

**Executive Board  
21 December 2021**

<b>Subject:</b>	School Capital Maintenance Grant Allocations 2022/2023
<b>Corporate Director(s)/Director(s):</b>	Catherine Underwood, Corporate Director for People
<b>Portfolio Holder(s):</b>	Councillor Eunice Campbell-Clark, Portfolio Holder for Leisure, Culture and Schools
<b>Report author and contact details:</b>	Caroline Butrymowicz, Project Manager – Major Projects <a href="mailto:caroline.butrymowicz@nottinghamcity.gov.uk">caroline.butrymowicz@nottinghamcity.gov.uk</a> 0115 8763396
<b>Other colleagues who have provided input:</b>	Robert Caswell, Programme Manager – Major Projects <a href="mailto:robert.caswell@nottinghamcity.gov.uk">robert.caswell@nottinghamcity.gov.uk</a> 0115 8763408
<b>Subject to call-in:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Key Decision:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Criteria for Key Decision:</b>	
(a) <input checked="" type="checkbox"/> Expenditure <input type="checkbox"/> Income <input type="checkbox"/> Savings of £750,000 or more taking account of the overall impact of the decision	
<b>and/or</b>	
(b) Significant impact on communities living or working in two or more wards in the City	
<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Type of expenditure:</b> <input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
<b>If Capital, provide the date considered by the Capital Board:</b> 17 November 2021	
<b>Total value of the decision:</b> £1,400,000	
<b>Wards affected:</b> All	
<b>Date of consultation with Portfolio Holder(s):</b> 15 November 2021	
<b>Relevant Council Plan Key Outcome:</b>	
Clean and Connected Communities	<input type="checkbox"/>
Keeping Nottingham Working	<input type="checkbox"/>
Carbon Neutral by 2028	<input type="checkbox"/>
Safer Nottingham	<input checked="" type="checkbox"/>
Child-Friendly Nottingham	<input type="checkbox"/>
Healthy and Inclusive	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Financial Stability	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>

**Summary of issues (including benefits to citizens/service users):**

In March 2021, the Executive Board approved the School Capital Maintenance Grant allocations for 2021/22. The subsequent grant that was received from the Department for Education (DFE) for 2021/22 totalled £2,584,000, which was more than anticipated, based on previous years. Due to the timing of the grant announcement, it was decided not to include additional schemes into the 2021/22 programme of works that had been approved in March, to take advantage of being able to commit financially to future schemes much earlier.

The 2021/22 programme of works has been successfully delivered over the 2021 school summer holidays, leaving the Council with an uncommitted balance of £1.4 million, which represents grant funding has already been received and secured. This report seeks approval to utilise this secured, uncommitted balance of £1.4 million from 2021/22 and to progress with the identified schemes (as listed in Appendix 4) to deliver the schools' capital maintenance programme for 2022/23.

**Does this report contain any information that is exempt from publication?**

No

**Recommendation(s):**

1. To approve the proposed school capital maintenance funding and delivery of schemes for 2022/23, and to note the draft strategy document (Appendix 1, which is a place-holding document that underpins the prioritisation of schemes ahead of the full development of the Council Asset Management strategy), the Business Case (Appendix 2) and the prioritisation process (Appendix 3). The proposals have been subject to the scrutiny of the Council's Project Assurance Group, with a list of recommendations included in Appendix 6.
2. To approve the use of the uncommitted balance of £1,400,000 in grant funding already received and secured in 2021/22 to deliver the schemes listed in Appendix 4, and to amend the Capital Programme to reflect this. £150,000 is to be set aside as a contingency fund to address any urgent health and safety issues that may arise in 2022/23.
3. To delegate authority to the Corporate Director for People to:
  - a) adjust the number of projects prioritised in Appendix 4 and the health and safety contingency fund as required to ensure that the final project costs are not in excess of the £1,400,000 secured grant funding;
  - b) allocate contingency funding to projects such as health and safety or condition issues that arise during 2022/23; and
  - c) adjust the funding allocation for each project once cost information is finalised. This will be subject to value for money being demonstrated and costs being within the overall budget allocated for this programme of works.
4. To delegate authority to the Director of Neighbourhood Services to appoint a contractor to design, procure and manage the mechanical and electrical schemes

and the asbestos removal scheme within the programme.

5. To approve the roofing scheme being put out to competitive tender in line with the Council's Financial Regulations or, if the tender process timelines are not achievable (and the scheme cannot be delivered in the 2022 school summer holidays), the procurement of the scheme through the SCAPE regional construction framework.

6. To approve the procurement of the replacement of hot water pipes, window repairs and fire safety work schemes through the SCAPE regional construction framework.

## 1. Reasons for recommendations

1.1 The prioritisation of the funding is based on technical advice received and an extensive review of schools. This is articulated in the appended Business Case (Appendix 2) and the prioritisation process (Appendix 3). There are two areas where funding has been prioritised:

- health and safety issues likely to impact on children and staff to ensure the safeguarding of pupils within the school site, ensuring buildings are structurally sound and the building can be safely evacuated in the event of an emergency; and
- condition issues likely to impact on the operation of the school, to ensure that school buildings are warm and dry to negate the potential of schools closing and loss of learning for the pupils.

