

Executive Board – 16th March 2021

Subject:	School Capital Maintenance Grant Allocations 2021/22
Corporate Director(s)/Director(s):	Catherine Underwood – Corporate Director for People (Children and Adults)
Portfolio Holder(s):	Councillor David Mellen – Leader of the Council and Portfolio Holder for Regeneration, Schools and Communications
Report author and contact details:	Caroline Butrymowicz – Project Manager, Major Projects. Tel: 0115 8763396 e-mail: caroline.butrymowicz@nottinghamcity.gov.uk
Other colleagues who have provided input:	Robert Caswell – Programme Manager, Major Projects. Tel: 0115 8763408 e-mail: robert.caswell@nottinghamcity.gov.uk
Subject to call-in: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Key Decision: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Criteria for Key Decision:	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £1,000,000 or more taking account of the overall impact of the decision	
and/or	
(b) Significant impact on communities living or working in two or more wards in the City <input type="checkbox"/> Yes <input type="checkbox"/> No	
Type of expenditure: <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
Total value of the decision: £ 1,768,017	
Wards affected: All	
Date of consultation with Portfolio Holder(s): 8 th February 2021	
Relevant Council Plan Key Theme:	
Nottingham People	<input checked="" type="checkbox"/>
Living in Nottingham	<input type="checkbox"/>
Growing Nottingham	<input type="checkbox"/>
Respect for Nottingham	<input type="checkbox"/>
Serving Nottingham Better	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>In October 2020 the government issued all local authorities with an additional one off allocation of the Capital Maintenance grant to support addressing condition issues at schools. The allocation for Nottingham City was £568,017.</p> <p>The annual capital maintenance grant allocation from the Department for Education (DfE) is expected to be confirmed in Spring 2021. An estimated amount of £1.200 million is forecast to be allocated, based on previous allocations, to improve the condition of school buildings maintained by Nottingham City Council.</p> <p>This report seeks approval to accept the one off allocation of £568,017 already received and the anticipated £1.200m of Capital Maintenance grant (in advance of receipt of the 2021/22 annual funding announcement). It also seeks approval to progress with the identified schemes as long as the funding received in capital maintenance grant from the DfE is sufficient.</p>	
Exempt information:	
None	
Recommendation(s):	
1 To note the appended business case and accept the recommendations for the proposed school capital maintenance funding and delivery of schemes for 2021/22.	

2	To accept the one off Capital Maintenance grant already received of £568,017 for school capital maintenance issues and amalgamate it with the school capital maintenance funding for 2021/22 upon receipt.
3	To accept and approve the 2021/22 allocation received by the Department for Education (DfE) to Nottingham City of the school capital maintenance funding upon receipt for the projects as set out in appendix A, noting that £0.211 million is set aside as a contingency fund. To allow the adjustment of the number of projects prioritised in Appendix A and this contingency upon receipt of the grant announcement, should it be necessary.
4	To amend the capital programme to reflect the one off grant of £568,017 already received.
5	To amend the capital programme to include the allocation of schools' capital maintenance grant for 2021/22 once the capital maintenance funding has been received.
6	To approve £0.030 million to allow the scoping and prioritisation of projects for a programme of works in 2022/23 to commence in Autumn 2021, once the 2021/22 capital maintenance funding has been received
7	<p>To delegate authority to the Corporate Director for People to:</p> <ul style="list-style-type: none"> • allow the adjustment of the number of projects prioritised in Appendix A and the contingency should it be necessary. • allocate contingency funding to projects such as health and safety or condition issues which arise during 2021/22, and • adjust the funding allocation for each project once cost information is finalised, subject to value for money being demonstrated and costs being within the overall budget allocated for this programme of works. <p>once the 2021/22 capital maintenance funding has been received</p>
8	To appoint NCC Building Services to design, procure and manage the mechanical and electrical projects.
9	To approve the procurement of the roofing, window and safeguarding schemes through the SCAPE regional construction framework – an OJEU (the Official Journal of the European Union) compliant framework
10	To approve the procurement of any technical services (for example construction contract administrator role) that are no longer available from the resource pool of NCC through a compliant framework as directed by the Director of Commissioning and Procurement.
11	To appoint Nottingham City Homes to design, procure and manage the fire door scheme.
12	To delegate authority to the Director of Legal and Governance and Monitoring Officer to sign contracts with the preferred contractors and technical services suppliers following procurement exercises to allow the projects to be delivered.
13	To approve a payment of up to £0.100m from the Building Schools for the Future (BSF) Lifecycle Reserve fund to Rosehill Special School to undertake condition and maintenance works to the building

