

Name of meeting: Cabinet
 Date: 13th April 2021

Title of report: 2021/22 Council Capital Plan – Proposed allocation of 2021/22 capital funding from the Directorate for Children’s Achieve & Aspire baseline section of the Capital Plan.

Purpose of report: This report will identify potential projects, for Member approval, to be funded from the 2021/22 Achieve & Aspire Capital Maintenance section of the Capital Plan to address urgent condition related needs in maintained schools and ask for delegated powers for officers to manage the programme within its budget envelope. It will also ask Members to authorise delegated powers for officers to allocate funding from the Basic Need and SEND baselines to individual scheme level as these programmes are developed.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes, this report involves significant expenditure in excess of £250K.
Key Decision - Is it in the <u>Council’s Forward Plan (key decisions and private reports)?</u>	Key Decision – Yes Private Report/Private Appendix – No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd – Strategic Director for Growth and Regeneration – 30/03/21
Is it also signed off by the Service Director for Finance?	Eamonn Croston – Service Director for Finance – 30/03/21
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft – Service Director for Legal Governance and Commissioning – 30/03/21
Cabinet member portfolio	Corporate - Cllr Graham Turner Learning, Aspiration & Communities - Cllr Carole Pattison Children – Cllr Viv Kendrick

Electoral wards affected: All

Ward councillors consulted: No

Public or private: Public

Has GDPR been considered? There are no GDPR implications relating to this report.

1. Summary

- 1.1 This report will identify potential projects to be funded from the Achieve & Aspire Capital Maintenance baseline section of the Capital Plan which was approved by Council on 10th February 2021. This funding is used to address urgent condition related needs in maintained schools.
- 1.2 Members will be asked to consider and approve the Capital Maintenance programme along with named projects so that they can be delivered in 2021/22 and to authorise delegated powers for officers to manage the programme.
- 1.3 Members will also be asked to authorise delegated powers for officers to allocate funding from the Basic Need and SEND baselines to individual scheme level as these programmes are developed.

2. Information required to take a decision

(a) Background

- 2.1 On 15th April 2020 the Department for Education (DfE) announced a Schools Condition Capital grant allocation for 2020/21 of £3.286M for Kirklees. This level of grant was also deemed to be indicative of the allocation for the Authority for 2021/22, subject to future confirmation by the Department in spring 2021.
 - 2.2 Condition grant allocations are determined by the Department using a methodology based on the following three components:
 - **Core condition funding** for all responsible bodies based on their pupil numbers.
 - **High condition needs funding** for those with disproportionately high needs; and
 - **Floor protections** to provide some stability in the transition to the new system.
- This methodology has been in use since 2016 and is currently being reviewed by the Department for potential use in future years' allocations.
- 2.3 Grant allocations from the Department are revised annually to reflect new or closing schools and where a school moves to a new responsible body (e.g. from Maintained to Academy status), in which case the pupil-led core condition funding will move with the schools. Six schools converted to Academy status during 2019/20, which resulted in a decrease in our capital allocation of £177K for 2020/21 to reflect the reduction in pupil numbers in maintained schools. Three schools converted in 2020/21 and therefore an estimated reduction in the level of grant expected for 2021/22 has been applied.
 - 2.4 When settling the Council's Five-Year Capital plan, which was approved by Council on 10th February 2021, we estimated that our grant allocation for 2021/22 from the DfE would reduce from £3.286M to £3.2M.
 - 2.5 Currently, all schools that have a scheme of work within the approved programme are asked to make a funding contribution from their Devolved Formula Capital (DFC), which is a capital grant given to schools to maintain and improve their buildings. In recent years the level of DFC received has allowed for over £100K of additional works to be added into the annual programme and we would expect to see the same level of contributions for 2021/22.

- 2.6 In addition to last year's 2020/21 grant allocation, on 29th June 2020, the Prime Minister announced an extra £560M in funding to maintain and improve the school estate. This additional school condition allocation of £1.526M for Kirklees was paid in equal instalments in August and September 2020 and was approved in the Council's Five-Year Capital Plan on 10th February 2021 with a spend re-profile of £500K in 20/21 and £1.026M in 21/22.
- 2.7 A programme of larger scale condition refurbishment works and aging modular classroom schemes is being developed. Due to the delivery of the existing programmed summer works, COVID restrictions and resource priorities, feasibility studies will be commissioned in 2021/22 with a view to delivery in the later part of 2021/22 and 2022/23. Once the preparatory work is completed, we would ask that Members approve delegated authority to deliver a designated number of projects within the additional budget envelop.

