

Cabinet Meeting on Wednesday 16 October 2019

Schools Capital Programme 2019/20



Cllr Philip White, Cabinet Member for Learning and Employability said,

“It is essential that children and young people in the county have access to a good, local school.

It is widely recognised that the quality of school buildings can help or hinder learning and teaching, so our comprehensive build and maintenance programme will ensure our children can learn in the best environments to help them succeed.

We are also building on the success of previous years and continuing to plan ahead. We want to provide well-designed buildings and pleasant surroundings for Staffordshire children and, most importantly, ensure there are enough good school places available to meet current and future demand.”

Report Summary:

Approval of the Schools Capital Programme for 2019/20. The Schools Capital Programme funding is made up of 2 central government grants; School Condition Allocation (SCA) and Basic Need.

Additional capital funding for schools comes from other government bid grants, contributions from schools, developers and other stakeholders.

Recommendations

I recommend that:

- a. Cabinet considers the report and approves the Schools Capital Programme 2019/20 investment proposal set out in the supporting appendices.
- b. The Head of Commercial and Assets monitors progress and makes any necessary in-year alterations in agreement with the Cabinet Member for Learning and Employability.

Local Members Interest
N/A

Cabinet – Wednesday 16 October 2019

Schools Capital Programme 2019/20

Recommendations of the Cabinet Member for Learning and Employability:

I recommend that:

- a. Cabinet considers the report and approves the Schools Capital Programme 2019/20 investment proposal set out in the supporting appendices.
- b. The Head of Commercial and Assets monitors progress and makes any necessary in-year alterations in agreement with the Cabinet Member for Learning and Employability.

Report of the Director of Corporate Services

Reasons for Recommendations:

1. Staffordshire is a great place to live, work and invest where most people enjoy a good quality of life. Every Staffordshire child deserves the best possible education and to leave school or college with the learning and skills that they need to succeed in further education or the workplace. A strong economy relies on a high performing education system to produce the workforce of the future, and young people with the right skills, attitude and ambition to meet the needs of our employers or to start a business of their own.
2. It is widely recognised that the quality of school buildings can help or hinder learning and teaching. Well-designed buildings and pleasant surroundings can lead to better attendance and concentration as well as motivation and self-esteem - factors which can improve performance. Staffordshire's Schools Asset Management Plan (AMP) and Statement of Priorities (StOP) ensure that capital spending is clearly aligned to corporate priorities and delivers value for money.

Summary

3. The Schools Capital Programme is made up of:
 - a. Maintenance/Improvement projects
 - b. Basic Need/pupil place provision projects
4. The funding available to deliver the 2019/20 capital programme includes:
 - a. Government Capital Grant School Condition Allocation (SCA)
 - b. Government Basic Need Capital Grant
 - c. Section 106 contributions from developers
 - d. Contributions from schools (DFC)
 - e. Third Party contributions

- f. Contributions from other Government grants and bids including:
 - i. Free Schools Wave 13
 - ii. Healthy Pupils Capital Fund (HPCF)
 - iii. Special Provision Capital Fund

5. Table 1 provides the breakdown of the funding for 2019/20.

Table 1: Capital Funding 2019/20

Allocation	£
LA School Capital Allocation (SCA) 2019/20	5,072,313
LA School Capital Allocation (SCA) Re-phased from Previous Years	2,516,055
Basic Need 2019/20	6,756,676
5% Corporate Top-Slice on Basic Need 2019/20	337,834 -
Basic Need Re-Phased from Previous Years	14,339,635
LA Healthy Pupils Capital Funding (HPCF) 2018/19	308,548
SEND Special Provision Capital Fund/Additional Places 2019/20	963,206
SEND Special Provision Capital Fund/Additional Places Re-phased from Previous Years	104,820
Total SCE (R) - Supported Cap Exp (Rev)	15,638,059
Capital Receipt	4,413
ESFA Free School Grant	17,019
Vulnerable Children's Programme	133,000 -
School Contributions (DFC)	839,075
School Deferred Loans	209,896
S106 Contributions	7,883,498
Third-Party Contributions	316,742
TOTAL Capital Funding	24,775,701

