

## Cabinet Meeting on Wednesday 17 March 2021

### Capital Programme for Schools 2021/2022



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

“Every child in Staffordshire deserves the best possible education, and to leave school or college with the skills they need to succeed in the workplace or further education. Added to this, it is widely recognised that the quality of school buildings can help or hinder learning and teaching”.

Our capital programme for the next year is designed to ensure we make the most of the funding we have, and work with schools to improve school infrastructure. This way, we can ensure the county’s children are learning in the best environment possible.”

#### **Report Summary:**

Approval of the Schools Capital Programme for 2021/22. 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 2021/22 investment proposal set out in the supporting appendices.
- b. Agrees that the Assistant Director for Commercial and Assets monitors progress and makes any necessary in-year alterations in agreement 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 17 March 2021**

### **Capital Programme for Schools 2021/2022**

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

I recommend that:

- a. Considers the report and approves the Schools Capital Programme 2021/22 investment proposal set out in the supporting appendices.
- b. Agrees that the Assistant Director for Commercial and Assets monitors progress and makes any necessary in-year alterations in agreement 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 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. There are over 400 schools and academies providing education for around 120,000 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 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 2021/22 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
    - ii. Special Provision Capital Fund
5. The DfE is yet to confirm the 2021/22 SCA allocations (expected in Spring) so the School's Capital Programme 2021/22 is based on an estimated SCA of £3.9m. 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). The DfE confirmed that the Basic Need allocation for 2021/22 is £0. This is because the need for additional school places in Staffordshire is deemed by the department to be because of housing developments and not birth-rates.
6. In October 2020, the Department for Business, Energy and Industrial Strategy (BEIS) launched the Public Sector Decarbonisation Scheme which will allocate £1bn of grant funding to encourage green investment aligning with the Government's Net Zero and clean growth goals. SCC submitted 2 bids (corporate buildings and maintained schools) for projects that align with the Grant Scheme objectives to deliver stimulus to the energy efficiency and low carbon heat sectors, supporting jobs and to deliver significant carbon savings in the public sector. On 04 February 2021 we were informed that the maintained schools bid had successfully progressed to the Technical Approval stage. The BEIS will confirm funding allocations for the successful applications in March 2021.
7. Table 1 provides the breakdown of the funding for 2021/22.

<b>Allocation</b>	<b>£</b>
LA School Capital Allocation (SCA) 2021/22 - Estimate	3,900,000
LA School Capital Allocation (SCA) Re-phased from Previous Years	212,577
Basic Need Re-Phased from Previous Years	9,105,383
Basic Need 2021/22	0
SEND Special Provision Capital Fund/Additional Places Re-phased from Previous Years	650,000

<b>Allocation</b>	<b>£</b>
Total SCE (R) - Supported Cap Exp (Rev)	13,867,960
School Contributions (DFC)	63,959
S106 Contributions	4,006,714
<b>TOTAL Capital Funding</b>	<b>17,983,633</b>

### **Planned Replacement Programme**

8. 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
  
9. The latest AMP condition survey information identifies work totalling £29.7m in the 3 highest priority categories (excluding Academies and Voluntary Aided schools), with work to the value of circa £2.9m 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 2020/21.
  
10. 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.

### **Asbestos Containing Fuse Boards**

11. The fixed electrical testing programme highlighted several schools that still have electrical fuse boards that were manufactured using asbestos containing materials (ACM's). The risks associated with asbestos are now widely known, thousands of people have reportedly been affected by the inhalation of asbestos fibres either directly or indirectly and sadly hundreds have already lost their lives as a result. As part of the planned maintenance programme we will remove the 'dated' boards and replace with modern non-ACM equipment in SCC maintained schools. We will write to Academies and VA schools that still have ACM boards to provide advice/support.

## **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. As a council, SCC is determined to do our bit to reach carbon net zero by 2050. 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 50,000 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 50,000 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. Electricity prices have continued to rise. 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.
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 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**

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.
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. 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.

### **SEND Special Provision Fund**

21. Across Staffordshire, 3 in 100 people are currently living with a learning disability and 11 in 100 people with a physical disability. SCC believes 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.
22. There are 23 maintained and academy Special Schools and 6 maintained Pupil Referral Units (PRU) and academy Alternative Provision (AP) within Staffordshire with approximately 2,500 pupils in attendance. 5 of the special schools have residential education provision and some have listed building status. In addition, there are 4 Autism Outreach Centres and a Speech Language Centre. Recently SCC has been developing resource bases to support pupils who do not have an EHCP as a preventative initiative within mainstream settings. At the end of

September 2020, there are 6,048 pupils with Education Health Care Plans (EHCPs) and SCC currently support 12,758 pupils with SEND in mainstream settings.

23. Staffordshire County Council intend to use the remaining Special Provision Capital Funding to Develop Resource Bases at Mainstream Schools for children and young people with Education, Health and Care Plans (EHCP), with Social, Emotional and Mental Health (SEMH) and/or Autistic Spectrum Condition (ASC). A consultation on the focus of this funding has been completed. Expressions of interest were requested from education settings interested in developing a Resource Base. These have been received and are currently being evaluated.

### Basic Need

24. 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.
25. 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. Projected investment required in new basic need projects by 2031 is estimated circa £240m. 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 2021/22

26. Table 2 provides the profile of the proposed areas of investment in the Schools Capital Programme 2021/22. A breakdown of the individual projects can be seen in Appendices 1 to 5.

Table 2: Schools Capital Programme 2021/22

Maintenance/Improvement Projects	£
New Starts - Planned Replacement Programme Maintenance	930,000
New Starts - Planned Replacement Sustainability	870,000
New Starts - Climate Change/Sustainability Programme	370,164
New Starts - Priority Capital Projects	912,991
New Starts - Toilet Refurbishment Projects	564,402

New Starts - Health and Safety	100,000
SEND Special Provision Fund Projects	650,000
Continuation of other Projects	962,436
Basic Need Projects	12,794,762
<b>Total Capital Programme</b>	<b>18,156,755</b>

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

## **Strategic Priorities**

27. 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.
28. 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.
29. 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, 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. ensuring that Staffordshire's Pathway schools are fit for purpose to allow children with mobility problems access to mainstream education.

### **Programme Management**

- 30. 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).
- 31. 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£218k of works above an overall programme of £18m in 2021/22. 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 2022/23 to finance any outstanding balance.

### **Procurement of Works**

- 32. Construction Projects – in line with Staffordshire County Council's ('Council') own Procurement Regulations, it is a requirement to utilise a 3<sup>rd</sup> party contract vehicle where available. Whilst the Council has previously procured its own traditional-build construction projects framework in the absence of any ideal option at the time, there is now a credible opportunity to procure Council construction projects from the recently-let 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.

33. Maintenance Works – will continue to be procured in line with the Councils 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 2021/22

Appendix 2 - Climate Change/Sustainability Programme 2021/22

Appendix 3 - Priority Capital Projects 2021/22

Appendix 4 - Toilet Refurbishment Programme 2021/22

Appendix 5 - Basic Need Projects

### **Contact Details**

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