

Executive Board – 17th December 2024

Subject:	School Capital Maintenance Grant Allocations 2024/2025
Corporate Director(s)/Director(s):	Jill Colbert – Corporate Director for Children and Education Services Nick Lee – Director of Education Services
Executive Member(s):	Councillor Cheryl Barnard – Portfolio Holder for Children, Young People and Education
Report author and contact details:	Caroline Butrymowicz – Project Manager, Corporate PMO caroline.butrymowicz@nottinghamcity.gov.uk Telephone: (0115) 8763396
Other colleagues who have provided input:	Robert Caswell – Programme Manager, Corporate PMO Martin Williams – Commercial and Governance Manager, Corporate PMO Tom Straw – Senior Accountant, Capital Programme Tom Button – Contracts and Commercial Team Leader, Legal Services Sue Oliver – Category Manager - Procurement
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 checked="" type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital	
If Capital, provide the date considered by Capital Board Date: 14 th November 2024	
Total value of the decision: £3,196,686	
Section 151 Officer expenditure approval	
Has the spend been approved by the Section 151 Officer? <input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> N/a	
Spend Control Board approval reference number:	
Commissioner Consideration	
Has this report been shared with the Commissioners' Office? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Any comments the Commissioners wish to provide are listed below.	
Wards affected: All	
Date of consultation with Executive Member(s): 13th November 2024	
Relevant Council Plan Key Outcome:	
Clean, Green 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):	
The annual capital maintenance grant allocation from the Department for Education (DfE) for 2024/25 was confirmed in March 2024. The total value of the grant is £2,692,168 and is to improve the condition of school buildings maintained by the Council.	

The Primary Health and Safety budget (which is grant funded via historical Capital Maintenance underspends) has a balance of £204,518. Due to a high number of priorities and existing pressures, we are also seeking approval to include this amount within the overall funding envelope.

This report therefore seeks approval to accept the 2024/25 grant and include the balance of the Primary Health and Safety budget and to approve the fourteen schemes that have been prioritised using the Capital Maintenance draft strategy document. The schemes are listed in Appendix 2.

A contingency of £624,686 that is to be delegated to the Corporate Director for Children and Education Services to approve has been identified within the total grant funding to deal with any unforeseen issues that arise over the year within schools.

To approve a payment of up to £0.300m from the Building Schools for the Future (BSF) Lifecycle Reserve fund to Rosehill Special School to undertake condition and maintenance works to the building. The building is reaching the point in the 25 year cycle where it is requiring some maintenance works to keep the building in good condition.

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

No

Recommendation(s):

- 1** To accept the Capital Maintenance Grant 2024/25 of £2,692,168 from the Department for Education and to include the £204,518 balance of the Primary Health and Safety fund into the funding envelope and to approve the fourteen schemes prioritised using the draft Capital Maintenance strategy document.
- 2** To approve a contingency of £624,686 and delegate authority to the Corporate Director for Children and Education Services to approve and authorise how the contingency is allocated.
- 3** To authorise the procurement of any necessary contracts (Construction and Professional Services including Legal) to carry out the programme of schemes using the 2024/25 funding and delegate authority to the Corporate Director for Children and Education Services to award any procured contracts.
- 4** To approve payments of up to £300,000 from the Building Schools for the Future (BSF) Lifecycle Reserve fund (Dedicated Schools Grant) to Rosehill Special School to undertake condition and lifecycle works to the school buildings.

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 to prioritise the schemes in schools. 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.

1.3 The grant for 2024/25 is £2,692,168 and we are seeking to also include the £204,518 balance of the Primary Health and Safety fund into the funding envelope. There are fourteen schemes have been identified (Appendix 2) which will be delivered in the school summer holidays 2025 or earlier where possible, taking advantage of February half term and Easter 2025 school holidays respectively.

1.4 Delegating authority to the Corporate Director for Children and Education Services 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 2024/25 has been received for the value of £2,692,168 and fourteen projects have been prioritised. Due to pressures on the proposed programme we are seeking to include the £204,518 balance of the Primary Health and Safety fund into the funding envelope. A contingency of £624,686 has been identified to address any urgent schemes that may arise that need addressing in 2024/25 or earlier. This proposal seeks approval to delegate to the Corporate Director of Children and Education Services the contingency and authority to approve how this is spent. The decisions 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, repairs to existing boilers, replacement heating systems or electrical infrastructure works.

2.3 The condition liability for schools in Nottingham is over £20 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 into the

programme to support the Health and Safety and Condition needs for pupils in Nottingham schools

- 2.4 The Building Schools' for the Future (BSF) lifecycle fund was established to ensure that BSF schools who were not funded via Public Finance initiative (PFI) had sufficient funding to be maintained over the first 25 years of the school life. Approval is sought to use the £300,000 from the Rosehill Special School lifecycle reserve to fund condition and maintenance works. It is recognised that most items will be procured by the school with the exception of roofing works that is too large for the school to manage, so this will be procured through the Authority via the Scape Framework and will be contained within the approved funding.