**Basic Need allocation 2019/20 (see note below)*

Note: The Allocations for Education Block and Highways are not ring-fenced, and their precise allocation can be determined locally. There are significant areas of County Council activity, such as Economic Development, Waste Management, Libraries etc., which receives no such allocation and the County Council is required to identify alternative sources of funding to undertake any capital projects in these areas. The prime source of such funding has traditionally been capital receipts although the availability has been diminishing in recent years.

For a number of years, Cabinet has agreed that this funding should be enhanced by a 5% top-slice of Education and Highways Maintenance capital resources in order to provide Cabinet with some flexibility and 'headroom' to facilitate projects in other areas.

Planned Replacement Programme

6. Condition surveys of schools are conducted on a 3-year rolling programme to assess the condition of the buildings. This information is held in a database which identifies the most urgent categories of need. Every school has been provided with an Asset Management Plan (AMP) on which local decisions on capital projects can be made. The condition grades are: -
 - a. Good – performing as intended with day-to-day servicing needs only
 - b. Satisfactory – performing as intended but with minor deterioration
 - c. Poor – not performing as intended or with major defects
 - d. Bad – life expired and/or at serious risk of imminent failure
7. The latest AMP condition survey information identifies work totalling £28.1m in the 3 highest priority categories (excluding Academies and Voluntary Aided schools), with work to the value of circa £3.51m identified under priority 1. Previous programmes of maintenance work have focussed on the priorities identified in the AMP, and these have been successful in addressing a significant amount of condition backlog issues. These figures don't take into account the works completed in 2018/19.
8. The Planned Maintenance approach enables a co-ordinated programme of repairs and allows resources to be targeted where they are most needed to reduce the effects of unsatisfactory premises on pupils' education. As part of the due diligence process Academy sponsors will wish to ensure that the buildings are in a good state of repair. The Maintenance Programme forms the basis for ensuring that building can be transferred in a safe and satisfactory condition.

Climate Change/Sustainability Programme

9. The Climate Change Act was passed in 2008 and established a framework to develop an economically credible emissions reduction path. The act commits the UK to reducing emissions by at least 80% in 2050 from 1990 levels. Failure to comply with the legislation carries significant financial penalties. The County Council is committed to helping save energy and reduce carbon emissions and energy saving features are incorporated into building projects wherever possible. Around half of Staffordshire's CO₂ emissions are due to buildings and some 80% of the property assets are schools. The school estate therefore has a vital role to play in meeting increasing CO₂ reduction targets and it is expected that schools will make a financial contribution to any projects carried out to achieve this.
10. Electricity prices have continued to increase, the commodity price of electricity has remained relatively constant in recent years and the increasing cost is predominately through increasing energy taxes, which are being used to support renewable technologies, these are passed through in the unit price of electricity. "Pass through charges" have increased from 50% of the delivered cost in 2014/15 and now make up over 60% of the total electricity bill and these are forecast to increase year on year. As the biggest revenue costs after staffing, we need to reduce costs to limit the burden on school resources. It is essential that capital funding is made available for programmes to replace inefficient electric

heating systems with 'wet' systems; upgrade old pipework; install new energy controls that monitor usage; insulation and installing new LED lighting. Prioritisation methodology targets schools where modernising plant or equipment provides best value returns on investment. In addition to direct financial savings, the investment provides a better learning environment for staff and students through improved heating & lighting.

