

Executive

15 March 2018

Report of the Corporate Director of Children, Education and Communities and the Director of Customer and Corporate Services

Education, Children and Young People's Capital Programme: Proposed School Maintenance Schemes and Basic Need programme 2018/19

Summary

1. The purpose of this report is to:
 - inform the Executive of the funding available in the School Maintenance programme in the financial year 2018/19
 - seek views on the use of Basic Need grant funding to supplement the maintenance programme
 - seek approval for this proposed programme subject to the decision on the use of Basic Need funding
 - seek approval for two Basic Need schemes and one School Maintenance scheme budgeted in excess of £500k each

Recommendations

2. The Executive is recommended to:
 - note the resources available in the CEC Capital Programme for maintenance and Basic Need
 - approve a virement of £2.083m from Basic Need to School Maintenance in 2018/19 to increase the number and range of schemes that can be carried out during the summer of 2018.
 - approve the School Maintenance schemes to be developed from the estimated available resource within the 2018/19 Capital Programme, subject to final affordability once overall funding and detailed cost estimates are available

- approve the three individual schemes estimated to cost in excess of £500k

Reason: to maximise the programme of maintenance within the maintained schools estate in 2018/19 and deal with the most urgent maintenance issues within this estate and to enhance school buildings and to allow for increase of pupil numbers.

Background

3. The current approved Education and Children's Capital Programme has a budget of £9.185m in 2018/19. The School Maintenance and Basic Need schemes are the two most significant elements of this programme, with a combined total budget of £7.367m in 2018/19. Within these two overall headings individual schemes are developed and submitted for approval on an annual basis.

Consultation

4. All of the schemes considered in this report have been, or will be, subject to extensive consultation with governing bodies, key partner agencies, local councillors and residents in the locality of the individual schemes during development.

Analysis

5. Capital Maintenance grant funding is allocated annually to local authorities by the Department for Education for the improvement of LA maintained school buildings and children's centres. The 2018/19 allocations have not yet been announced.
6. The current approved maintenance programme contains a budget of £1.873m for 2018/19. This figure includes £200k for previous years scheme retentions and final costs, plus an assumed underspend of £300k on 2017/18 schemes which was re-profiled into 2018/19 at Capital Monitor 3.
7. The amount of funding assumed for 2018/19 of £1.373m was based on the 2017/18 allocation with a reduction factored in. However, due to the number of academy conversions which have taken place during 2017/18, it is likely that the actual allocation will now be lower than this figure. For the purposes of drawing up a programme to be funded in 2018/19, a prudent estimate of £1.1m has now been assumed. The addition of the underspend from

2017/18 of £300k allows a programme of £1.4m to be funded in 2018/19.

8. Further resources may be identified from Section 106 receipts where the agreed purpose of the payment allows the funds to be used for the general enhancement of school premises, as opposed to being restricted to adding pupil places at schools. These will be added to the funding for the Capital Maintenance Programme if any are identified. To date only £15k has been identified as available and this has been included in the programme.
9. The funding allows a programme of maintenance totalling £1.415m to be put together for 2018/19. Based on current knowledge of the schools estate and taking into account the existing condition of school buildings, any regulatory and legislative issues, and the number of pupils affected by any building failures, schemes that have been considered have been prioritised and ranked in order of importance. Annex A details the schemes (1-11) of highest priority under this process that can be funded within this figure.
10. The budgeted figures are pre-tender estimates and may be subject to change following the results of this process. At this stage, and following the announcement of the actual level of the Maintenance grant allocation, the list of schemes that can be delivered will be finalised.
11. In addition to the schemes listed for approval, an amount of £180k will be held as a contingency for unforeseen emergency issues that may arise over the winter period.
12. In autumn 2017 a project to assess all building needs across the maintained school estate was carried out. This was based on an analysis of fabric and mechanical and electrical condition surveys carried out over the last three years, knowledge within Children, Education and Communities Directorate and Property Services, and information gathered from discussions with schools.
13. The schemes recommended for approval above represent only those of the very highest priority, where the work has been assessed as being of greatest urgency. Due to the limited funding available through the DfE maintenance grant only these six schemes can be funded through the combination of this grant and available section 106 contributions.