1 Reasons for recommendations

- 1.1 The prioritisation of the funding is based on advice received and an extensive review of schools. This is articulated in the appended business case. There are two areas where funding has been prioritised:
 - Health and Safety issues likely to impact on children and staff.
 - Condition issues likely to impact on the operation of the school.
- 1.2 The balance of the funding for the schools' capital maintenance grant has been identified as part of the prioritisation process and £0.211 million will be held as a contingency amount to deal with urgent health and safety or condition issues that arise during the financial year 2021/22. Delegating authority to the Corporate Director for People (Children and Adults) to approve these projects will enable a swift response to urgent issues as they arise.
- 1.3 In preparation for 2022/23's programme of works an allocation of £0.030 million will be identified from 2021/22 funding to begin prioritisation. This forward planning will ensure that the Local Authority prepares for delivery and sets out a clear programme of future works to maintain schools, subject to funding being received.
- 1.4 Rosehill Special School was rebuilt under wave 2 of the BSF programme. As part of this programme to meet the requirements of the Department for Education (DfE), both the school and the City Council had to commit to funding a lifecycle fund so that the building could be maintained to the same standard as a new Private Finance Initiative (PFI) school for 25 years. Rosehill Special School has now been operational for nine years and the school are undertaking minor works to the building that will improve the education environment, health & safety and security. The works will be procured directly by the school in line with financial regulations and with the support of the Major Projects team.

2 Background (including outcomes of consultation)

- 2.1 An announcement of the schools' capital maintenance grants for the financial year 2021/22 is expected in April. Based on previous funding allocations, it is anticipated that £1.200 million will be allocated to improve the condition of school buildings maintained by Nottingham City Council.
- 2.2 A one off allocation of £568,017 to address school capital maintenance issues has already been received.
- 2.3 This report and the appended business case identifies how the grant and one off allocation of £568,017 will be amalgamated and prioritised to support the health and safety and condition needs of schools in Nottingham.
- 2.4 The highest priorities relate to health and safety requirements, for example ensuring the safeguarding of pupils within a school site and the safe evacuation of a school building. The next priorities are those condition issues that mean school buildings are not weather proof or that they are not warm in winter. This could include schools that require roof replacement, windows, boilers, heating pipes and electrical infrastructure.

- 2.5 The overall condition liability for schools in the City is significantly greater than the funding available and there is insufficient funding to complete all the necessary works to ensure all schools will not be at risk from inclement weather. To ensure the most urgent projects are taken forward, a further prioritisation has taken place in consultation with external specialist contractors that takes into consideration the immediacy of the risk to the school. This is outlined in the appended business case.

3 Other options considered in making recommendations

- 3.1 Consideration was given to combine the one off grant and the 2021/2022 schools' maintenance funding and the basic need funding. If combined this funding could be used to address the shortfall in school places across the city.
- 3.2. Consideration was also given to amalgamating the one off grant already received and the 2021/2022 grant with broader City Council capital funding.
- 3.3 Both of these options have been rejected, as they would leave schools at risk of closure through health and safety or condition issues. It would also mean that school buildings would continue to deteriorate, increasing the risk of forced closure for emergency repairs
- 3.4 With regard Rosehill School, to 'do nothing' has been rejected as, while this would retain the funding within the Lifecycle Reserve; it would not support the maintenance of the school as a positive environment for education.

4 Finance colleague comments (including implications and value for money/VAT)

4.1 Capital comments

This decision assumes that the Council will be awarded School Capital Maintenance Funding of **£1.200m** in 2021/22, alongside the already secured grant of **£0.568m**. The schemes detailed in Appendix 1 can be completed within this funding allocation and will be added to the Capital Programme.