Priority Capital Programme

11. Staffordshire recognises the importance that the school environment has in educational attainment and that capital investment is essential to support projects that are not driven by condition. The impact of re-modelling or refurbishing areas to provide more suitable facilities is significant. Research carried out by the University of Salford ('Clever Classrooms') revealed that the environmental factors of a classroom can have significant impact upon the learning and academic progress of students. The report revealed that progress could be improved by as much as 16 per cent in just one year with considered implementation of positive air quality, decor and natural light.
12. The Priority Capital Projects Portfolio encourages schools to use some of their Devolved Formula Capital (DFC), variable dependant on the size of the project/school circumstances to contribute to the works enabling the funding to stretch further.
13. The District Officers identify priority projects in their areas and liaise with the schools about making contributions. All projects are assessed, weighted and ranked so that a 'cut-off' point can be established as to which projects the capital funding can support. If savings are achieved, then the next project on the list is added to the portfolio.

Toilet Refurbishment

14. Historically, the design of school toilets has generally not been good for a complex set of reasons. Typically, children are reluctant to use them; when they are used, they are often the centre of behaviour and discipline problems. Prominent amongst the consequences are health problems and dehydration problems. Dehydrated children work less well.
15. There is considerable evidence highlighting the current issues with school toilets and the effects these have on pupils. An effective layout, high quality fittings and finishes, efficient cleaning and maintenance, together with good access policies, are all essential to ensure that school facilities are valued. Overcoming common problems – such as the negative effects on short and long-term health caused by pupils avoiding drinking enough water or visiting the toilet – can have a positive influence on pupils' welfare, willingness and ability to learn, their behaviour, morale and attendance levels.
16. The schools where toilet refurbishment is a priority have been identified and we will endeavour to complete as many projects from the list in accordance with the funding allocation.

Modular Replacement

17. Analysis of the AMP database indicates that there remains an amount of temporary/mobile accommodation in use across the county. Temporary accommodation is normally placed on a school to fulfil an urgent need and often to cater for increases in pupil numbers.
18. It is recognised that investment in a programme of replacement/removal of temporary/mobile Buildings is important, not only raising educational standards but also to reducing the carbon footprint (given their poor thermal performance).
19. Projects where condition dictates that repairs are no longer a real option are considered for inclusion in the capital programme. Where the accommodation is still required, temporary classroom units will be replaced with new buildings which will be more energy efficient and provide an enhanced environment for teaching and learning. The use of modular buildings or off-site construction will be evaluated for cost effectiveness before permanent buildings are considered.

SEND Special Provision Fund

20. Staffordshire County Council intend to use the Special Provision Capital Funding to focus on current gaps in provision for children with SEND and EHCPs, with a focus on inclusion of children with SEND.
21. The council is analysing data on children with SEND to identify current areas of need and gaps in provision and consultation will take place with Headteachers and Chief Officers of Multi-Academy Trusts to explore options to utilise the capital funding within mainstream settings, employing the support and skills of staff from special schools.
22. In addition, following receipt of expressions of interest, it is proposed that some capital funding will be awarded to mainstream schools to improve resources for children with social, emotional and mental health needs. Further details on these projects can be accessed in the SEND Local Offer.

Basic Need

23. The County Council has a statutory duty to ensure that there are sufficient school places in the area, promote high educational standards, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential. Staffordshire's highest priority for investment in schools is the provision of new places to meet basic need. The process of school place planning is complex in terms of, for example, the housing market in each area of the county; receipt of capital funding from government and developers; the use of Community Infrastructure Levy (CIL) at some Local Planning Authorities; changes in parental preference and individual school performance; births and inward and outward migration; new government legislation and policy; building costs; the increasing number of autonomous academies. All these factors combine to create a volatile environment.

24. A review of pupil place provision and a consideration of projected numbers from population trends and planned housing development within the county clearly demonstrate that in all areas there is a need to expand provision to meet growth. Projected investment required in new basic need projects by 2031 is estimated circa £241m. Communities will look to us to work creatively and ensure that new school buildings are value for money. Officers are continually monitoring numbers, securing S106 funding and updating the basic need requirements for each area as more information becomes available.
25. Table 2 provides the profile of the proposed areas of investment in the Schools Capital Programme 2019/20. A breakdown of the individual projects can be seen in Appendices 1 to 6.

