

Decision maker	Cabinet Member for Education
Subject:	School Condition Modernisation Programme 2018-19
Date of meeting:	21 March 2018
Report from:	Alison Jeffery, Director of Children, Families and Education
Report by:	Caroline Corcoran, Head of Sufficiency, Participation & Resources, Education Service
Wards affected:	All Wards
Key decision (over £250k):	No

1. Purpose of report

- 1.1 The purpose of this report is to seek approval for the individual condition projects that form part of the £1,100,000 schools condition modernisation programme 2018-19.
- 1.2 Capital funding of £1,000,000 was approved by Full Council on 13th February 2018 with a further £100,000 anticipated from school contributions. Any additional funding from schools will be used to increase the value of the overall scheme related to the schools modernisation programme.

2. Recommendations

2.1 It is recommended that:

- a) **The school modernisation "urgent condition" projects as set out in Section 4 of the report be approved.**
- b) **Power be delegated to the Deputy Director of Children, Families and Education, to approve the entering into contracts for the proposed capital works set out in this report.**

3. Background

School modernisation (urgent condition) projects

- 3.1 The urgent condition projects have been identified through Asset Management Plan meetings, condition surveys and recommendations by Education officers concerning the needs of specific pupils. The initial analysis identified a need totalling £1,767,500 based on a range of Priority 1 project works that it was considered needed to be undertaken in 2018/19.

- 3.2 Due to the fact that the final allocation of capital funding is less than the identified need, the urgent condition projects have had to be prioritised based on a risk assessment (likelihood and impact of the event). In light of this, it may be necessary to address urgent or emergency works that arise during the course of the year and a contingency has been retained for this purpose.
- 3.3 The proposed allocation of the capital funding for individual schemes is set out in Section 4. The figures next to individual schemes show the estimated cost of the scheme.
- 3.4 The schools contribution will not be finalised until the year end school balances are known. School contributions will be calculated in May 2018, and may increase the amount available for urgent condition schemes. A summary of the school contribution methodology is given at Appendix A.

4. School modernisation (urgent condition) projects

- 4.1 In summary, ten schemes with an estimated cost of £785,000 are currently identified for progression, with £315,000 being retained as contingency.
- 4.2 The table below shows the proposed projects to be funded from the approved capital scheme "School Condition Project 2018-19".

School	Capital works	Cost
Craneswater Annex	Replace emergency staircase	£ 60,000
Craneswater Annex	Windows, lintels & repointing (east elevation) - Phase 2	£ 75,000
Craneswater Junior	Stonework repairs and window replacements (west & south elevations)	£ 80,000
Cumberland Infant	Replace boilers, heating distribution, emitters & controls - Design only	£ 25,000
Devonshire Infant	Replace boilers, heating distribution, emitters & controls - Phase 1 only	£ 100,000
Medina Primary	Roof valleys & repairs	£ 100,000
Milton Park Primary	Roof repairs	£ 90,000
Portsdown Primary	Replace oil boilers, heating distribution, emitters & controls - Design only	£ 55,000
Wimborne Junior	Roof replacement & repointing - Phase 3	£ 95,000
Southsea Infant	Windows, lintels & repointing	£ 105,000
	Contingency for urgent / emergency works	£315,000
	Total 2018/19 programme	£1,100,000

- 4.3 A contingency of £315,000 has been retained as a prudent measure to allow urgent, emergency works to be undertaken during the year to be approved via the Members Information Service process.
- 4.4 Additionally, the following three schemes may require funding from the contingency and will be considered further once assessment reports have been received:
- Copnor Primary school. Awaiting engineer's report re heating.
 - Craneswater Annex. Awaiting full condition report to assess scope of works required.
 - Craneswater Junior School. Awaiting roof drone survey and investigation report re flooding. Timing of works would be inter-dependent with the current building scheme.

5. Equality Impact Assessment (EIA)

- 5.1 An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010. The implementation of the school modernisation programme (urgent condition) will not have a negative impact on any of the equality groups. The programme will improve access to schools for all equality groups, particularly with regard to those pupils who have learning difficulties and / or a disability.

6. Legal implications

- 6.1 The works proposed are within the Council's powers to approve the recommendations as set out above on the basis of the following:
- the Council is required to provide school premises in respect of foundation or voluntary controlled schools under the School Standards and Framework Act 1998, Schedule 3
 - the Council has an obligation to ensure that school premises are maintained to a prescribed standard in accordance with section 542 of the Education Act 1996.
- 6.2 The procurement process for the contracts for the works will need to be undertaken in accordance with the City Council's Contract Procedure Rules, at Part 3A of the constitution.
- 6.3 Under Part 2, Section 3, of the City Council's constitution the Cabinet Member for Education has the authority to approve the recommendations set out in this report.