14. In order to expand this programme in 2018/19, additional sources of funding have been considered. The most efficient and cost effective source of additional funding is the DfE Basic Need capital grant.
15. Basic Need capital grant is made available to local authorities to enable them to create additional educational places in the authority. Although this grant is allocated by the Department for Education specifically for this purpose, it is paid to local authorities as non-ring-fenced capital grant. It is therefore for individual local authorities to decide on the most appropriate use of this grant.
16. In York, this grant has been allocated in full to the Children and Education Capital programme, and held within an overall scheme. Smaller schemes are developed, managed and monitored within this heading. Larger schemes are submitted to the Executive for approval and then reported on separately within the programme.
17. From 2011/12 to the end of 2017/18 City of York will have received £37.75m of Basic Need capital grant, with a further £2.46m due in 2018/19 and 2019/20 from previously announced allocations.
18. To date £14.6m of this funding has been spent or committed on schemes to expand place numbers at various schools across the city. This leaves £25.61m as yet uncommitted.
19. To expand the planned programme it is proposed to vire £2.083m in 2018/19 from Basic Need (utilising £2.083m of the grant) into the maintenance programme. This would allow a further 11 schemes (12-22) to be carried out in 2018/19. This includes some larger schemes of higher priority than some that are proposed in paragraph 9 above which due to their size are unaffordable within the funding available.
20. The advantage of this approach is that it allows a significantly greater number of urgent schemes to be carried out in 2018/19, thus reducing the risk of building failures at the schools concerned.
21. This proposal does carry an element of risk by diverting Basic Need funding into the maintenance programme. The city is experiencing, and will continue to experience, place pressures in various parts of the city as the population grows. At present, most of the place pressures that have emerged have been solved by smaller expansion works at schools to add classrooms and temporary classroom units. The scope to do this will reduce and it

is likely in the future that larger schemes, particularly in secondary schools will be required. It is therefore possible that in the future the investment required may be in excess of the funding allocated to date.

22. No funding has been announced beyond the 2019/20 financial year, as any future years will be dependent on the next national spending review. However, there is an additional risk that the DfE may take this use of Basic Need into account in future grant allocations, as the local authority is required to report on the use of this grant.
23. There is also a risk that some of the announced funding for 2018/19 and 2019/20 could be withdrawn, although this is felt to be unlikely. The authority could clearly demonstrate under the approach outlined above that all the funding is being invested in schools, and by resolving significant building issues, is maintaining the capacity of the York schools estate.

Clifton Green Maintenance Scheme

24. Annex A contains one scheme which requires specific approval as it is budgeted at over £500k. Clifton Green Primary (scheme number 6) requires a new roof to most of its building. Due to the size of the roof area the plan is to complete the work over four phases. As work on a new roof causes significant disruption, the work can only be done over the school summer holiday period. The estimated £525k covers the cost of phase 1 of the project, which addresses the area of the roof where the work is most urgent. Phases 2-4 will be completed in future years.

Basic Need Schemes

25. Approval is also requested for two larger Basic Need schemes which are scheduled to begin during 2018/19.
26. The first is at St Mary's CE Primary School (estimated cost of £600k). Additional teaching space is required at the school to accommodate a rise in pupils over the last few years and future projected increases. The work will include increasing the size of existing classrooms and teaching space and some internal reorganisation of space within the school.
27. The second scheme is required at Westfield Primary School (estimated cost of £650k). The increasing number of pupils at the

school has highlighted the problems the school currently has around the management of the school meals service as more pupils are having a school meal. The proposed scheme will include work on both the dining and kitchen areas which will address current safety concerns and enable more pupils to access nutritional school meals.

Financial Implications

28. The financial implications are dealt with in the main body of the report.

Other Implications

29. Legal - The Local Authority has the legal responsibility to ensure the sufficiency of school places within its area. The additional works are required to comply with the School Premises Regulations requirements
30. There are no Human Resources, Equalities, Crime and Disorder, Information, Property or other implications arising from this report.

Risk Management

31. The specific risks related to this report are contained in paragraphs 21 – 23 in the main body of the report. In general, there is always a degree of risk associated with operating a capital programme as schemes are developed and implemented. The key to minimising this risk is the effective operation of monitoring and control processes. Regular monitoring reports will be presented to the Executive on the overall capital programme of the local authority, and more detailed reports on the Children's and Education programme can be presented to the Executive Member as required.

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Background Papers

School Planning Maintenance Scheme prioritisation working papers

Annexes

Annex A - Schedule of Proposed Schools Maintenance Schemes
2018/19