Table 2: Schools Capital Programme 2019/20

Maintenance/Improvement Projects	£
New Starts - Planned Replacement Programme	2,352,000
New Starts - Climate Change/Sustainability Programme	771,149
New Starts - Priority Capital Projects	1,330,474
New Starts - Toilet Refurbishment Projects	657,239
Modular Replacement	620,000
SEND Special Provision Fund Projects	1,428,173
Continuation of other Projects	5,033,692
Basic Need Projects	13,415,391
Total Capital Programme	25,608,118

**A list of the proposed projects can be found in the attached appendices.*

**Programmed spend includes £832k of over-programming to minimise the risk of slippage. Any overspend will be top-sliced from the 2020/21 allocation.*

Strategic Priorities

26. In the current economic climate, where there is a considerable degree of uncertainty around the provision of capital funding to support schools and education, it is imperative that the County Council has a pre-determined set of priorities already in place so that it has the flexibility and responsiveness it will need to act on those capital funding streams as soon as they become available.
27. There will continue to be more demand for capital investment than there will be resources available to meet that demand. In turn this will mean that choices, sometimes very difficult choices, will have to be made. The County Council is committed to ensuring that the process of determining priorities for capital investment is open and transparent. Key features of this approach include:

- a. consultation with the Deputy Chief Executive and Director for Families and Communities, the Cabinet Member for Learning and Employability and the County Commissioner for Access to Learning to determine local priorities;
 - b. published criteria for the assessment of priorities in the Asset Management Plan, and open access to the information held within it on all schools (Planned Maintenance Programme);
 - c. consultation with all relevant partners, including schools and the three Dioceses, both directly and through the Local Management of Schools Consultative Committee (LMSCC);
 - d. consultation with the County Commissioner for School Quality Assurance and Intervention – Educational Inclusion (Special Educational Needs);
28. In accordance with these principles and approaches, the following strategic priorities have been identified for capital investment in schools:
- a. securing sufficient school places, both the provision of new places where numbers are increasing, and the removal of surplus places, so that resources available to schools are used most efficiently;
 - b. develop ‘in-county’ provision for children and young people with Special Educational Needs, Disability (SEND) and vulnerable groups providing them access to the right support at the right time in the right way so that they can access high quality learning and skills opportunities so that they can realise their aspirations and lead a fulfilling and independent life;
 - c. improving educational standards by addressing highest priority condition issues ensuring schools are safe, warm and dry through the Planned Maintenance Programme;
 - d. meeting climate change and sustainability targets;
 - e. delivering projects that make a difference to the school environment that are not condition driven but will have a significant impact through the Priority Capital Projects Portfolio;
 - f. refurbishment of toilet facilities that are designed and fitted out to a standard that discourages anti-social behaviour and vandalism;
 - g. replacement/removal of temporary buildings;
 - h. ensuring that Staffordshire’s Pathway schools are fit for purpose to allow children with mobility problems access to mainstream education.

Programme Management

29. Approval is sought to continue with the practice of bringing forward capital works to offset slippage on individual projects to ensure that the capital programme

achieves budget targets 'in year'. There are provisional plans to bring forward £832k of works above an overall programme of £24.8m in 2019/20. These provisions are based on previous years programme performance and the intention is to finance some of the 'advance-spend' from savings made in procuring the programme. Provision is made in 2020/21 to finance any outstanding balance.

List of Appendices:

Community Impact Assessment – Summary Document

Appendix 1 – Planned Replacement Programme 2019/20

Appendix 2 – Climate Change/Sustainability Programme 2019/20

Appendix 3 – Priority Capital Projects 2019/20

Appendix 4 – Toilet Refurbishment Programme 2019/20

Appendix 5 – Modular Replacement

Appendix 6 – Basic Need Projects

List of Background Documents:

www.staffordshire.gov.uk/SchoolsStatementofPriorities

<https://www.salford.ac.uk/cleverclassrooms/1503-Salford-Uni-Report-DIGITAL.pdf>

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