(b) Capital Maintenance for schools – Proposed Condition based projects 2021/22

- 2.8 It is proposed that the £4.226.2M budget allocation for 2021/22 will be distributed as follows:

Allocation	2021/22 Capital Plan
Urgent condition need based projects and Health & Safety works	£2.724M
Larger scale condition refurbishment work and aging modular classroom schemes	£1.026M
Essential fire safety works	£0.200M
Capital Plan preparation, advance surveys, feasibility studies, advance design, and condition surveys in relation to delivery of projects	£0.100M
Risk pot for emergency additions to the capital plan in year / balance for high tenders and asbestos removal.	£0.176M
TOTAL	£4.226M

- 2.9 The Capital Maintenance programme for Schools primarily aims to address the backlog of condition works in our schools' estate. Currently, the backlog of Priority 1 - 3 works (i.e. works required in the next 0-5 years) is around £40M (excluding Public Private Partnership (PPP) 1 & 2 / Voluntary Aided / Academy Schools).

Attached at **Appendix A** is a business case that outlines the process for identifying the condition needs of individual schools, explains how the backlog of repairs is prioritised across all schools and how the 2021/22 schools' condition programme, if approved, will be designed, procured and implemented. In order to maximise spend on works it is proposed to manage asbestos risk via the main risk pot which will be carefully monitored throughout the year.

- 2.10 Following feasibility work undertaken by the Council's Technical Services; a prioritised list of urgent condition works required to be undertaken in schools during financial year 2021/22 has been identified. This is attached at **Appendix B**. All of the works proposed have scored 28-30 on the matrix scoring system (described in **Appendix A**), indicating that a failure of the element concerned would have a major impact on the individual school from a Health and Safety and/or building closure and/or building damage perspective.

- 2.11 The proposed programme of works primarily consists of the following categories of work:
- replacement of life expired flat and pitched roofs.
 - whole or partial school electrical re-wires.
 - replacement of obsolete boilers and heating distribution systems.
 - urgent health and safety works including fire safety improvements, structural repairs and kitchen refurbishments.
- 2.12 In addition to the new condition works, the following activities are also proposed to be funded from the available capital grant:
- £100K to cover survey and preparation costs for the 2021/22 programme along with advance feasibility and design costs for the 2022/23 programme.
 - £176K for a risk pot for items such as emergency in year additions to the programme, higher than anticipated tenders and unexpected asbestos discovered once works are under way.

(c) SEND – Proposed Scheme for 2021/22

- 2.13 On the 16th July 2019 Cabinet approved the delivery of three school schemes to improve the provision for children and young people with SEND to be funded from the Special Provision grant allocation of £1.794M. The three named schools were Newsome High, Honley High, and Ravenshall Schools. The works at Newsome High School has now been completed and also the first phase of works at Honley High with completion of the next phase due by September 2021. Work is due to commence on Ravenshall School in summer 2021.
- 2.14 The budget allocation for the Honley scheme was initially £525K which has increased to approx. £781K due to unfavourable tender returns. The final phase of the project could be reassessed to realign with budget but this would seriously compromise the delivery of improved accommodation for young people with SEND which was the key outcome for the scheme. On the 24th March the Children's Services Capital Board gave approval to fund all phases of the Honley High School works from the Special Provision grant allocation leaving an expected shortfall on budget for Ravenshall School.
- 2.15 In addition to the three schemes mentioned above Children's Services have identified clear evidence that extensive capital investment is required in the Kirklees SEND education system to provide a significant increase in specialist school places. The review undertaken indicated that the greatest area of placement need was in the Social, Emotional and Mental Health (SEMH) and Communication and Interaction (C&I) areas of provision.
- 2.16 A report is due to go to Cabinet in May/June 2021 which will seek the authority to allocate sites for two new build special school to address the increase in specialist school places. Whilst the new build school plans are being developed, the review has identified an urgent need to increase specialist pupil places at Southgate School in Almondbury. The proposed increase would see pupil places rise from a current PAN of 164 to a PAN of 180, potentially for September 2021. After exploring various options, Officers have recommended that the preferred solution to create the additional places would be to provide a modular building on the school site and complete some internal improvements to the main school building with an estimated budget of no more than £500K. This would help create more capacity for the LA straight away and enable the school to be more creative with transition.

