/understanding-the-estate.

The bidding process for capital grants includes criteria for efficient use of existing estate space.

The College, through this estate's strategy will aim to use any grant funding to:

- Increase overall gross internal area given the measures of overcrowding and the rising student numbers. The demographic trend is not expected to flatten until 2029 for 16 year olds within our locality.
- Increase utilisation – more versatile and suitable spaces that will support greater flexibility to meet current needs and to adapt to future needs.
- Estate rationalisation and efficiency – reducing inefficient space which is no longer fit for purpose and rationalising estates to deliver reduced operating costs, generate efficiencies and allow for more effective targeting of resources.
- Promote financial sustainability – through operational savings and/ or ability to generate additional income.
- Improve accessibility and suitability of estate for SEND and disabled learners and staff.

The College has already made significant investment in its property portfolio and has good teaching facilities. This estate's strategy will ensure that the current and future business needs are met.

Given many of our competitors have new facilities/buildings to showcase it is essential to listen and respond to the student voice.

Investment into the estate must be in pursuance of the strategic objectives and the impact clearly measurable.

Levels of Affordability

Investment in capital equipment and the estate have financial impact on both the balance sheet and the revenue budget.

As specified above the College has targets to ensure an acceptable level of gearing is derived from the relationship between debt and equity.

Also, the level of depreciation generated from fixed assets has to be considered in the overall profitability model for the College (although this is added back into the EBITDA calculation).

The College has a policy of depreciating major adaptations to buildings over the period of their useful economic life. Leasehold buildings are amortised over 50 years or, if shorter the period of the lease. Where significant expenditure is incurred on tangible fixed assets it is charged to the income and expenditure account in the period it is incurred, unless it meets one of the following criteria, in which case it is capitalised and depreciated on the relevant basis:

- Asset capacity increases.
- Substantial improvement in the quality of output or reduction in operating costs.
- Significant extension of the asset's life beyond that conferred by repairs and maintenance.

Equipment costing less than £5,000 per individual item is written off to the income and expenditure account in the period of acquisition. Larger value items of equipment may be capitalised at cost. Equipment which is used collectively for one purpose may be grouped.

All depreciation is on a straight line basis.

Targets

The main purposes of this strategy are set out at the beginning of this strategy and overall objectives are also defined. Detailed targets, based on the current position, targets for estates improvement are as follows:

- Utilise the designated reserve and other available resources to:
 - a) increase category I and II accommodation to 98% by 2025 (excluding any mothballed accommodation).
 - b) increase condition of the estates to 98% as new and sound by 2025.
- Ensure spending on property yields return which can be measured against various impact targets such as student numbers, positive progression, satisfaction surveys and levels of income from hire/community engagement.
- All investment represents best value for money.
- Increase floor space to 2.2m² per person as a minimum thus reducing overcrowding measures and ensure an effective usage of all space. Specialist rooms will require a greater workplace per learner e.g science labs 3.2m².
- Ensure estate can support the curriculum developments linked to T levels, the adult lifetime skills guarantee, local priorities areas such as health care science and other STEM subjects, development of apprenticeships and the needs of the local economy.

Option Appraisal

The College has a range of options to ensure that its estate and assets match future service and organisational needs.

The main options are as follows:

- Do nothing
- Acquire and refurbish additional property
- Acquire land and build new property

