



NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	Thursday 21 May 2020
Title of report:	SCHOOLS CONDITION CAPITAL PROGRAMME – 2020/21
Type of report: Delete as require	For information
Executive summary: Including reason for submission	To brief the Schools Forum on the proposed Schools Condition Capital Programme for 2020/21
Budget / Risk implications:	
Recommendations:	To note the report
Voting requirements:	
Appendices: To be attached	Draft report to the Executive – 9 June 2020
Report originator and contact details:	Andrew Dixon, Strategic Planning Manager Andrew.Dixon@northyorks.gov.uk
Presenting officer: If not the originator	

1.0 PURPOSE OF THE REPORT

- 1.1 To brief the Schools Forum on the proposed schools condition capital programme for 2020/21.

2.0 BACKGROUND

- 2.1 The attached draft report will be considered by the Executive on 9 June 2020. It proposes a series of capital investments in schools for 2020/21 including capital maintenance and compliance/ regulatory requirements and strategic priorities. The report also covers the proposed creation of a Specialist Provision Targeted Capital Programme as discussed with Forum on 12 March 2020.
- 2.2 In announcements made in April 2020 the DfE allocated Schools Condition funding totalling £9.783m to North Yorkshire County Council for 2020/21.
- 2.3 This is a further one year allocation. A one-year programme for 2019/20 was approved by the Executive in June 2019 and is currently being delivered. It is monitored through the quarterly capital report.
- 2.4 There is no indication what level of School Condition funding the County Council might expect for schools in 2021/22 or thereafter, although it will reduce in line with Academy conversions.
- 2.5 The total capital funding available for 2020/21 is £11.354m which includes carry forward from the 2019/20 budget and the estimated DFC contributions from schools towards the maintenance programme.

3.0 RECOMMENDATIONS

- 3.1 To note the report.

STUART CARLTON

Corporate Director – Children and Young People’s Service.

Appendices B and C of this report contain information of the type defined in paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 (as amended).

NORTH YORKSHIRE COUNTY COUNCIL

DRAFT EXECUTIVE REPORT

9 June 2020

SCHOOLS CONDITION CAPITAL PROGRAMME – 2020/21

Report of the Corporate Director – Children and Young People’s Service

1.0 PURPOSE OF THE REPORT

To seek Executive approval for the Schools Condition Capital Programme for 2020/21

2.0 EXECUTIVE SUMMARY

- 2.1 In announcements made in April 2020 the DfE allocated Schools Condition funding totalling £9.783 m to North Yorkshire County Council for 2020/21.
- 2.2 This is a further single year allocation. A one-year programme for 2019/20 was approved by the Executive in June 2019 and is currently being delivered. It is monitored through the quarterly capital report.
- 2.3 Funding is provided separately for the provision of additional school places (through the Basic Need Grant). A £44m programme for 2018 - 21 was approved by the Executive in July 2018 and is currently being delivered. The current programme will be reviewed later during 2020 following a recent funding announcement.
- 2.4 The amount of funding allocated to the LA to meet the condition needs of maintained school buildings will continue to reduce as schools convert to academy status.
- 2.5 This report proposes a one-year programme of investments to address the condition and suitability needs of school buildings in 2020/21.
- 2.6 A draft of this report (excluding the private appendices) was presented to the Schools Forum on 21 May 2020.

3.0 GOVERNMENT ANNOUNCEMENTS

- 3.1 The Schools Condition Grant allocation for 2020/21 was announced on 15 April 2020.
- 3.2 The Schools Condition Grant is part of the Single Capital Pot and may be used for all local priorities, although they are intended specifically for investment in schools (and notionally for Children’s Centres). Schools Condition funding does not have to be used strictly for maintenance; it is the

only capital funding stream available to support other capital improvement works e.g. compliance, suitability, invest to save projects or investment required to address strategic service priorities.

- 3.3 Academies receive their funding for condition related investment and devolved capital direct from the Education and Skills Funding Agency (ESFA) so are not included in these figures. The amount deducted from Schools Condition Grant for 2020/21 is based on open academies at the beginning of November 2019 and those expected to open on or before 31 March 2020. This means that no projects have been included in the proposed 2020/21 programme for any schools which were expected to convert by 31 March 2020 (including those where conversion has been delayed). It is proposed that where projects have been included in the programme but schools later become an academy, a judgement will be made about whether the scheme should proceed or not. This will take account of the nature and value of the project, the stage of design development reached and the extent to which the project will extend beyond the date of conversion. This reflects the policy that schools convert to academy status in their existing condition.
- 3.4 Academies can bid for capital funding to the Academies Condition Improvement Fund (CIF). The window for CIF applications for 2020/21 closed in December 2019 and the next bidding round will be later in 2020 for 2021/22. School buildings will continue to be maintained safely for as long as they remain maintained by the local authority. If essential work is needed in Summer 2020 then this will continue to completion.
- 3.5 The allocation is once again 100% grant funded (no borrowing approvals or PFI). There is no time-limit on expenditure so can be carried forward if unspent at the end of the financial year without risk of claw back. The following tables compare the allocations over the past three years:

Capital Funding Allocation – LA Schools (Community, Voluntary Controlled and Foundation)

	2018/19	2019/20	2020/21
LA School Condition Allocation	£11,588,948	£10,151,416	£9,783,429
Devolved Formula Capital (LA Schools)	£ 4,009,335 (inc £2.4 m one-off additional allocation)	£1,489,666	£1,404,029

- 3.6 There is no indication at this stage of capital funding for condition beyond 2020/21. It is difficult to estimate the scale and speed of academy conversions and therefore the potential level of reduction year on year. Recent conversions have been placed on hold due to the Covid-19 situation but are expected to resume in due course.