1.2 This programme of works has been prioritised in line with the draft Capital Maintenance Strategy for Schools, this will be reviewed and reflect the priorities that are included within the overarching Corporate Asset Management Plan that is currently being developed as part of the wider Corporate Landlord role. To deliver this annual programme of works in the summer vacation 2022 has meant that it has moved ahead of the wider Asset Management Plan.

1.3 The total grant funding received from the DFE for 2021/22 was £2.584 million. This was in excess of expectations and has left a secured and uncommitted balance of £1.4 million. This has given the Council the opportunity to carry out a prioritisation exercise and plan the proposed works for 2022/23 much earlier than in previous years.

1.4 The feasibility costs for the proposed schemes (Appendix 4) total £1.25 million, leaving £150,000 to be held as a contingency amount to deal with any urgent health and safety or condition issues that arise during the financial year 2022/23. Authority will be delegated to the Corporate Director of People to approve these projects. This will allow a timely response to urgent issues if they arise.

## 2. Background (including outcomes of consultation)

2.1 The schools' capital maintenance grant for 2021/22 was announced in April 2021. The total grant received was £2.584 million. This was in excess of expectations and

significantly more than has been allocated in previous years. The 2021/22 programme of works has been successfully delivered and leaves a secured and uncommitted balance of £1.4 million. There is now an opportunity to use this uncommitted balance to seek approval for the 2022/23 programme of works to be delivered to keep our school buildings safe and improve their condition.

- 2.2 This report, plus the appended draft strategy document, Business Case and prioritisation process, identifies how this secured and uncommitted balance of the £1.4 million grant has been prioritised to support the health and safety and condition needs of children and schools in Nottingham.
- 2.3 The highest priorities relate to health and safety requirements, for example, ensuring the safeguarding of pupils within a school site, that buildings are structurally safe and the safe evacuation of a school building in the event of an emergency. 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, window works, boilers, heating pipes and electrical infrastructure.
- 2.4 The overall condition liability for schools in the City is approximately £24 million. This is significantly greater than the funding available. There is insufficient funding to complete all the necessary works to ensure all schools will not be at risk from, for example, inclement weather. To ensure the most urgent projects are prioritised and taken forward, the prioritisation process has included working with external specialist contractors and specialist colleagues within the Council. This has helped establish and consider the immediacy of risk to the schools. This is outlined in the appended Business Case.

### **3. Other options considered in making recommendations**

- 3.1 To combine the uncommitted and secured balance of £1.4 million from the 2021/2022 schools' maintenance funding with basic need funding to address the shortfall in school places across the city, or to retain the £1.4 million uncommitted balance from the 2021/22 schools' maintenance fund to then amalgamate it with the anticipated 2022/23 grant that is expected in April 2022: 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. The uncommitted balance of £1.4 million is funding the Council has already secured and gives the opportunity to prioritise and plan the works far earlier than in previous years.

### **4. Consideration of Risk**

- 4.1 The potential risks associated with taking forward this proposal are as follows:

- Construction inflation is high and there is pressure on both the supply and labour market. In order to mitigate this, contingencies have been allowed on each of the schemes that are above the current rate of industry inflation. As the grant funding has been received and is secure, there is the opportunity to engage with contractors earlier than in previous years. This should help to secure labour resource well in advance of the school summer holidays 2022.

- If the programme of works is not carried out, in some cases, it may be necessary to have to manage temporary school closures (for example, if a heating system fails), and this will impact on learning.
- If the programme of works is not carried out, schools may struggle to manage and address maintenance issues at a time when school budgets are under immense pressure.
- The condition liability of the Nottingham City school estate will not be reduced if these works are not carried out.

## **5. Finance colleague comments (including implications and value for money/VAT)**

### **Capital comments**

- 5.1 This decision is based on secured School Capital Maintenance Funding received in 2021/22. The schemes in Appendix 4 can be completed within this secured funding.
- 5.2 Appendix 4 details some works that are classed as feasibility costs. Should these schemes not progress then the abortive costs will require charging to revenue and alternative funding will need to be identified.
- 5.3 As detailed in recommendation 3, when the Corporate Director for Children and Adults either adjusts the projects in Appendix 4 or approves new schemes from grant underspend or contingency, copies of the relevant reports are to be shared with Technical Finance to ensure the Capital Programme is updated accordingly.
- 5.4 Due to this decision being 100% funded by external ringfenced grant, it meets the exemption criteria for the current amended scheme of delegation and these schemes have been fully endorsed by the Capital Board.
- 5.5 This value of grant is included within the planned element of the Capital Programme. 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.

Advice provided by Tom Straw, Senior Accountant – Capital Programmes, on 24 November 2021.

