

Project Title:	Capital Maintenance for Schools – Condition Programme
Project Manager:	David Martin
Client Service:	Directorate for Children
Date of this OBC:	March 2019
KMC Capital total (Gross) (£000s):	£3.8M

DESCRIPTION

Description of the project and its purpose:

The Capital Maintenance for Schools grant is provided to all Local Authorities for expenditure on Schools to ensure that:

- buildings and equipment are properly maintained;
- health and safety issues are addressed and;
- a backlog of repairs does not build up over time.

In addition, Kirklees uses the funding to ensure that where required, schools are accessible for pupils with disabilities and that appropriate specialist equipment is provided to meet the needs of individual pupils. Since 2011/12 Councils have been expected to fund physical adaptations to schools from the Capital Maintenance grant provided to all LAs. Specialist equipment will, wherever possible, be funded from revenue and only be capitalised as a last resort.

On 13 February 2019 the Council approved a 5 Year Investment Plan, which included a proposed programme of works under Capital Maintenance for Schools totalling £3.6M. In addition, a level of Schools' DFC contributions has been assumed to increase the total budget to £3.8M for the 2019/20 proposed programme.

A programme of urgent condition works in schools totalling £3.612M is proposed. The key categories of works are:

- a programme of urgent and essential repairs to replace leaking and life-expired pitched and flat roofs. Incorporated in these works are enhancements or in some cases the introduction of insulating material, which greatly improves the thermal efficiency of the roof. This contributes to a reduction in the building's carbon footprint through lower energy usage. In the case of pitched roofs in Victorian schools it includes, where necessary, essential repairs to lath and plaster ceilings using a chicken wire and timber batten technique above the suspended ceiling. This greatly reduces the risk of old plasterwork falling through the suspended ceiling. These works also include replacing the existing suspended ceiling grid and luminaries with new energy efficient recessed lighting, which greatly enhances the teaching and learning environment for pupils and staff through an improved quality of lighting, whilst simultaneously contributing to lowering the building's carbon footprint and running costs;
- a programme of whole school electrical re-wiring projects to replace life expired existing systems and to comply with the latest legislative standards. As well as full replacement of the electrical wiring systems, these projects have the added benefit of providing new ceilings and modern, energy efficient lighting which provide the schools with a new look and greater energy efficiency. Where appropriate, these projects also incorporate improvements to ICT infrastructure e.g. enhancement or rationalisation of data point coverage and the replacement of the existing fire alarm and/or lightning protections systems and provides the opportunity to manage asbestos to support ongoing maintenance of building fabric and other service;
- replacement of inefficient and obsolete boilers with energy-efficient boiler plant and/or the replacement of inefficient heating distribution systems, with low surface temperature radiators providing better control. These works can also have a positive impact on the working environment for pupils and staff as they lead to the provision of heating that better matches an individual school's requirements, reducing energy wastage and utility costs and

contributing to meeting the Council's carbon reduction targets;

- a programme of fan convector removal and replacement, where appropriate, with wet system radiators. This will remove noisy, industrial and ineffective heating systems and replace them with modern, more energy efficient forms of heating.
- (a) An allocation for remodelling the kitchen at Honley Junior School with a funding contribution to be negotiated with Schools Catering. School kitchens to be refurbished are generally identified by reference to the annual assessment of each school kitchen's structure, internal fabric and equipment carried out by the Council's Technical Services. Priority is given to projects designed to address known health and safety issues, including compliance with all relevant legislation (e.g. The Gas Act; Electricity at Work Act; Food Safety Provision Regulations).
- (b) An allocation of £75K for preparation costs for the 2019/20 and 2020/21 capital plan. These costs include feasibility studies / asbestos surveys / condition surveys / advance design in relation to the preparation and implementation of Learning & Early Support projects.
- (c) An allocation of £113K to act as a risk pot for emergency schemes that may emerge as the financial year progresses. As the backlog of repairs exceeded the availability of capital, it has only been possible to fund projects with a matrix score of 28-30. Many schemes categorised as a matrix of 26 had, again, to be placed on hold until future years due to a lack of available funding. There is a risk that some of these elements could deteriorate during the course of 2019/20 prompting the need to bring some projects back into the programme in order to tackle serious H&S issues or potential school closures.
- (d) The risk pot will also need to cover DDA schemes not yet identified and the risk of uncovering asbestos issues once work has commenced on site. In all schools the Head teacher and governing body are asked to consider if reasonable adjustments to how they deliver the curriculum can be made without the need to undertake physical adaptations. In addition, consideration is given as to whether specialist equipment can meet the needs of the individual. Where physical works are required, consideration is given to minimising the level of works required to that which would be considered to be "reasonable". In all cases, the works identified are either required to enable the admission of pupil(s) to the school chosen by their parents / carers from the start of the new academic year in September 2019 or are required to meet the needs of schools where pupils have already been admitted but where adaptation works have subsequently been identified. Works to schools will have wider benefits for staff, visitors and the local communities by increasing the accessibility of the buildings and grounds for all.
- (e) An allocation of £250K for essential fire safety works in schools arising from Fire Risk Assessments carried out by the schools/Local Authority.