- 2.17 In November 2020 the DfE announced a grant allocation of £300M in 2021-22 for new school places for children with special educational needs and disabilities (SEND) or in need of alternative provision (AP). The DfE has set a funding floor which will ensure that every LA receives a minimum of £500K with anticipated payment of the grant in summer 2021.
- 2.18 Officers would ask Members to authorise, under the delegated authority outlined in 2.22 – 2.24 of this report, to allocate the additional High Needs Provisional grant when announced to the Southgate School project and potential overspends at Honley & Ravenshall High School SEND schemes and to use these delegations to align any unallocated funding from the grant received to project level.

(d) Basic Need – Proposed allocation of 2021/22 baseline funding

- 2.19 On the 10th February 2021 Council approved a capital bid from Children’s Service of £6M profiled over the next 3 years within Strategic Priorities to address the need for additional capacity due to an increase in secondary pupil places. There is a geographical focus on North Kirklees and North Huddersfield and will involve a number of modestly sized schemes across multiple existing secondary school sites to deal with the expected bulge in movement from primary schools.
- 2.20 Feasibility work is currently being undertaken within the Council’s Capital Delivery Team to look at addressing the imminent increase in secondary school pupil places through various means including modular buildings, internal alterations & dining hall extensions, rather than new school builds. A programme of schemes will be identified and negotiations with PPP providers will commence in some cases for delivery with a view to taking a separate report to Cabinet later in the financial year 2021/22.
- 2.21 Whilst the preparatory work to develop a robust programme of schemes is being carried out, with a full report expected to go to Cabinet at a later date for the £6M budget envelope, there may be some ‘quick win’ projects that could be carried out in the early part of the academic year starting September 2021. Officers would ask Members to authorise, under the delegated authority outlined in 2.22 – 2.24 of this report, the allocation of the annual £500K Basic Need baseline grant funding for 2021/22, previously approved in the Achieve & Aspire Capital Plan, to named projects yet to be determined for the secondary school place need in the interim.

(e) Financial Delegations

- 2.22 In order to aid the implementation of the baseline programmes for 2021/22 mentioned in this report, Members are requested to delegate authority in accordance with the Council’s Financial Procedure Rules 3.12 & 3.16 dated June 2019, to the Service Director – Learning and Early Support to manage the implementation of the identified works within the respective agreed total programme budgets and transfer any unallocated resources within a programme area up to a maximum of £1,000,000 in any one financial year.
- 2.23 Delegated powers would include the authority to:
- add new urgent projects to the programmes without prior Cabinet approval providing that the total cost of the programmes remains within the approved capital allocation set by Council.
 - Slip or delete projects in response to operational need and reallocate budget between projects during the course of the financial year providing that the total cost of the

programme remains within the approved capital allocation to enable the effective management of the programme during the course of the year, especially during the exceptionally busy summer break when the majority of these works will be delivered.

- transfer resources to or from any unallocated resources within a programme area up to a maximum of £1,000,000 in any financial year, subject to the approval of the Chief Finance Officer and notification to the relevant Cabinet Member and appropriate ward Members.

2.24 Significant amendments to the approved programme under delegated powers will be reported to Cabinet through the Quarterly Financial Monitoring process and / or through delegated decision notices on the Council's website.

3. Implications for the Council

3.1 Working with People

Should the proposals be approved, officers will work in close partnership with the schools and staff to ensure the delivery of the projects to an excellent standard that will help secure the outcomes for children both now and in the future.

3.2 Working with Partners

No direct impact.

3.3 Place Based Working

Schools are at the centre of their communities, delivering essential educational, health and well-being activities for children, parents and the wider community. Some of the proposals in this report will deliver high quality secondary school places to meet the needs of local pupils and will ensure that learners with SEND have access to the required specialist provision.

