

Executive Board – Date 17th October 2023

Subject:	School Capital Maintenance Grant Allocations 2023/24.
Corporate Director(s)/Director(s):	Catherine Underwood – Corporate Director for People Nick Lee –Director of Education Services
Portfolio Holder(s):	Councillor Cheryl Barnard – Portfolio Holder for Children, Young People and Education.
Report author and contact details:	Caroline Butrymowicz - Project Manager, Major Projects. caroline.butrymowicz@nottinghamcity.gov.uk
Other colleagues who have provided input:	Robert Caswell – Programme Manager , Major Projects Tom Straw – Senior Accountant, Capital Programme Tony Heath – Solicitor Sue Oliver – Category Manager – Places
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 £750,000 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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
	If Capital, provide the date considered by Capital Board Date: 6 th September 2023
Total value of the decision:	£2,743,541
Wards affected:	All
Date of consultation with Portfolio Holder(s):	21st September 2023
Relevant Council Plan Key Outcome:	
Green, 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 checked="" type="checkbox"/>
Living Well in our Communities	<input type="checkbox"/>
Keeping Nottingham Moving	<input type="checkbox"/>
Improve the City Centre	<input type="checkbox"/>
Better Housing	<input type="checkbox"/>
Serving People Well	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The annual capital maintenance grant allocation from the Department for Education (DfE) for 2023-24 was confirmed in March 2023. The total value of the grant is £2,743,541 and is to improve the condition of school buildings maintained by the Council.</p> <p>This report seeks approval to accept the grant and approve the fourteen schemes that have been prioritised using the draft strategy document (which is a place-holding document that underpins the prioritisation of schemes ahead of the finalisation of the of the Council’s Asset Management Strategy), as noted at the 21 December 2021 Executive Board meeting. The schemes are listed in Appendix. 2.</p>	

In addition, approval is sought to allocate a contingency of £623,541. The contingency is to be delegated to the Corporate Director for People to approve and authorise how this is spent, in accordance with the criteria that was noted in the report approved at the 21 December 2021 Executive Board meeting.

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

No

Recommendation(s):

- 1** To accept the Capital Maintenance Grant 2023-24 of £2,743,541 from the Department for Education and to approve the fourteen schemes prioritised using the draft strategy document as set out at the 21st December 2021 meeting of the Executive Board.
- 2** To approve a contingency of £623,541 and delegate authority to the Corporate Director for People to approve and authorise how the contingency is allocated.
- 3** To authorise the procurement of any necessary contracts to carry out the programme of schemes using the 2023/24 funding and delegate authority to the Corporate Director for People to award any procured contracts.

1. Reasons for recommendations

- 1.1 The prioritisation of the school capital maintenance grant is based on technical advice and a review of the condition of the Nottingham City schools estate. The process is articulated in the appended Business Case (Appendix 1) and the draft strategy document which is being used until the Corporate Asset Management plan is finalised. There are two areas where funding is prioritised:
- Health and safety issues likely to impact on children and staff to ensure the safeguarding of the pupils within the school site, ensuring buildings are structurally sound and 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 The programme of works is prioritised in line with the draft Capital Maintenance Strategy for Schools. This will be reviewed and reflect the priorities that are in the overarching Corporate Asset Management Plan that is currently being finalised as part of the wider Corporate Landlord role

The grant for 2023-24 is £2,743,541 and fourteen schemes have been identified which will be delivered in the school summer holidays 2024 or earlier where possible, taking advantage of the October 2023 half term and Easter 2024 school holidays respectively

- 1.3 Delegating authority to the Corporate Director for People to approve and authorise how the contingency is allocated will ensure a timely response to any urgent issues that arise.

2. Background (including outcomes of consultation)

- 2.1 The Council receives an annual grant from the DfE to address the priority condition and capital maintenance issues at Nottingham Schools. The grant for 2023-24 has been received for the value of £2,743,541 and fourteen projects have been prioritised. In addition to these schemes, a contingency of £623,541 has been identified to address any urgent schemes that may arise that need addressing in 2023-24. This proposal seeks approval to delegate to the Corporate Director of People the contingency allocation and authority to approve how this is spent. The decision under this delegation will be published.
- 2.2 The grant is to improve the condition of school buildings maintained by the Council. The highest priorities for approval relate to Health and Safety requirements, for example ensuring the safeguarding of pupils within a school site, ensuring buildings are structurally sound and the safe evacuation of a school in the event of an emergency. The next priorities are those condition issues that mean schools are not weather proof or warm in winter, which could lead to school closing temporarily and to a loss of learning. This could include schools that need roof replacements, new windows, repairs to existing boilers or replacement heating systems or electrical infrastructure.
- 2.3 The overall condition liability for schools in Nottingham is approximately £23 million and is significantly greater than the funding available. As there is insufficient funding to complete all works, the Council has to ensure that all schemes are prioritised in a consistent manner. The appended Business Case (Appendix 1) and the prioritisation process explains how schemes will be brought in to the programme to support the Health and Safety and Condition needs for pupils in Nottingham schools

3. Other options considered in making recommendations

- 3.1 To combine the 2023-24 Schools' Capital Maintenance Grant with Basic Need funding and the SEND capital funding to address the shortfall of SEND capacity and secondary places across the city. This option was rejected as it would leave schools at risk of temporary closure due to health and safety or condition issues. It could also mean that school buildings continue to deteriorate and may be subject to forced closure whilst emergency repairs are carried out.

