

Name of meeting: Cabinet
 Date: 26 May 2020

Title of report: 2020/21 Council Capital Plan - Proposed allocation of 2020/21 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 2020/21 Achieve & Aspire Capital Maintenance section of the Capital Plan.

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 Is it also signed off by the Service Director for Finance? Is it also signed off by the Service Director for Legal Governance and Commissioning?	Karl Battersby - 13.05.20 Eamonn Croston - 13.05.20 Julie Muscroft - 12.05.20
Cabinet member <u>portfolio</u>	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 12 February 2020. 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 2020/21 and to authorise delegated powers for officers to manage the programme.

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 is 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. It is known that six schools converted to Academy status during 2019/20, which resulted in a decrease in our capital allocation of £177K compared to 2019/20 to reflect the reduction in pupil numbers in maintained schools.
- 2.4 When settling the Council's Five-Year Capital plan, which was approved by Council on 12th February 2020, we estimated that our grant allocation for 2020/21 from the DfE would reduce from £3.463M to £3.4M. Our confirmed level of grant is £114K below our estimated figure.
- 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. Bearing this in mind, we have increased the budget for the 2020/21 programme to £3.4M to account for the expected level of DFC contributions.

(b) Capital Maintenance for schools – Proposed Condition based projects 2020/21

2.6 It is proposed that the £3.4m budget allocation for 2020/21 will be distributed as follows:

Allocation	2020/21 Capital Plan
Urgent condition need based projects and Health & Safety works	£3.149M
Essential fire safety works	£0.100M
Capital Plan preparation, advance surveys, feasibility studies, advance design, and condition surveys in relation to delivery of projects	£0.065M
Risk pot for emergency additions to the capital plan in year / balance for high tenders and asbestos removal.	£0.086M
TOTAL	£3.4M

2.7 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 2020/21 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.

2.8 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 2020/21 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.

2.9 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.

2.10 In addition to the new condition works, the following activities are also proposed to be funded from the available capital grant:

- £65K to cover survey and preparation costs for the 2020/21 programme along with advance feasibility and design costs for the 2021/22 programme;
- £86K 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) Financial Delegations

- 2.11 In order to aid the implementation of the Schools Condition programme for 2020/21, as in previous years Members are requested to delegate authority in accordance with the Council's Financial Procedure Rules 3.16 dated June 2019, to the Service Director - Economy and Skills to manage the implementation of the identified works within the respective agreed total programme budget.
- 2.12 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 between the Capital Maintenance and Basic Need funding streams / programmes if needed to meet operational needs in relation to specific projects.
- 2.13 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

No direct impact.

3.2 Working with Partners

No direct impact.

3.3 Place Based Working

No direct impact.

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.

3.6 Financial

The capital investment outlined in this report of £3.4M for the 2020/21 programme is funded from DfE grant either in the form of Capital Maintenance funding allocated directly to Kirklees (£3.286M) or Schools' DFC contributions (£114K) 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 programme 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 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 2020/21 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 2020/21, which is attached at **Appendix B**.
 - (c) consider and approve the delegated powers as outlined in paragraphs 2.11-13 of this report.
- 6.2 The reasons for this are that the School Condition programme ensures that buildings are safe, dry, warm and secure, which enables the staff operating from these assets to

concentrate on teaching and learning, pupils can develop and learn in the right environment and visitors are safe.

7. Cabinet Portfolio Holder's recommendations

The Cabinet Portfolio Holders for Corporate, Children's and Learning, Aspiration and Communities strongly support the investment that is proposed in the Council's maintained schools. These works will improve the condition of our school buildings, ensure that staff, pupils and visitors are safe, warm, dry and secure whilst contributing to the Council's Climate Emergency response by helping reduce the Authority's carbon footprint.

Cabinet Portfolio Holders recommend that Cabinet:

- (a) Notes the contents of this report;
- (b) considers and approves 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;
- (c) considers and approves the detailed list of proposed works in schools for 2020/21, which is attached at **Appendix B**.
- (d) considers and approves the delegated powers as outlined in paragraphs 2.11-13 of this report.

8. Contact officer

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9. Background Papers and History of Decisions

12 February 2020 Council: 5 Year Capital Investment Plan 2020/21 to 2024/25

10. Service Director responsible

Angela Blake - Service Director – Economy & Skills - Tel: 01484 221000 - Email:
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11. Attachments

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

Appendix B: Detailed list of proposed 2020/21 Achieve & Aspire Capital Maintenance Schools' condition programme.