3.4 Climate Change and Air Quality

The condition schemes identified in this report will ensure that we are replacing inefficient roofs, boilers, heating and electrical systems with modern, energy efficient materials and equipment that will contribute to an ever-reducing carbon footprint for the Council. For example, roofs will be repaired and insulated to modern standards, LED lighting and new ceilings will be introduced during rewire projects and heating distribution systems that are 40-50 years old will be replaced with new. These projects demonstrate the Council's commitment to investing and managing its school estate to ensure that the Council's Carbon Neutral Vision is supported and enhanced.

3.5 Improving outcomes for children

The works identified in **Appendix B** are urgent condition works that could close a school, thereby disrupting the education of children, or represents a potential significant H&S issue. Improvements in the condition of school buildings will have a positive impact in that they that will contribute to a safe, warm, dry and secure learning environment for all pupils and staff. This capital budget is also used to improve accessibility to school buildings when works are identified in relation to the needs of specific pupils, helping them to attend their local school where possible. The SEND and Basic Need proposals in this report are intended to improve outcomes for children by providing access to high quality facilities that enable the full breadth of the curriculum offer to be delivered thereby ensuring that young people have the widest opportunities to fulfil their aspirations and ambitions.

3.6 Financial

The Capital Maintenance, Basic Need and SEND investment outlined in this report for the 2021/22 is funded from DfE grant and has no impact on prudential borrowing.

4. Consultees and their opinions

- 4.1 This report has been subject to consultation with the Portfolio Holders for Corporate, Children's and Learning, Aspiration and Communities, who support the proposed report and programme of works.
- 4.2 Following approval by Cabinet, consultation will occur with the individual schools that are due to be part of the programmes to discuss the scope of the works, proposed timings and decant options and this will continue throughout the year as the projects are developed, designed and implemented.
- 4.3 The Children's SEND Assessment and Commissioning team works closely with the Schools Asset Management team to identify pupils with disabilities to ensure that their needs are being met where appropriate. This involves close consultation with the individual schools concerned and parents to ascertain and agree the level of "reasonable adjustments" required to the school's buildings and grounds, and also to its day to day operations and curriculum.

5. Next steps and timelines

Subject to approval of the proposed projects and final business case, Technical Services will ensure that the 2021/22 Capital Plan is updated and the projects concerned are designed, developed, procured and implemented.

6. Officer recommendations and reasons

6.1 Members are requested to:

- (a) consider and approve the business case at **Appendix A** which outlines the rationale for the schools' condition works programme, the availability of funding, the selection process and the main categories of work, thereby enabling the projects concerned to be designed, procured and implemented;
- (b) consider and approve the detailed list of proposed works in schools for 2021/22, which is attached at **Appendix B**.
- (c) authorise the allocation of additional High Needs Provisional grant to Southgate, Honey High and Ravenshall Schools and the use of delegated authority to align any unallocated funding from the grant to project level.
- (d) to authorise the allocation of the annual £500K Basic Need baseline grant funding for 2021/22 to named projects yet to be determined for the secondary school place need.
- (e) consider and approve the delegated powers as outlined in paragraphs 2.22 - 2.24 of this report.

7. Cabinet Portfolio Holder's recommendations

Portfolio Holders were consulted on 29th March 2021 and recommended that Cabinet:

- (a) Consider and approve the business case at Appendix A.
- (b) Consider and approve the named schemes at Appendix B.
- (c) Note and approve the allocation of additional High Needs Provisional grant to Southgate, Honey High and Ravenshall Schools and the use of delegated authority to align any unallocated funding from the grant to project level under 2.22 – 2.24 of this report.
- (d) Note and approve the allocation of £500K baseline Basic Need funding for officers to allocate to schemes yet to be determined in the Secondary School Places programme using the delegated powers contained within the report 2.22 – 2.24.
- (e) Note and approve the delegated powers in paragraphs 2.22 – 2.24.

8. Contact officer

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9. Background Papers and History of Decisions

10 February 2021 Council: 5 Year Capital Investment Plan 2021/22 to 2025/26

10. Service Director responsible

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11. Attachments

Appendix A: Final Business Case for the Capital Maintenance Schools' condition programme.

Appendix B: Detailed list of proposed 2021/22 Achieve & Aspire Capital Maintenance Schools' condition programme.