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

- 3.1 To combine the 2024/25 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 Construction inflation remains high and there is a continued pressure on both supply and labour market. In order to mitigate these issues contingencies will continue to be allocated for all future programme schemes above the level of construction inflation at the time where possible.
- 4.2 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.
- 4.3 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 Consideration was given to using internal resources to undertake some of the works particularly in terms of heating works. However, due to resource availability the programme will be carried out by a contractor on the SCAPE framework, which is a fully compliant procurement route.
- 5.2 The Scape framework provides early access to the contractor and the provision of free feasibilities and the working relationship that is developed is critical in delivering multiple small projects in tight timeframes that are created by school holidays.

6. **Commissioner comments**

- 6.1 Commissioners have reviewed and approved with no further commentary

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

7.1 The 2024/25 School Maintenance Grant is currently included within the planned section of the Capital Programme, while the H&S budget is within the approved section of the Capital Programme. Therefore, following formal approval of this decision the Capital Programme will be amended as follows:

Table: Impact of Decision on Capital Programme			
	Position at Period 5 £m	Position Following Formal Approval £m	Capital Budget Movement £m
Approved Programme			
H&S Contingency (26/27)	0.205	0.000	(0.205)
Additional Schemes	0.000	2.272	2.272
Planned Programme			
Unallocated School Condition Grant	2.692	0.625	(2.067)
Total Capital Budget	2.897	2.897	0.000

7.2 As this decision has £nil impact on the cumulative Capital Budget position it does not require endorsement by the Capital Board prior to the Capital Programme being amended.

7.3 The capital grant for these decisions has been secured by the Council and the project manager is required to ensure that the projects are delivered within budget (including contingency) as the Council is unable to provide any funding from Council resources.

7.4 The identified schemes are capital improvements with any future maintenance liability having to be funded from the relevant school budget and therefore, any impact on the general fund is excluded from the MTFP.

Tom Straw – Senior Accountant (Capital Programmes) 28th October 2024

8. **Legal colleague comments**

8.1 This report seeks authority to accept the Capital Maintenance Grant for 2024/25 in the sum of £2,692,168 from the Department for Education; augment that figure with £204,518 Primary Health and Safety Fund; use that aggregate funding to deliver 14 priority schemes.

8.2 The funds received from the DFE must be used in accordance with the conditions and restrictions on use specified by the DFE.

8.3 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. The proposals to use the Scape Framework would achieve this.

8.4 Legal Services can support in relation to appropriate legal agreements where that can be resourced in-house and it is noted that costs of using external lawyers has been factored into the decision with a corresponding approval

where that is not possible due to expertise or capacity.

- 8.5 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.
- 8.6 This report also seeks approval for the provision and use of a contingency fund. The criteria for the use of that fund 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.
- 8.7 Noting that the Rosehill Special School condition and maintenance works contracts are primarily to be procured, entered into and managed by the school directly, no procurement law or constitutional issues arise in this regard. Where the Council is to enter into a works contract on behalf of the school, the service will need to have regard to the relevant thresholds under the constitution and further authorities and/or input from procurement may be required depending on the value of the works.

Tom Button - Contracts and Commercial Team Leader, Legal Services – 8th October 2024

9. **Procurement Comments**

- 9.1 It is proposed to award contracts using the appropriate SCAPE (Direct Call-off) single supplier Frameworks. Best Value has already been achieved through the respective procurement process when setting up the individual Framework Agreements. The main contractors are supported by an extensive local supply chain, many of which are locally based or employ their workforce from within the local region.
- 9.2 The proposals raise no significant procurement issues, but care must be taken to ensure compliance with the SCAPE Framework terms. The contracts to be entered into will be based on the SCAPE framework template call off contracts which are from the NEC suite of construction contracts and are fully compliant with the Public Contract Regulations. Comments provided by Sue Oliver – Procurement Category Manager for Places - 30th October 2024

10. **Other relevant comments**

- 10.1 The recommendations in the report are supported by Strategic Assets and Property: It is clearly sensible to ensure that required works that impact on the weather proofing of buildings are undertaken in a timely manner so that water ingress does not cause more costly repairs and closures of school sites. As mentioned in the report failure of heating systems can lead to closures and with the extended time frame for getting parts from abroad breakdowns can take longer to repair.

Deborah Millar – Strategic Assets Business Partner - 1st October 2024

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 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)

13.1 This is not applicable

14. Equality Impact Assessment (EIA)

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

No

Yes

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 Has the carbon impact of the proposals in this report been assessed?

No

Yes

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