4.0 IMPACT OF EDUCATION REFORM

- 4.1 In March 2016 a White Paper entitled 'Educational Excellence Everywhere' was published indicating the intention that all schools should become

academies by 2020 or have a plan that would see them convert no later than 2022.

- 4.2 The White Paper signalled the creation of a new duty on local authorities to facilitate conversion, with existing duties on asset management to continue until such point as all schools have converted.
- 4.3 Subsequent announcements by the Secretary of State rowed back from the element of compulsion for all schools but schools continue to convert. Increasingly this is in the form of Multi Academy Trusts where a number may convert at a similar time. As schools convert the local authority's Schools Condition allocation will continue to reduce. This will continue to have an impact on flexibility within the programme to address strategic investment needs.

5.0 CAPITAL PLAN 2019/20

- 5.1 The programme historically includes a small amount of general contingency which helps to address high tenders and to respond to emerging condition issues. The general contingency in the 2019/20 programme has been used to address in year top ups and overspends for the 2019/20 programme and programmes in previous years. The remaining general contingency to roll forward from 2019/20 into 2020/21 stands at £90k. Carry forwards from individual programme budgets are shown in Appendix A including £279k carried forward from the 2019/20 Capital Planned Maintenance Programme.

6.0 PRIORITIES FOR INVESTMENT

- 6.1 The Local Priority Statement which spells out the County Council's priorities for investment in schools was reviewed and approved by full council in February 2015 following consultation. A further review is scheduled for later in 2020 for completion before the 2021/22 Schools Capital Programme is set.
- 6.2 The key priorities contained within the statement are reflected in the proposed 2020/21 capital programme. They are:
 - Providing new school places in areas of growth
 - Supporting school improvement through collaboration between schools and the restructuring of educational provision
 - Meeting key local service priorities or statutory service obligations
 - Enabling savings or efficiencies to be made in the use of property
 - Ensuring compliance with statutory and regulatory requirements
 - Maintaining the condition of the school estate to ensure buildings continue to be safe, warm, weather-tight and fit for their purpose.

7.0 PROPOSED SCHOOLS CONDITION CAPITAL PROGRAMME 2020/21

- 7.1 Appendix A provides a proposed Capital Programme for 2020/21. The following sections of the report provide the rationale for each element of the programme. Appendix B (not for publication) indicates the proposed local priorities for investment in 2020/21. For reasons of commercial sensitivity individual project budgets are not published.

General Compliance issues

- 7.2 The County Council continues to help schools with issues emerging from Ofsted inspections around the health, safety and welfare of pupils, including boundary and internal security issues which may have a bearing on judgements around the safeguarding of children. Schools often have insufficient funding to address these issues themselves and look to the local authority for support. The costs of such adaptations can be significant. A number of such schemes were undertaken in programmes over the last three years. It is proposed that any further urgent schemes should be funded from compliance sums in-year if concerns arise.
- 7.3 It is proposed that £154.4 k of unallocated compliance funding from 2019/20 plus an additional allocation of £70k should form the £224.4k budget for compliance in 2020/21.

Capital Planned Maintenance

- 7.4 The total maintenance backlog in schools across the County continues to be significant despite the ongoing programme of planned capital work. It is therefore important that investment continues to be made in maintaining and preventing further deterioration in the fabric of school buildings.
- 7.5 The continued low value of annually allocated Devolved Formula Capital (DFC) impacts on the level of funding available from schools to contribute towards the Capital Planned Maintenance Programme which addresses structural issues such as roof and window replacements, mechanical and electrical upgrades etc. There was a one-off additional DFC allocation announced in January 2019 which has benefited schools but no indication yet that this will be repeated in future years. With the previous agreement of the Schools Forum/Education Partnership projects are now only be included in the programme on the understanding that schools will contribute all of their available DFC in that financial year. In some cases this means that schools will be asked to fully fund maintenance projects that have been identified through condition surveys as a high priority rather than other projects they might have hoped to progress. On this basis an assumption has been made that £250 k will be contributed by schools to the Capital Planned Maintenance budget in 2020/21.
- 7.6 A Capital Planned Maintenance budget of £3.839m (including fees and contingency) is proposed for schools and Children's Centers in 2020/21.
- 7.7 The one-year programme has been developed taking account of the highest priority condition items, as identified through the annual condition survey and discussions with schools, with the remainder as a contingency for urgent unplanned work which emerges mid-year. Once again this year it will contain a smaller number of higher value projects than in previous years as there are some schools which still have growing maintenance backlogs requiring significant investment.
- 7.8 Priority compliance and emergency works that arise during the year will be met by either the General Compliance or contingency funding, this may include items such as priority legionella works, boiler replacements and fire alarm replacements. Work to increase electrical capacity which emerges as a

significant additional cost will need to be accommodated within project costs or prioritised from contingencies if necessary.