- Further develop existing sites
- Hybrid of options above

Factors influencing the Estates Strategy

- **Student numbers:** the demographic is on an upward trajectory to 2029. Despite competition from other providers there should continue to be a positive trend in student numbers as the current higher birth rate impacts through the school system and into further education. A key risk for Halesowen College is this competition from other colleges and school sixth forms. The College is currently overcrowded and needs to acquire more space for teaching and social facilities. This needs to be reflected in the accommodation strategy which must be sufficiently flexible to adjust to fluid trends.
- **Safeguarding/Safety:** safeguarding students is a foremost and fundamental commitment and responsibility which must extend to the creation and maintenance of a safe environment in which to work and learn. All aspects for safeguarding and safety must be core considerations in the use and development of the estate. Any new property must be a secure campus with appropriate risk assessments in place.
- **Student cohort:** there is an increasing number of students with special educational needs and this must influence plans for future developments. The College has linked with a specialist organisation Access Able who have conducted an accessibility survey to assist students and visitors who wish to consider Halesowen College. This strategy focuses on all cohorts of students and the protected characteristics specified in the Equality Act. Feedback via focus groups and sub-groups of the Equality and Diversity consultative forum must continue to shape estate and property strategies; for example provision of facilities for worship and for students with mental health issues together with non-gender specific toilet facilities.
- **Inclusivity and widening participation:** has led to an increasing demand for more personalised pathways and progression routes from entry and level 1 right through to level 4 and higher. The College has extended its range of educational pathways for students and continues to work with a Higher Education institution whilst developing a range of higher level options. These developments continue to create demands on accommodation. The College is a key player in upskilling the local workforce to address the skills deficit and unfilled vacancies with the local labour market. Enhanced levels of activity may lead to a demand on rooms, but it is envisaged that much of this provision will be in the evening or at community locations. Local flexibilities for course fees via the WMCA and the Free Courses for Jobs entitlement for adult skills at level 3 may increase demand for courses and create further pressure on the estate/rooms. The College is responding to the priorities of the WMCA and the local industrial strategy (LSIP) to upskill the workforce including increased higher apprenticeships focused on priority subjects. This has an impact on the estate in terms of providing industry standard resources and specialist facilities such as laboratories. The introduction of T levels and continuation of blended and connected approaches are key considerations.
- **Stakeholder voice:** is a key consideration in the decision making process. Views of students, parents/carers and employers are collected using a range of methods such as questions and focus groups. The student voice is an integral part of the decision making process. Feedback informs this strategy. Students have viewed the campus as a pleasant and safe learning environment. In addition, several courses have a particular requirement for accommodation which fulfils the demands of employers for a professional training environment. Students also demand robust and fast wi-fi both as part of learning activities and during social time at College.
- **Curriculum changes:** The Skills Plan introduced significant change to post 16 education and training. The introduction of technical pathways (T levels) and the defunding of applied general qualifications create a fluid position. Future plans for vocational education are unknown and this may shape the future usage of the estate. Similarly, more boot camp style adult education may create new demands for accommodation. Also, the development of the

digital agenda will impact on physical space in terms of power and data requirements. The College must invest to respond to these changes and also continue to develop 14-16 provision including EHE tuition centre and build upon relationships with Universities.

- **Community engagement:** the College has an opportunity to share its facilities with the wider community as part of driving strong collaborative partnerships to meet the needs of local groups and the business community. This will aid to ensure that College is the cornerstone of the community.
- **Digital strategy:** is to support and develop learning technologies within College to widen participation and improve student engagement and success. The innovative use of technology requires investment and also has an impact on accommodation.
- **Partnerships:** the College aims to sustain and develop relationships and partnerships with other educational providers and employers which will impact on physical resources including the estate. The needs of the employer for skills development drives curriculum change and the impact on resources and the estates is an important consideration.
- **Environmental;** the College wishes to raise the profile of its environmental ambition and ensure that challenging yet achievable targets are set for carbon reduction and, that projects to engage with alternative technologies are cleared scoped and managed. The physical estate is a major contributor to the green agenda.

Estates Priorities

The Estates Strategy is set within the context of the College's Strategic Plan and its stated purpose; through the delivery of exceptional education and development of skills Halesowen College will positively transform lives and shape futures. The strategy measures the gap between the current property asset base and that, which is needed to both effectively and efficiently support the core business of the College and to act as a catalyst for development and investment.

Within the parameters of available resources, the estates strategy sets out options to close this gap, recognising both government policies, the needs of learners and new initiatives that present opportunities for the College to continue to address the skills deficit within the local economy.

In order to continue to develop the estate the strategy outlines four options:

- Option 1** Do nothing/minimum
- Option 2** Maximise usage of land at existing sites; invest in further enhancement to the sites and re-develop existing accommodation to fit the future curriculum and models of delivery.
- Option 3** Source off-site accommodation for redevelopment in accordance with curriculum priorities and redesign. .
- Option 4** Source off-site land for new build and provide a bespoke building designed to accommodate growing curriculum areas, again exploring new provision, and partnerships.
- Option 5** A hybrid of options 2 to 4

It is often the most straightforward option to develop existing campuses to provide the required type of accommodation to facilitate teaching and learning of a modernised curriculum. However, it is always a consideration, especially if student numbers grow to investigate off-site options as either a refurbishment / development or procurement of land for bespoke building scheme. This may enable the College to extend collaboration and enter new markets.

In a more detailed option appraisal of the following dimensions should be considered:

- Student centred
- Safe environment
- Effective
- Efficient
- Equitable and inclusive
- Digital requirements
- Timely
- Impact on new strategic objectives
- Correlation with maintenance plans
- Curriculum review

Outline Schemes

Procure Additional Premises/ New Build

In order to accommodate the rising student numbers and ease the overcrowding on the Whittingham site the College needed to acquire additional premises or construct additional teaching and social space on existing sites. The size of this building needed to be approximately 2370m² gross internal area. Overall, the deficit in space was around 5200m².

As a solution the College has purchased the East Wing of Trinity Point in the Centre of Halesowen for £2.695m. The West Wing of the building accommodates Windsor Academy Trust. The building will be used to house a centre of excellence for digital and media. The advantages to acquiring a new site are that the acquisition has been VAT zero rated, the traffic congestion in Whittingham Road will be eased as students are spread across more physical locations and, it is likely to be viewed positively by local residents. It is also much more straightforward for the construction to take place at a location which is not a live site. Disadvantages to this option were the delays and legal complexity of the procurement and ongoing increased revenue costs as central services will now need to be established at the new campus.

