

EXECUTIVE BOARD – 22 APRIL 2014

Subject:	Capital Maintenance grant allocations for 2014/15		
Corporate Director(s)/ Director(s):	Alison Michalska, Corporate Director for Children and Adults		
Portfolio Holder(s):	Councillor David Mellen, Portfolio Holder for Children’s Services		
Report author and contact details:	Rob Caswell, Programme Manager, Major Programmes, Development Tel: 0115 8763408 Email: robert.caswell@nottinghamcity.gov.uk		
Key Decision	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Subject to call-in	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Reasons: <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			<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Significant impact on communities living or working in two or more wards in the City			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Total value of the decision: £1,959,000			
Wards affected: All wards		Date of consultation with Portfolio Holder(s): 19 March 2014	
Relevant Council Plan Strategic Priority:			
Cutting unemployment by a quarter			<input type="checkbox"/>
Cut crime and anti-social behaviour			<input type="checkbox"/>
Ensure more school leavers get a job, training or further education than any other City			<input checked="" type="checkbox"/>
Your neighbourhood as clean as the City Centre			<input type="checkbox"/>
Help keep your energy bills down			<input type="checkbox"/>
Good access to public transport			<input type="checkbox"/>
Nottingham has a good mix of housing			<input type="checkbox"/>
Nottingham is a good place to do business, invest and create jobs			<input type="checkbox"/>
Nottingham offers a wide range of leisure activities, parks and sporting events			<input type="checkbox"/>
Support early intervention activities			<input type="checkbox"/>
Deliver effective, value for money services to our citizens			<input checked="" type="checkbox"/>
Summary of issues (including benefits to citizens/service users):			
The Capital Maintenance grant allocation from the Department for Education (DfE) has been announced at £1.959 million. This report seeks approval to allocate this funding to address Health and Safety and condition issues in schools and approval to procure these works.			
Exempt information:			
None.			
Recommendation(s):			
1 To approve the allocation of the Capital Maintenance grant funding, totalling £1.959 million, to the schemes set out in Appendix 1, noting that £0.194 million is set aside as a contingency fund.			
2 To amend the Capital Programme to include the additional £1.959 million received as part of the grant.			
3 To approve the procurement routes set out in section 6 for the allocations, and delegate authority to the Director of Legal and Democratic Services, to sign contracts following procurement exercises to allow the schemes to be delivered.			
4 To delegate authority to the Portfolio Holder for Children’s Services to allocate contingency funding to projects, as health and safety or condition issues arise during 2014/15.			

1 REASONS FOR RECOMMENDATIONS

- 1.1 The prioritisation of the funding is based on advice received from the City Council's Safety and Compliance Team and external specialist contractors. There are two areas where funding has been prioritised:
- health and safety issues likely to impact on children or staff;
 - condition issues likely to impact on the operation of the school.
- 1.2 The balance of the funding for the Capital Maintenance grant has been identified as part of the prioritisation process and £0.194 million will be held as a contingency amount to deal with urgent health and safety or condition issues that arise during the financial year 2014/15. Delegating authority to the Portfolio Holder for Children's Services to approve these schemes will enable a swift response to urgent issues as they arise.

2 BACKGROUND (INCLUDING OUTCOMES OF CONSULTATION)

- 2.1 The DfE have announced the allocation of Capital Maintenance grant for schools for the financial year 2014/15. The Capital Maintenance grant allocation of £1.959 million is aimed at improving the condition of the school buildings maintained by the Local Authority.
- 2.2 The Capital Maintenance grant was previously paid directly to schools as Devolved Formula capital. This changed in 2012, with a significant proportion of the funding now coming directly to the Local Authority to allocate based on local priorities.
- 2.3 The grant allocation only relates to Local Authority schools. There has been a reduction in the funding from 2013/14 due to a number of Local Authority schools converting to Academies. Academies are able to apply for a maintenance grant directly from the DfE.
- 2.4 The highest priorities relate to health and safety requirements, for example, where work is required to address the risk of Legionella or removal of asbestos.
- 2.5 The next priorities are those condition issues that mean that the 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. 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 schemes 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.
- 2.6 This report identifies how the grant will be prioritised to meet the needs of the schools maintained by the Local Authority.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Consideration was given to combine the Capital Maintenance grant and the Basic Need funding. If combined, this funding could be used to address the shortfall in school places across the City. This option was rejected as this would have left a number of schools at risk of closure through health and safety or condition issues.

- 3.2 Consideration was also given to amalgamating the Capital Maintenance grant with broader City Council capital funding. This option was rejected as it also would have left schools at risk of closure through health and safety or condition issues and would also mean that school buildings continued to deteriorate, increasing the risk of forced closures for emergency repairs in the future.

4 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY/VAT)

- 4.1 The Capital Maintenance Grant has been confirmed by the DfE for 2014/15 at £1.959 million, therefore, the works referred to in this report can be carried out within the current allocation. The Capital programme will be amended to reflect this additional amount and allocated to schemes as detailed in Appendix 1.

5 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS AND CRIME AND DISORDER ACT IMPLICATIONS)

- 5.1 Risks are managed through formal Risk Registers on individual schemes and other main risk issues have been highlighted in the report. The key risk is that if funding is not allocated and work does not take place there is a risk of school closures due to health and safety or condition issues.
- 5.2 The City Council is legally obliged to demonstrate it is achieving value for money in procuring works and services and, therefore, must be satisfied that the reasons in this report justify the use of the SCAPE framework for this programme of work which will extend over a range of schools and a period of time.

6 SOCIAL VALUE CONSIDERATIONS

- 6.1 The various works will be carried by accessing either the Cabinet Office (CCS) or East Midlands Property Alliance (EMPA) framework agreements, both of which offer compliant routes to market and provide value for money for the Council.
- 6.2 Social considerations were taken into account when establishing the framework agreements.
- 6.3 With regard to EMPA frameworks approximately 85% of the works are sub-contracted out to Small to Medium Enterprises (SMEs), there are no barriers to entry with this sector. Key Performance Indicators (KPIs) are also captured in relation to local spend, employment and skills plans and payments made to sub-contractors within 30 days of receipt invoice.

7 REGARD TO THE NHS CONSTITUTION

- 7.1 There are no implications on the NHS constitution.

8 EQUALITY IMPACT ASSESSMENT (EIA)

Has the equality impact been assessed?

- (a) not needed (report does not contain proposals for new or changing policies, services or functions, financial decisions or decisions about implementation of policies development outside the Council)
- (b) No

(c) Yes – Equality Impact Assessment attached as Appendix 2



Due regard should be given to the equality implications identified in any attached EIA.

9 LIST OF BACKGROUND PAPERS RELIED UPON IN WRITING THIS REPORT (NOT INCLUDING PUBLISHED DOCUMENTS OR CONFIDENTIAL OR EXEMPT INFORMATION)

9.1 None.

10 PUBLISHED DOCUMENTS REFERRED TO IN THIS REPORT

10.1 None.

11 OTHER COLLEAGUES WHO HAVE PROVIDED INPUT

11.1 Financial implications at 4.1 by:

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11.2 Legal implications at 5.2 by Glen O’Connell, Director Legal and Democratic Services

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11.3 Procurement implications at 6.1 by Sue Oliver, Category Manager for Construction, Procurement

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