

EXECUTIVE BOARD - 19th March 2019

Subject:	School Capital Maintenance Grant Allocations 2019/20.
Corporate Director(s)/Director(s):	Alison Michalska – Corporate Director Children and Adults.
Portfolio Holder(s):	Councillor Neghat Khan – Portfolio Holder for Education and Skills
Report author and contact details:	Caroline Butrymowicz– Project Manager, Major Projects. Tel: 0115 8763396 E-mail: caroline.butrymowicz@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 checked="" type="checkbox"/> No
Type of expenditure:	<input type="checkbox"/> Revenue <input checked="" type="checkbox"/> Capital
Total value of the decision:	up to £ 1,391,621
Wards affected:	All
Date of consultation with Portfolio Holder(s):	19 th February 2019
Relevant Council Plan Key Theme:	
Strategic Regeneration and Development	<input type="checkbox"/>
Schools	<input checked="" type="checkbox"/>
Planning and Housing	<input type="checkbox"/>
Community Services	<input type="checkbox"/>
Energy, Sustainability and Customer	<input type="checkbox"/>
Jobs, Growth and Transport	<input type="checkbox"/>
Adults, Health and Community Sector	<input type="checkbox"/>
Children, Early Intervention and Early Years	<input checked="" type="checkbox"/>
Leisure and Culture	<input type="checkbox"/>
Resources and Neighbourhood Regeneration	<input type="checkbox"/>
Summary of issues (including benefits to citizens/service users):	
<p>The Capital Maintenance grant allocation from the Department for Education (DfE) is expected to be confirmed in late Spring 2019. An estimated amount of £1.2 million is forecast to be allocated to improve the condition of school buildings maintained by Nottingham City Council (NCC).</p> <p>In previous years the timing of the announcement has meant a challenging timescale to deliver projects. In order to mitigate this for 2019/20, approval was obtained via a briefing note to the Corporate Director Children and Adults, dated 18th January, to start prioritising and scoping the programme of works, allowing more time for the delivery of the programme.</p> <p>This report seeks an approval in advance of receipt of the funding announcement to the recommendations and within the defined parameters set out below. This will enable the project prioritisation and delivery of the projects in Appendix A to commence once funding has been allocated.</p>	
Exempt information:	None

Recommendation(s):
1. To delegate authority to the Corporate Director of Children and Adults to accept the School Capital Maintenance funding grant allocation from the Department for Education (DfE) to Nottingham City Council
2. To delegate authority to the Corporate Director of Children and Adults to allocate funding from the School Capital Maintenance funding grant to the projects detailed in Appendix A
3. To note that £0.173 million is set aside as a contingency fund to allow the adjustment of the number of projects prioritised in Appendix A.
4. To approve £0.025 million to allow the scoping and prioritisation of projects for a programme of works in 2020/21 to commence in Autumn 2019. NCC Design Services will deliver these works.
5. To amend the Capital Programme to include the allocation of grant.
6. To delegate authority to the Corporate Director for Children and Adults to make adjustments of the number of projects prioritised in Appendix A and the contingency should it be necessary.
7. To Delegate Authority to Corporate director for Children and Adults to allocate contingency funding to projects such as health and safety or condition issues which arise during 2019/20, and to 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.
8. To appoint NCC Design Services to design, procure and manage the projects.
9. To approve the procurement of the works through the East Midlands Regional construction framework – an OJEU (the Official Journal of the European Union) compliant framework.
10. To delegate authority to the Head of Legal Services to sign contracts with the preferred contractors following procurement exercises to allow the projects to be delivered.
11. To approve a payment of £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. 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 School Condition grant has been identified as part of the prioritisation process and £0.173 million will be held as a contingency amount to deal with urgent health and safety or condition issues

that arise during the financial year 2019/20. Delegating authority to the Corporate Director for Children and Adults to approve these projects will enable a swift response to urgent issues as they arise.

- 1.3 It is assumed that the DfE will continue to allocate the Capital Maintenance grant to Local Authorities. In order to plan ahead for the delivery of future schemes, £0.025 million will be allocated to begin the prioritisation for a programme of works in 2020/21. Further approvals will be sought to allocate funding to this programme of works in Spring 2020 on the assumption that funding will be allocated by the DfE. 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 eight 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 Capital Maintenance grants for the financial year 2019/20 is expected imminently. Based on previous funding allocations, it is expected that around £1.2 million will be allocated to improve the condition of school buildings maintained by Nottingham City Council.
- 2.2 This report identifies how the grant will be prioritised to support the Health and Safety and condition needs of schools in Nottingham.
- 2.3 The highest priorities relate to health and safety requirements, for example, where work is required to address the risk of asbestos. 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.
- 2.4 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.

3 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 3.1 Consideration was given to combine the Condition 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 Condition 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 This decision assumes that the Council will be awarded School Capital Maintenance Funding of £1.291m in 2019/20, using the 2018/19 allocation as a basis of the 2019/20 allocation. The schemes detailed in Appendix A can be completed within this assumed funding allocation and will be added to the capital programme.
- 4.2 Any difference between the assumed grant and actual grant will lead to a change in the contingency figure. Should the actual funding be significantly less than the assumed £1.291m then the schemes within Appendix A will require valuation engineering or removing from the programme to fit within the revised funding allocation.
- 4.3 The capital programme will be amended to reflect the School Capital Maintenance Funding and the £0.100m works at Rosehill.
- 4.4 Appendix A details £0.025m for feasibility costs, should any of these schemes not progress then the abortive costs will require charging to revenue and alternative revenue funding will need to be identified.
- 4.5 As detailed in recommendation 4, 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.

Tom Straw – Senior Accountant (Capital Programmes) 14th February 2019

- 4.6 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 individual school's budget.

Julia Holmes – Senior Commercial Business Partner 15th February 2019

5 LEGAL AND PROCUREMENT COLLEAGUE COMMENTS (INCLUDING RISK MANAGEMENT ISSUES, AND LEGAL, CRIME AND DISORDER ACT AND PROCUREMENT IMPLICATIONS)

- 5.1 There are no significant procurement concerns with the recommendations set out in the report.

Sue Oliver – Procurement Category Manager for Places 7th February 2019

- 5.2 This report raises no significant legal issues and the recommendations are supported.

Andrew James – Team Leader, Commercial Education and Employment. 11th Feb 2019

6 STRATEGIC ASSETS & PROPERTY COLLEAGUE COMMENTS (FOR DECISIONS RELATING TO ALL PROPERTY ASSETS AND ASSOCIATED INFRASTRUCTURE)

- 6.1 Property are in support of this programme of expenditure at City owned Schools subject to the appropriate approvals for the works with any third parties.

Peter Taylor, Principal Surveyor – 7th February 2019

7 SOCIAL VALUE CONSIDERATIONS

- 7.1 The works will be carried out through the East Midlands Regional construction framework – an OJEU (the Official Journal of the European Union) compliant framework. This option provides a compliant route to market and provides value for money.
- 7.2 Social considerations were taken into account when establishing the framework.
- 7.3 With regard to the East Midlands Regional construction framework, approximately 85% of the works are subcontracted out to Small and Medium Enterprises (SMEs) and there are no barriers to entry in this sector. Key Performance Indicators (KPIs) are also captured in relation to local spend.

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 B, 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

