

## **Cabinet Meeting on Wednesday 16 March 2022**

### **Capital Programme for Schools 2022/23**



**Cllr Jonathan Price, Cabinet Member for Education (and SEND) said,**

“Every Staffordshire child deserves the best possible education, and to leave school or college with the learning and skills they need to succeed in further education or the workplace.

“It is therefore essential that we continue to maintain and improve our school buildings to ensure Staffordshire children can learn in surroundings that enhance their education and give them the best possible start in life. Our capital programme for 2022/23 sees a proposed investment of £35.5 million into ensuring our 400+ schools are fit for the future.”

#### **Report Summary:**

Approval of the Schools Capital Programme for 2022/23. 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 Cabinet:

- a. Considers the report and approves the Schools Capital Programme 2022/23 investment proposal set out in the supporting appendices.
- b. The Assistant Director for Commercial and Assets monitors progress and makes any necessary in-year alterations in consultation with the Cabinet Member for Education (and SEND).
- c. Delegates authority for the Director of Corporate Services to approve:
  - i. All subsequent call-off contracts under the CWM Framework Agreement to be awarded and entered into with the successful providers under the CWM Framework Agreement.

- ii. Any novation of call-off contracts to new providers or variations to the terms of call-off contracts, in accordance with the Public Contract Regulations 2015.



|                               |
|-------------------------------|
| <b>Local Members Interest</b> |
| N/A                           |

## **Cabinet – Wednesday 16 March 2022**

### **Capital Programme for Schools 2022/23**

#### **Recommendations of the Cabinet Member for Education (and SEND)**

I recommend that Cabinet:

- a. Considers the report and approves the Schools Capital Programme 2022/23 investment proposal set out in the supporting appendices.
- b. The Assistant Director for Commercial and Assets monitors progress and makes any necessary in-year alterations in consultation with the Cabinet Member for Education (and SEND).
- c. Delegates authority for the Director of Corporate Services to approve:
  - i. All subsequent call-off contracts under the CWM Framework Agreement to be awarded and entered into with the successful providers under the CWM Framework Agreement.
  - ii. Any novation of call-off contracts to new providers or variations to the terms of call-off contracts, in accordance with the Public Contract Regulations 2015.

#### **Report of the Director for 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. There are over 400 schools and academies providing education for around 121,000 primary, middle, and secondary pupils. 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 Capital Programme for Schools 2022/23 is made up of:
  - a. Maintenance/Improvement projects.
  - b. Basic Need/pupil place provision projects.
4. The funding available to deliver the 2022/23 programme includes:
  - a. Government School Condition Allocation (SCA) capital grant.
  - b. Government Basic Need capital Grant.
  - c. Section106 contributions from developers.
  - d. Contributions from schools Devolved Formula Capital (DFC).
  - e. Contributions from other Government grants including:
    - i. High Needs Provision Capital Allocation (HNPCA).
    - ii. Special Provision Capital Fund (SPCF).
5. In 2021 the DfE introduced a new methodology to calculate SCA allocations. Combined with an increase in the basic rate per pupil per year and an overall increase in national funding, this significantly increased the SCA received by SCC in 2021/22. We await DfE confirmation of our 2022/23 allocation, therefore the School's Capital Programme is based on an **estimated SCA of £8m**. The programme will need to be reviewed once the funding allocation is announced to ensure affordability and that investment is targeted in SCC maintained schools (excluding Basic Need).
6. The DfE previously confirmed that the Basic Need allocation for SCC 2022/23 is £0 as they deem the need for additional school places in Staffordshire to be because of housing developments. They did however confirm a 2023/24 allocation of £2,010,674.
7. Further targeted funding in the form of the High Needs Provision Capital Allocation (HNPCA) was announced on 25 March 2021 to support local authorities to deliver new places and improve existing provision for children and young people with SEND, particularly those with more complex needs, and for those pupils that require alternative provision, which we collectively refer to as 'high needs' provision. HNPCA funding has been allocated to LAs proportionally, based on each local authority's estimated share of future growth in the high needs' pupil population. Whilst this funding is primarily to assist local authorities deliver new places needed for September 2022, it is for local authorities to determine

how to best use the funding to meet local priorities. SCC's HNPCA allocation is £2,441,300.