There are no individual schemes in the proposed condition programme that currently exceed £250,000. Further schemes may be added by officers, subject to approval, using authority delegated in the attached cabinet report providing that there are sufficient funds available.

Allocation methodology for condition funding

Every school receives a survey covering internal and external fabric, technical services and external areas. All surveys are undertaken by the Council and paid for through a combination of the Schools Traded Service for Repairs and Maintenance and the Learning & Early Support Capital Plan.

The information collected is stored on the Council's K2 Asset Management database and is used to set the Council's capital investment plan for schools, as well as being used by schools themselves to prioritise expenditure from their revenue Repair and Maintenance budgets and their Devolved Formula Capital allocations. All surveys are based on the DfE's condition surveying methodology, which has been in operation since 2000. The methodology allocates a condition and priority to each individual element using nationally agreed DfE stipulated grades as follows:

GRADE	MEANING
A	Good - Performing as intended and operating efficiently.
B	Satisfactory - Performing as intended but exhibiting minor deterioration
C	Poor - Exhibiting major defects and / or not operating as intended
D	Bad - Life expired and / or serious risk of imminent failure.
Priority 1	Urgent work that will prevent immediate closure of the premises and / or address an immediate risk to the health and safety of occupants and / or remedy a serious breach of legislation.
Priority 2	Essential work required within two years that will prevent serious deterioration of the fabric or services and / or address a medium risk to the health and safety of occupants and / or remedy a less serious breach of legislation.
Priority 3	Desirable work required within three to five years that will prevent deterioration of the fabric or services and / or address a low risk to the health and safety of occupants and / or remedy a less serious breach of legislation.
Priority 4	Long term work outside the five year planning period that will prevent deterioration of the fabric or services.

This results in each element of a school building and its grounds receiving a grade that indicates its current condition and life expectancy e.g. A 35 year old boiler might be rated D1 which indicates that the item is life expired and in urgent need of replacement whilst a five year old boiler might be rated A4, which means that it is in a good condition and needs no major investment in the next five years.

As the backlog of repairs exceeds the capital available, a matrix scoring system is used to prioritise the backlog of urgent priority 1-3 works, taking into account issues such as health and safety, the remaining life of the element and the impact of a failure on the building. Each of the three categories is allocated a maximum of 10 points, which produces a maximum score of 30 points. The elements with the highest scores are considered for the condition programme. Using the above system, it can be demonstrated that the programme of works identified represents the most urgent and highest priority repairs for the LA.

A weighting system is employed to give greater importance to some types of repairs than others. Elements that receive a weighting are mechanical services, electrical services, roofs and external walls. Where the number of schools with a matrix score of 26 – 30 exceed the financial resources available officers prioritise the programme according to the asbestos risk, continuation of previous phases, and links between mechanical & electrical works.

Weightings are not allocated to fixed furniture, external areas, redecoration, sanitary services and internal walls and doors.

What are the benefits / critical success factors?

The Capital Maintenance for Schools baseline condition programme will help reduce the backlog of priority maintenance in Kirklees community / voluntary controlled / foundation / trust schools, which currently totals around £40M for priority 1-3 works.

It will contribute to addressing a key priority for the Directorate for Children and Economy and Skills Service which is to ensure that all schools are warm, dry, safe and secure.

Many of the projects being implemented will have a direct impact on reducing the Kirklees carbon footprint – all new roofs will incorporate significantly improved insulation; new boilers will be modern, energy efficient equipment with the latest TREND controls; re-wired buildings will contain energy efficient lighting with significantly improved controls including movement sensors and dimming switches.

The programme is designed and procured to ensure that all schools re open without loss of teaching days.

FINANCE

KMC **Gross** Total (including external/grant funding if applicable) (£000):

Profile:	Year	19/20
	Sum	£3.8M

Funding for this section of the Capital Plan comes from the Capital Maintenance for Schools grant (£3.6M), which is an un-ring fenced capital grant provided by the DfE.