### **Revenue comments**

- 5.6 If the funding allocations outlined in Appendix 4 are approved then any ongoing maintenance costs which arise after the completion of capital works will need to be funded from the schools budget.

Advice provided by Julia Holmes, Senior Commercial Business Partner – Children's and Education, on 16 November 2021.

## **6. Legal colleague comments**

- 6.1 There are no significant legal issues arising from the recommendations set out in the report. The application and spend of the grant against identified programmes of work will be subject to the Council's Contract Procedure Rules and specifically any procurement requirements. Legal Services will provide support as required for the drafting of any contracts. With regard to the proposed use of the Scape framework for the undertaking of some of the works, again there are no legal concerns arising from this.

Advice provided by Naomi Vass, Team Leader – Commercial, Employment and Education, on 29 November 2021.

## **7. Procurement colleague comments**

- 7.1 There are no direct Procurement implications set out within the report. Procurement will work with the client to ensure value for money and compliance with the Council's Contract Procedure Rules and Public Contract Regulations.

Advice provided by Sue Oliver, Places Category Manager, on 24 November 2021.

## **8. Building Services colleague comments**

- 8.1 Building Services fully supports the school condition works 2022/23 programme.

Advice provided by Trevor Bone, Acting Head of Building Services, on 22 November 2021.

## **9. Property colleague comments**

- 9.1 The Property and Strategic Assets team has not been involved in developing these proposals.
- 9.2 The report states that there are two areas where funding has been prioritised, firstly, health and safety issues likely to impact on children and staff and, secondly, condition issues likely to impact on the operation of the school. The report also advises that consideration will be given as to how carbon emissions can be reduced during the design stage for any intended works (particularly in relation to heating replacement schemes). This all seems a sensible approach.
- 9.3 Going forward, it is anticipated that the Council's emerging Asset Management Strategy will inform how such matters will be managed, ensuring that there is a corporate approach.

Advice provided by Steve Sprason, Interim Head of Property, on 30 November 2021.

## **10. Equalities colleague comments**

- 10.1 I have reviewed the Schools' Capital Maintenance Grant Allocations 2022/23 Equalities Impact Assessment and I support this proposal.

Advice provided by Rosey Donovan, Equality and Employability Consultant, on 12 November 2021.

## 11. Social value considerations

11.1 The proposed SCAPE framework procurement route for some of the schemes contains a number of Social Value key performance indicators, such as diverting waste to land fill, local spend and local employment targets, to which the schemes will be measured.

## 12. Equality Impact Assessment (EIA)

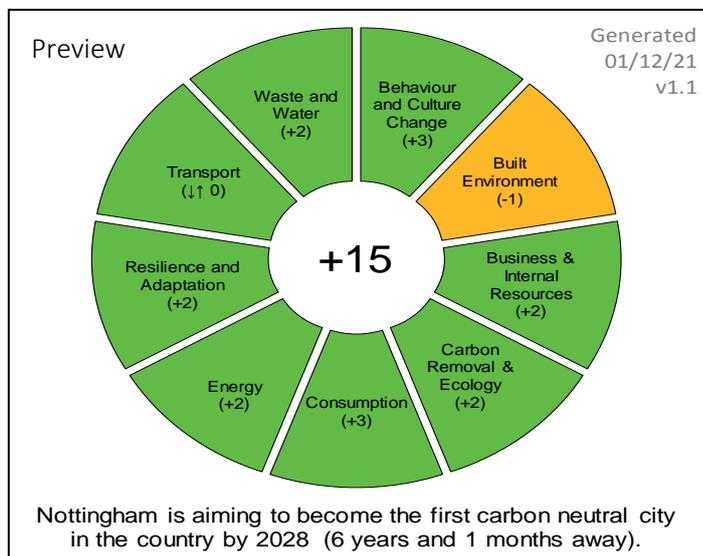
12.1 An EIA is attached as Appendix 5, and due regard will be given to any implications identified in it.

## 13. Data Protection Impact Assessment (DPIA)

13.1 A DPIA is not required because this programme of works will have limited data collected.

## 14. Carbon Impact Assessment (CIA)

14.1 A CIA is attached as Appendix 7, and due regard will be given to any implications identified in it.



14.2 The carbon impact assessment wheel reflects a score of fifteen for this programme of works and highlights the rationale for the scoring. Where applicable (and as articulated in the business case) for the individual schemes proposed, post evaluation benefits analyses will be carried out to establish the impact on the energy usage for schools by way of reviewing utility bills.

14.3 The key performance indicators submitted by contractors will be monitored to measure carbon reduction indicators such as environmentally friendly waste removal

options. It will be ensured for any proposed schemes that, during the design development stage, serious consideration will be given to how carbon emissions can be reduced to support this outcome. For example, the practicality of decarbonising existing heating systems in schools by introducing carbon neutral heating interventions where and when possible will be assessed.

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

15.1 None.

**16. Published documents referred to in this report**

16.1 None.