8. Table 1 provides a breakdown of the funding for 2022/23.

Table 1.

| Available Funding 2022/23  | £                 |
|--|-------------------|
| LA School Capital Allocation (SCA) 2022/23 - ESTIMATED                 | 8,000,000         |
| LA School Capital Allocation (SCA) Re-phased from Previous Years       | 1,834,627         |
| * Basic Need Allocation 2022/23  | -                 |
| Basic Need Re-phased from Previous Years                               | 15,169,860        |
| SEND Special Provision Capital Fund Re-phased from Previous Years      | 512,036           |
| SEND High Needs Provision Capital Allocation (HNPCA) 2021/22 Re-phased | 2,400,000         |
| <b>Total Supported Capital Expenditure</b>                             | <b>27,916,523</b> |
| Other Grant  | 13,625            |
| S106 Contributions   | 7,496,315         |
| <b>TOTAL Capital Funding</b>   | <b>35,426,463</b> |

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

### Planned Replacement Programme

9. 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.
10. The latest AMP condition survey information identifies work totalling £26.5m in the 3 highest priority categories (excluding Academies and Voluntary Aided schools), with work to the value of circa £2.7m 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 consider the works completed in 2021/22.
11. 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 buildings can be transferred in a safe and satisfactory condition.

### **Climate Change/Sustainability Programme**

12. Tackling climate change is one of the key principles underpinning everything we're committed to do in our Strategic plan. The Climate Change Act was passed in 2008 and established a framework to develop an economically credible emissions reduction path. In 2019, the UK became the first major economy to pass a law requiring the UK to bring all greenhouse gas emissions to net-zero by 2050. This means that the country needs to remove as much carbon from the atmosphere as it emits. As a council, SCC declared a climate change emergency in July 2019 and are determined to reach carbon net zero by 2050 across every aspect of our service provision and estate. **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. Our carbon baseline is around 37,000 tonnes (tCO<sub>2</sub>e). This figure would have been significantly higher if not for innovative solutions we've already put in place to reduce our impact on the environment. Around half of Staffordshire's CO<sub>2</sub> emissions are due to buildings and some 80% of the property assets are schools. The challenge is now to remove the remaining 37,000 tonnes of carbon emissions and the school estate has a vital role to play in meeting increasing CO<sub>2</sub> reduction targets. It's expected that schools will make a financial contribution to any projects carried out to achieve this.

13. Since January 2021, wholesale gas prices have risen 250 per cent across the world which has also driven up the cost of electricity. Schools face an added problem because of guidance from the DfE to “keep windows and doors open as much as possible due to air circulation to prevent Covid19”. 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 heating systems; upgrade old pipework; install new energy controls that monitor usage; upgrade/improve 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.
14. It is important to note that in addition to the targeted sustainability projects, many of our other investments improve our carbon footprint with the schools becoming more energy efficient.

### **Priority Capital Projects Programme**

15. 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.
16. 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.
17. The Development Officers work with schools to identify priority projects in their areas and liaise with the schools about making financial contributions to potential projects. All projects are assessed, weighted, and ranked so that a ‘cut-off’ point can be established as to which projects the capital funding available can support. If savings are achieved, then the next project on the list is added to the portfolio. Care is taken to spread SCC funding as evenly across the county as possible whilst still addressing the highest priorities.

## **Refurbishment of Toilets**

18. 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. Ill children stay away; bullied children carry the pain for life.
19. 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.
20. For a number of years SCC have invested in programmes to address the worst identified areas but a considerable number of schools where toilet refurbishment is a priority have been identified and we will endeavour to complete as many projects as possible from the list in accordance with the funding allocation.

## **Replacement/Removal of Temporary Buildings**

21. 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.
22. Many of these buildings are reaching the end of their useful lifespan; inaccessible to some students, parents, and staff; and with outdated heating, lighting, and technology they're inefficient and expensive to run. It is recognised that investment in a programme of replacement/removal of temporary/mobile buildings is important, not only in raising educational standards but also to reducing the carbon footprint (given their poor thermal performance).
23. 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.