Devolved Formula Capital contributions from schools towards specific projects will be sought. By securing a capital contribution from DFC, where available, this enables more projects to be undertaken compared to a situation where the LA was funding all projects at a 100% level. It is anticipated that schools will contribute £200K, thereby increasing the programme to £3.8M.

The total value of the condition works proposed in this business case is £3.612M plus a number of other budgets incl. for the preparation and delivery of the programme and management of risk.

Lifespan of assets

New boilers fitted should have a life of 15-20 years, whilst new heating distribution systems should last 40-50 years. New flat roofs will have a lifespan of 15-30 years depending on the materials used (e.g. felt, asphalt, EPDM) whilst pitched slate roofs can have a life expectancy of 50-100 years+. Rewired electrical systems are expected to have a life of 25-40 years. This will all depend on an appropriate regime of inspection/servicing/repair being funded and carried out by the schools and the Local Authority

Lifecycle Capital costs (during the lifetime of the asset):

It is recognised that there are life cycle capital costs associated with this programme of works. All the roofs, boilers, electrical systems etc. installed will require ongoing maintenance and eventual replacement. All elements of a school building and grounds are covered by condition surveys co-ordinated by the Schools FM team in conjunction with Technical Services condition surveyors. All condition related data is stored on the Council's K2 Asset Management system and is used to prioritise works for future capital replacement projects.

Responsibility for the lifecycle costs of this programme rests with the schools and the Council. Schools undertake significant capital repairs / replacement works from their Devolved Formula Capital (DFC) and their own revenue budgets. The Council undertakes capital works in schools using the Capital Maintenance Grant provided by the DfE.

Revenue Implications

Increased levels of insulation in new roofs, the installation of energy efficient boilers, the introduction of energy saving lighting and other devices and the greater use of sustainable technologies should have a positive impact on school running costs by reducing energy usage and therefore bills. These works should also reduce school maintenance costs in the short term by providing new assets, though schools will need to ensure that appropriate revenue budgets are set in the medium and long term in order to maintain the new assets properly. Due to the way that the Kirklees LMS scheme operates any revenue savings will accrue to the individual schools rather than the overall Dedicated Schools Grant.

DELIVERY & MANAGEMENT

How will the project be delivered/managed?

Delivery & Management.

Design and delivery of the Capital Maintenance programme is the responsibility of the Council's Technical Services. Within the Schools Facilities Management Team, the Asset Manager (Schools) and Asset Managers will act as a key link between schools and the allocated surveyor / external framework consultant / external framework contractor / Technical Advisor / Project Manager (the actual combination will depend on the procurement route for each individual project) to ensure the delivery of each scheme at an operational level. Project Management of the programme will be provided through the Capital Delivery Service. The Head of Service for Corporate Landlord and Capital will act as the Council's overall Project Executive.

How will the Programme/Project impact on hard to reach groups?

All sections of the community will benefit from improvements to their local schools including hard to reach groups such as lone parents, traveller families and minority ethnic groups as well as pupils with physical disabilities. An Initial Equalities Impact Screening exercise has demonstrated that this programme will have little if any negative impact on any Protected Characteristic Group

Is this subject to OJEU Regs?

None of the projects are individually large enough to fall under OJEU Regulations. Most projects will be tendered but where projects are delivered via Framework Agreements, these agreements will have already been subject to the full OJEU process.

How will this be procured:

This programme of works will be delivered through the Council's Technical Services. Works delivered externally by contractors will be tendered; or will be negotiated if delivered by KNH Property Services. We will also negotiate with private contractors on multi-phased schemes where contractors have performed well on the first phase of works – management of the procurement process will be through the Capital Delivery team.

Key risks in undertaking / not undertaking this programme/project:

This programme contains urgent condition items relating to school buildings (e.g. roof repairs; boiler replacements; whole school electrical re-wires; H&S works etc.) that could, if not tackled, lead to damage to the buildings, H&S risks to the building occupants and the potential partial or full closure of schools, which would impact on the educational attainment of young people.

In running this large and varied programme we encounter many risks including:

- There are some larger schemes (e.g. whole school re-wires or projects that combine different disciplines e.g. boiler replacement combined with a whole school re-wire) which will be complicated to deliver due to programming issues; availability of decant space etc.;
- Many schemes will need to be undertaken during the summer holidays due to the nature of the works e.g. the replacement of a slate roof on a Victorian School and therefore any potential slippages could have serious consequences.

OTHER INFORMATION

Key Contacts

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This FBC approved by: **TBC**