4. Consideration of Risk

- 4.1 Currently construction inflation is high and there is a continued pressure on both supply and labour market. In order to mitigate this contingencies will continue to be allocated for all future programme schemes above the level of construction inflation at the time. If programmes of work are not carried out then there is a risk that temporary school closures could have to be managed – for example if a school heating system fails. If programmes of work are not carried out then schools may struggle to address maintenance issues at a time when school budgets are under immense pressure. The condition liability of the school estate will not be reduced if this programme of works does not take place.

5. Best Value Considerations, including consideration of Make or Buy where appropriate

- 5.1 There are two routes to procure these works, using Building Services to deliver the replacement heating or boiler systems and Fire Alarms and to use a framework contractor off the SCAPE Framework to deliver the remaining schemes.
- 5.2 Building Services provide servicing for boilers, heating systems and fire alarms in the school estate and are therefore very familiar with the these school systems. This supports efficient operations and identifies those most at risk of failure.
- 5.3 The Scape Framework provides value for money through the ability to get early engagement, free feasibility costs and to build a longer term relationship that allows the prioritisation of the programme which is critical in an environment where work is being completed in a live school.

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

- 6.1 **Capital Comments:** Following the approval of this decision, projects will be set up and funded from Capital Maintenance Grant as detailed in appendix 2. The projects within this decision formally commits £2.1 million from the awarded grant of £2.7 million. Allocating the balance to projects will require formal approval.
- 6.2 The Capital Maintenance Grant has an allocation within the planned element of the Capital Programme as approved at the February 2023 Executive Board. Following the approval of this decision, the schemes will be moved into the approved stage of the Capital Programme and the planned section of the programme will be amended to take account of the unallocated grant (i.e. contingency) of £0.6 million.
- 6.3 **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.

Tom Straw – Senior Accountant (Capital Programmes) 7th August 2023

7. Legal Comments

- 7.1 The funds received from the DFE must be used in accordance with the conditions and restrictions on use specified by the DFE.
- 7.2 In undertaking the proposed works, where the Council intends to secure services from 3rd parties, an appropriate and compliant (with relevant Regulations and the Council's Constitution) route to market should be used – colleagues in Procurement should be engaged early in that process. Legal Services can support in relation to appropriate legal agreements where that work can be resourced in-house; where this is not the case, the costs of using external lawyers should be factored into the decision.
- 7.3 The 14 intended projects have been prioritised using a draft strategy document. There is an inherent risk in basing a decision on a draft document. That risk can be mitigated somewhat in the Council adopting a transparent and consistent approach to ensure the prioritisation decision is justifiable and robust.

- 7.4 This report also seeks approval for the use of a contingency fund in accordance with the criteria noted in a report approved on 21 December 2021. That report has not been reviewed but the criteria will need to be sufficiently clear to ensure decisions on the use of the contingency fund are taken within the parameters stipulated. It would be prudent to retain evidence that the contingency has been spent as stipulated. Anthony Heath, Senior Solicitor, Contracts and Commercial, 9th June 2023.

8. Procurement Comments

There are no procurement concerns with the recommendations set out in the report. Scape's regional and national construction frameworks provide a complaint route to market with no procurement implications if the terms of the Framework Agreement are complied with. Procurement will work with the Client to ensure that all procurement activity is compliant with NCC's contract procedure rules. Comments provided by Sue Oliver – Procurement Category Manager for Places 13/06/2023.

9. Building Services Comments

- 9.1 Building Services fully supports the schools condition works programme. Trevor Bone – Head of Building Services and Facilities Management. 20th June 2023.

10. Property Comments

- 10.1 The proposals are supported by Strategic Property as they ensure that the buildings are suitable and sustainable for the future. Deborah Millar – Business Partner, Strategic Assets and Property. 15th June 2023.

11. Crime and Disorder Implications (If Applicable)

- 11.1 This is not applicable.

12. Social value considerations (If Applicable)

- 12.1 The proposed SCAPE framework procurement route for some of the schemes contains a number of social value key performance indicators, such as diverting waste from landfill, local spend and local employment targets by which the schemes will be measured.

13. Regard to the NHS Constitution (If Applicable)

Not applicable.

14. Equality Impact Assessment (EIA)

- 14.1 An EIA is attached as Appendix 3 and due regard will be given to any implications identified in it

15. Data Protection Impact Assessment (DPIA)

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

16. Carbon Impact Assessment (CIA)

16.1 A CIA is attached as Appendix 4 and due regard will be given to any implications identified in it.

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

17.1 None

18. Published documents referred to in this report

18.1 None