### **Special Educational Needs and Disability (SEND)**

24. SCC believe that all children and young people, irrespective of background or needs, are entitled to a good education that enables them to fulfil their potential. Improving access to education, participation in the school curriculum and educational achievement for pupils with disabilities is vital to ensure equality of opportunity, to support pupils to reach their educational potential and improve their future outcomes (draft Accessibility Strategy 2021).
25. There are 23 maintained and academy Special Schools (5 of the special schools have residential education provision and some have listed building status) and 6 maintained and academy Pupil Referral Units (PRU) and AP within Staffordshire with approximately 2,500 pupils in attendance. In addition, there are 3 Autism Outreach Centres based at 3 mainstream High Schools and a Speech Language Centre based at a mainstream Primary school. SCC also developed short stay resource bases within mainstream settings to support pupils who do not have an EHCP as a preventative initiative. At the end of December 2021, there are 6,400 pupils with Education Health Care Plans (EHCPs).
26. SCC was allocated £2.4m High Needs Provision Capital Allocation (HNPCA) in 2021/22. The aim of the funding is to deliver new school places and improve existing provision in education settings for pupils with SEND, particularly those with more complex needs and an Education, Health and Care Plan (EHCP). The funding can also be used to support SEND pupils and pupils that require Alternative Provision without an EHCP.
27. Following consultation SCC will use the HNPCA to deliver projects which involve:
  - a. The development of resource bases at mainstream schools for children with EHCP's and SEN support with Social, Emotional and Mental Health needs and/or Autistic Spectrum Condition (ASC).
  - b. Partnership working and co-location of specialist provision on mainstream sites.
  - c. Increasing capacity in specialist provision to reduce the need to access placements at independent schools/out of county provision.
28. Schools were invited to apply for the funding and applications are currently being evaluated.

## **Basic Need**

29. The County Council has a statutory duty to ensure that there are enough 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 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.
30. Consideration of projected numbers from population trends and planned housing development within the county clearly demonstrate where there is a need to expand provision to meet growth. The projected number of additional places required by 2031 is circa 6,700 for mainstream primary and 2,900 for mainstream secondary education. 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.

## **Proposed Investment 2022/23**

31. Table 2 provides the profile of the proposed areas of investment in the Schools Capital Programme 2022/22. A breakdown of the individual projects can be seen in Appendices 1 to 6.