- 4.2 Any difference between the assumed grant of **£1.200m** for 2021/22 and actual grant will lead to a change in contingency figure. Should the actual figure be significantly less than the assumed **£1.200m** then the schemes within Appendix 1 will require value engineering or removing from the programme to fit within the revised funding allocation.
- 4.4 Appendix A details **£0.030m** for feasibility costs, should any of these schemes not progress then the abortive costs will require charging to revenue and alternative funding will need to be identified.
- 4.5 As detailed in recommendation 7, when the Corporate Director for Children and Adults either adjusts the projects in Appendix A or approves new schemes copies of the relevant reports are to be shared with Technical Finance ensuring the Capital Programme is updated accordingly.
- 4.6 Due to this decision being 100% funded by external ringfenced grant, it meets the exemption criteria for the current amended scheme of delegation.
- 4.7 This value of grant is included within the planned element of the Capital Programme as approved at February Executive Board 2021. Following the approval of this decision the schemes will be moved into the approved stage of

the Capital Programme. Therefore, this decision does not increase the Council's Capital Programme from what was included at February Executive Board.

Tom Straw – Senior Accountant (Capital Programmes), 4 February 2021

4.2 Revenue comments

If the funding allocations are approved then any ongoing maintenance costs which arise after the completion of capital works will need to be funded from the schools budget.

Julia Holmes Senior Commercial Business Partner, 3 February 2021

5 Legal and Procurement colleague comments (including risk management issues, and legal, Crime and Disorder Act and procurement implications)

- 5.1 This report seeks authority to receive capital funding and to spend it in on maintenance works and projects at schools for which the City Council is responsible as set out in the appendix. The recommendations recognise that the amount of capital maintenance funding for 21/22 is not yet finalised so authorisation to flex the projects is also sought. Recommendation 9 refers to OJEU compliance – notwithstanding that the United Kingdom has left the EU the Public Contracts Regulations 2015 remain in force and Scape frameworks continue to be a complaint procurement process. The City Council can make direct contract awards to NCH as it is a company which benefits from the 'Teckal' procurement exemption. Provided any other contracts are awarded in accordance with the City Council's Financial Regulations this report does not raise any significant legal issues.

Andrew James Team Leader 29th January 2021

6 Strategic Assets & Property colleague comments (for decisions relating to all property assets and associated infrastructure)

- 6.1 The Corporate Asset Management outlines the importance of building maintenance management to ensuring that the Council's assets are fit for purpose and do not deteriorate and become unmanageable resulting in Health and Safety risks. The Council has a responsibility to ensure its buildings are legally compliant, maintained and accessible. The proposals contained in the report are supported by a Business Case that provides the rationale for why these works are required and have been prioritised. This is to ensure that the Council's statutory obligations will be met and that essential building condition works are undertaken which will safeguard business continuity.

Tanya Najuk – Head of Asset Management (Strategic Assets and Property) 12th February 2021

- 6.2 Building Services will design procure and manage all M&E and fire alarm schemes using a blend of internal and externally procured resource, utilising established NCC frameworks. Feasibilities have been completed to determine viability, cost, risks and mitigation. Following actions will include detailed design and specification, supplier and client engagement and programming, including statutory H&S compliance. Work will be supervised and cost managed, including quality control, in collaboration with the client department.

Ashleigh Warhurst – Infrastructure Delivery Manager (Building Services and Facilities Management) 11th February 2021

7 Social value considerations

- 7.1 The proposed framework agreement contains a number of Social Value KPIs, such as diverting waste to land fill, local spend and local employment targets to which the schemes will be measured.

8 Regard to the NHS Constitution

- 8.1 There are no implications on the NHS constitution

9 Equality Impact Assessment (EIA)

- 9.1 Has the equality impact of the proposals in this report been assessed?

No

☐

An EIA is not required because:

(Please explain why an EIA is not necessary)

Yes

☒

Attached as Appendix 3, and due regard will be given to any implications identified in it.

10 List of background papers relied upon in writing this report (not including published documents or confidential or exempt information)

- 10.1 None.

11 Published documents referred to in this report

- 11.1 None