7. Finance comments

- 7.1 Corporate funding of £1m was approved by Council on 13th February 2018 for urgent condition works. For condition projects, schools will be expected to use their Devolved Formula Capital (DFC) allocations to support these key priorities, in keeping with government expectations for the use of this funding. The expected contributions from schools' will be based on the contribution methodology; a summary of which is given at Appendix A. An anticipated school contribution of £100,000 is incorporated in the approved capital scheme total of £1,100,000. This may alter depending on the year end balances of the schools for which schemes are progressed.
- 7.2 Where capital investment is required to implement proposals, this will need to be identified from within the Education Capital Programme. Any ongoing revenue implications will be met by individual schools through their individual budgets which are funded from the Dedicated Schools Grant (DSG).

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 Signed by:
 Alison Jeffery
 Director of Children, Families and Education

Appendix A: Condition projects - methodology for school contributions

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Asset Management Plan files	Housing Property Services
Condition Survey Reports	Housing Property Services – Concerto database

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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 Signed by:

Appendix A: Condition projects - methodology for school contributions

The bands and contribution levels shown below apply:

Contribution Calculations

- Scheme Value £1- £50,000 – equivalent of 1 year's Devolved Formula Capital allocation
- Scheme Value £50,001 - £100,000 – equivalent of 2 year's Devolved Formula Capital allocation
- Scheme Value above £100,000 – equivalent of 3 year's Devolved Formula Capital allocation

In order to ensure both the 'affordability' of schools to contribute as well as acknowledging the level of school balances, the following weightings have been applied to the scheme contributions.

Level of balances as at 31 March 2015 (Revenue & Capital)*	Annual DFC Equivalent
Below £25,000	Nil Contribution
£25,000 - £75,000	0.5xDFC
£75,001 - £150,000	1.0xDFC
£150,001 - £300,000	1.25xDFC
£300,001 - £500,000	1.5xDFC
Over £500,000	2.0xDFC

*Excluding balances held in trust for other bodies (e.g. cluster funds)

Schools will also be expected to contribute financially to any urgent works projects identified during the year. The calculation for the financial contribution will be based on the methodology set out above.

Schools' contributions will be collected at the beginning of each financial year. Should a school convert to academy status during the financial year, their contribution is still payable in full for any schemes underway, with any outstanding or future years' contributions being collected as part of the final surplus/deficit calculations on Academy conversion. Any works, included in the approved capital programme, which have commenced, will still be completed.

The table on page 2 offers examples of the contributions payable by schools, at a range of DFC levels, across each of the bands outlined above, for a scheme costing £150,000. The calculation is for each capital scheme.



Scheme Cost	School DFC	Total Balances (Revenue + Capital)	DFC Multiple	Total Contribution (over 3 years)
£150,000 (3 Years DFC)	£5,000 (x 3 Years = £15,000)	Below £25,000	Nil	Nil
		£25,000 - £75,000	0.5	£ 7,500
		£75,001 - £150,000	1.0	£ 15,000
		£150,001 - £300,000	1.25	£ 18,750
		£300,001 - £500,000	1.5	£ 22,500
Over £500,000	2.0	£ 30,000		
£150,000 (3 Years DFC)	£7,500 (x 3 Years = £22,500)	Below £25,000	Nil	Nil
		£25,000 - £75,000	0.5	£ 11,250
		£75,001 - £150,000	1.0	£ 22,500
		£150,001 - £300,000	1.25	£ 28,125
		£300,001 - £500,000	1.5	£ 33,750
Over £500,000	2.0	£ 45,000		
£150,000 (3 Years DFC) *See Example Below	£10,000 (x 3 Years = £30,000)	Below £25,000	Nil	Nil
		£25,000 - £75,000	0.5	£ 15,000
		£75,001 - £150,000	1.0	£ 30,000
		£150,001 - £300,000	1.25	£ 37,500
		£300,001 - £500,000	1.5	£ 45,000
Over £500,000	2.0	£ 60,000		
£150,000	£15,000 (x 3 Years = £45,000)	Below £25,000	Nil	Nil
		£25,000 - £75,000	0.5	£ 22,500
		£75,001 - £150,000	1.0	£ 45,000
		£150,001 - £300,000	1.25	£ 56,250
		£300,001 - £500,000	1.5	£ 67,500
Over £500,000	2.0	£ 90,000		

** Example*

School 'B' Capital Scheme Cost 2015/16	£150,000
Required Contribution	3 Years DFC Equivalent
School 'B' DFC	£10,000
School 'B' Total Balances (Revenue + Capital)	£ 225,000
Multiple to be applied	1.25 x DFC Contribution
Contribution calculation for School 'B'	£10,000 x 3 x 1.25
Total Contribution Payable by School 'B'	£37,500
<i>Annual Instalments</i>	<i>£12,500</i>

For schools where there were multiple schemes, the methodology described above will be applied to each scheme.