Should further space be required and it not be possible to purchase any other appropriate property in Halesowen there may be scope to construct block 14 on the Whittingham Campus behind block 11 where the mobile units are currently placed. The advantages to this option are that design and construction timescales are not dependant on the purchase of land and the ongoing revenue costs of central services such as reception, caretaking, security, student services etc would not increase as students would continue to access Whittingham Road. Disadvantages are that the planning consent may be opposed by local residents and indeed the Local Authority given concerns regarding traffic and student behaviour.

Remodelling of Shenstone House

In order to meet the needs of employers and develop the skills that are in demand within the local labour market, it is proposed to create a Life Science and Health Centre of Excellence at the Shenstone House site.

Extensive refurbishment and procurement of equipment to extend curriculum into specialisms such as podiatry and dental will require investment of around £3.4m. This will support the introduction of T levels, link with the healthcare science apprenticeships and provide a much needed talent pipeline for the health, science and care sector within our locality.

The scheme has commenced with a structural survey of the property and there are several pieces of remedial works surrounding drainage, ventilation, access and heating. The ESFA condition survey did not identify the full extent of the poor condition accommodation.

To refurbish the building and allocate appropriate space to health division, hair and beauty will need to be relocated to Coombs Wood.

The College has successfully bid for funding from the Transformation Fund which will provide a 50% contribution for this scheme. It is essential to develop a decanting plan to action the structural, electrical and mechanical remedial works and refurbish the existing floors. The timing of this scheme has been carefully considered in parallel with the scheme to rehouse hair and beauty and create a new campus at Trinity Point.

Levelling Up Fund.

The College was given the opportunity to work with the Local Authority to submit a bid for Levelling Up Funding. This scheme saw the demolition of the public car park at Pool Road Halesowen and the construction of a new College campus for catering, hair, beauty and adult skills. The bid for this funding will be submitted in June 2022 but was unsuccessful. The College continues to work with the Local Authority to seek ongoing sources of funding.

Whilst this may become an excellent opportunity for the College to move service industry curriculum into the town centre, it does not address the immediate accommodation needs.

Relocation of Hair and Beauty

The plan is to move hair and beauty to Coombs Wood.

This scheme will need to run in parallel with the remodelling at Shenstone House.

Coombs Wood will be adapted to accommodate the divisions based on current learner numbers and the downward trajectory of applications in the area. There is clear linkage to other divisions within College such as sport and performing arts.

Mobile Classrooms

The mobiles at Whittingham were due to be removed in April 2022 and the College has successfully applied for extension for planning consent. The area where the mobiles are located could be the site for further development subject to planning consent for a permanent structure. Any such scheme would need to run alongside a transport management strategy as planning consent would be difficult to obtain if the volume of car parking spaces reduced on a permanent basis. To ease the immediate accommodation pressure for September 2023, mobiles will be installed at Coombs Wood on a temporary basis.

Transport Management Strategy, car park re surfacing and access to frontage at WH

The College is in negotiation with The Earls School and the Stour Vale Trust regarding the purchase of land opposite Whittingham Road. Given the extensive College coach service and the need to address traffic congestion in the area, the College requires a more medium-term solution. Planning consent is a key driver in this scheme, but the Local Authority have already been involved and are keen to facilitate a solution.

Sustainability

There is a separate environmental strategy and the carbon reduction challenge is central to all capital developments.

Indicative costs and sources of funding:

Project	Estimated Cost	Funding	Planned Start	Planned Completion
Refurbish SH	£5,312,504	Bid for FECTF 50% College reserves 50%	June 2024	March 2025
Transport Management Strategy , car park re-surfacing and access to frontage at WH	£500,000	College reserves	June 2024	September 2024
Trinity Point Purchase and Refurbishment	£5,200,000	College reserves	August 2023	March 2024
Relocate hair and beauty	£500,000	College reserves	June 2024	September 2024
Pool Road Campus	TBD	Levelling Up Fund	TBD	TBD

Risk

One of the greatest risks in the register is inadequate and insufficient accommodation. There is an imperative to progress with Trinity Point as this is the cornerstone of the timeline.

Conclusion

Halesowen College must have an accommodation solution and associated investment plan which will provide an outstanding learning environment and excellent resources. The plan must be coterminous with the strategic objectives of the College which in turn support local and national priorities. By continuing to raise standards and develop an outstanding campus the College will continue to be an attractive option for all students, employers and wider community as a first class learning institution.

Reviewed / Approved	By	Date
Reviewed by	Jacque Carman	July 2023
Approved	Corporation	6 July 2022
CLT approved	CLT	29 August 2023
Website	Yes / No	No
Next Review date		August 2024