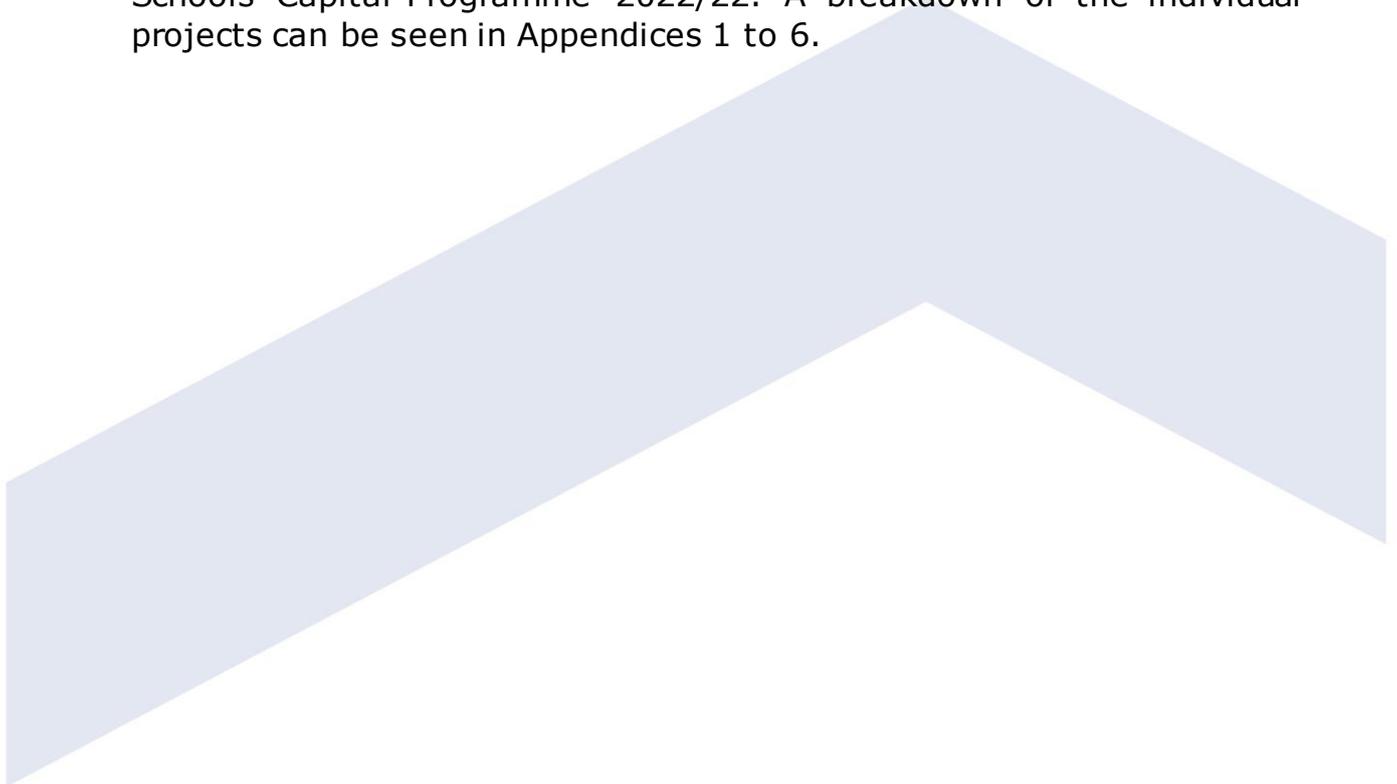


Table 2.

| <b>Proposed Maintenance/Improvement Projects</b>                  | <b>£</b>          |
|---|-------------------|
| New Starts - Planned Replacement Programme Maintenance            | 1,711,734         |
| New Starts - Planned Replacement Programme Sustainability         | 1,828,887         |
| New Starts - Climate Change/Sustainability Programme              | 1,016,768         |
| New Starts - Priority Capital Projects                            | 1,258,696         |
| New Starts - Toilet Refurbishment Projects                        | 482,233           |
| New Starts - Temporary/Modular Replacement Projects               | 502,425           |
| New Starts - Health and Safety                                    | 500,000           |
| New Starts - Support for CIL Bids                                 | 400,000           |
| Continuation of 2021/22 Phase 2 Projects Previously Approved      | 1,163,752         |
| Completion of Previous Years Projects                             | 254,500           |
| Feasibility, Legal Costs and Fees                                 | 870,000           |
| SEND Special Provision Capital Fund Re-phased from Previous Years | 512,036           |
| SEND High Needs Provision Capital Allocation (HNPCA)              | 2,400,000         |
| Basic Need Projects   | 22,666,175        |
| <b>TOTAL Capital Programme</b>                                    | <b>35,567,206</b> |

## Strategic Priorities

32. 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.
33. 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 Education (and SEND) 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 Assistant Director for Education, Strategy, and Improvement.
34. In accordance with these principles and approaches, the following strategic priorities have been identified for capital investment in schools:
- a. securing enough 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 and 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. meeting climate change and sustainability targets.
  - d. improving educational standards by addressing highest priority condition issues ensuring schools are safe, warm, and dry through the Planned Maintenance Programme.
  - 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. ensuring that Staffordshire's Pathway schools are fit for purpose to allow children with mobility problems access to mainstream education.

### **Programme Management**

35. Approval is sought for the Assistant Director for Commercial and Assets to continue with the practice of monitoring progress and making any necessary in-year alterations in agreement with the Cabinet Member for Education (and SEND).
36. 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 c£141k of works above an overall programme of £35.42m in 2022/23. 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 will be made in 2023/24 to finance any outstanding balance.

## **Procurement of Works**

37. Construction Projects – in line with Staffordshire County Council's ('Council') own Procurement Regulations, it is a requirement to utilise a 3rd party contract vehicle where available. The Council will procure construction projects from the Construction West Midlands ('CWM') Framework Agreement (an arrangement procured and led by Birmingham City Council, Solihull Metropolitan Borough Council and Sandwell Metropolitan Borough Council). Commencing October 2020 for a period of 4 years (with the option for an extra 2), this arrangement has been procured compliantly, will see project values of up to £2b, mimics the ethos and operation of the typical construction Framework which the Council would wish to procure, and allows access to a governance team that is driving developments in framework best practice at a regional and national level. The Council does also recognise the competence and professional delivery of the providers recently appointed to this arrangement with many already working with the Council and its partner on current projects.
38. Maintenance Works – will continue to be procured in line with the Council's Procurement Regulations, turning to our own Framework arrangements where applicable.

## **List of Background Documents/Appendices:**

Community Impact Assessment - Summary Document

Appendix 1 - Planned Replacement Programme 2022/23

Appendix 2 – Climate Change/Sustainability Programme 2022/23

Appendix 3 – Priority Capital Projects 2022/23

Appendix 4 – Toilet Refurbishment Programme 2022/23

Appendix 5 – Modular Replacement Programme 2022/23

Appendix 6 – Basic Need Projects

Appendix 7 - Statement of Priorities 2022 - 2027

## Contact Details

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