- 7.9 Appendix C (not for Publication) provides a list of the proposed schemes for inclusion in the 2020/21 Programme. Advance planning has been undertaken once again this year to ensure that this programme can be commissioned and delivered in a timely fashion although the Covid-19 situation may impact of some schemes which were due for delivery this summer.

Condition and Asbestos Surveys

- 7.10 In previous years the County Council paid an annual fee to Jacobs and later Mouchel for undertaking condition and asbestos surveys, in line with the contract. These surveys help to inform investment priorities and are not replaced by the national Property Data Survey/Condition Data Collection which looks at higher level condition in order to inform central government capital allocations. The costs of this work were uplifted annually in line with inflation.
- 7.11 This work was brought back in-house in 2016. It has been agreed that in 2020/21 CYPS will continue to be recharged on the basis of a proportionate contribution to internal costs for Building Surveyors in the Property Service undertaking the survey work. The financial provision in 2020/21 will be £300k which represents a £50k reduction on the previous year in recognition of Academy conversions.

Asbestos Management

- 7.12 A large number of the County Council's school buildings contain asbestos which is managed in situ. Following 2018 guidance on the management of asbestos in schools it was proposed to undertake some risk based assessment of asbestos to ensure school asbestos management plans are available. There is a remaining budget of £50k from 2019/20. It is proposed t this is carried forward to 2020/21 to allow any further investigations to continue.

Lath and Plaster Ceilings

- 7.13 Lath and Plaster ceilings are inspected and reviewed by Maintenance Surveyors as part of the annual condition data inspection, with condition being recorded on the survey. Further inspection and investigations are undertaken if condition causes concern. We continue to address failing ceilings from contingencies in the planned maintenance programme. This strategy has been agreed between the property Risk Manager and the Investments and Delivery Hard FM Maintenance Officers.

Accessibility Related Works

- 7.14 Schools Access Initiative funding was withdrawn in 2011/12. It is necessary to continue to make provision for some accessibility work in the programme to address the needs of individual children and for any significant access related

work that emerges from other developments. In addition to a carry forward of £99.5k it is proposed to set aside an additional sum of £200k from the 2020/21 allocation for such projects.

Proposed Specialist Provision Capital Investment

- 7.15 Specialist provisions in North Yorkshire have come under intensive pressure in recent years and we have been aware for a significant period of time that our range of provisions - whilst around the shire county average - were stretched in terms of meeting all needs in all localities. Significant growth in the number of Education Health and Care Plans (EHCPs) have accentuated the pressure and led to the authority having to deploy a significant number of placements in the independent sector.
Given that the cost differential between an average cost of place in the independent sector and the average cost of a place in a special school is typically £42,000 this places significant additional pressure on the High Needs budget.
- 7.16 It is particularly the pressure on our high needs budget that has led the authority to conduct a future proofing review of our specialist provision. It is considered that significant investment in both extending the range and remit of specialist and targeted provisions, and enhancing the suitability and quality of learning environment in our existing facilities, could both improve the learning outcomes and experience for a wider cohort of young people and reduce the dependency on out-of-county placements.
- 7.17 A report was presented to the Schools Forum on 12 March 2020 (Appendix D) which considered the challenge of securing the capital funding required to address some of our ambitions including:
- **Autism** – development of a new special school to meet the needs of high functioning pupils who cannot thrive within a mainstream environment but require curriculum stretch
 - **Social and Emotional Mental Health (SEMH)** – development of locality based provisions to meet the needs of secondary pupils and potentially upper Key Stage 2 pupils
 - **Targeted provisions** – roll-out of Phase 2 and Phase 3 of the targeted provisions programme
 - **Modernising special schools** – ensuring that our maintained special schools have the facilities and present in a way that makes them comparable to Independent Special schools
 - **Investment in PRS** – particularly addressing the condition / curricular facilities available for the Pupil Referral Service
- 7.18 Over the past decade the amount of investment through Schools Condition Grant on special schools has been minimal compared to that for mainstream Schools. Since 2010 the LA has received c. £118m in SCG of which only c. £3.8m (3%) has been invested in planned maintenance or improvement projects at North Yorkshire special schools. Of that over £1m relates to a single project, that being the recent expansion at the Forest School through the 2018-19 Programme.
- 7.19 It was discussed with Schools Forum (via Appendix D) that it would be appropriate to establish a specific fund to support specialist provision

investment. It is therefore now proposed that in 2020/21 a Specialist Provision Targeted Capital Programme (SPTCP) is created by virtue of commitments against the annual Schools Condition Capital Programme.

- 7.20 In addition to committing some of our annual School Condition Grant we are also discussing with the DfE whether there could be scope to identify funding streams that may be made available to expand / reorganise specialist provision i.e. in the hope of developing a joint funding approach.
- 7.21 It is proposed that SPTCP commitments within the School Condition Capital Programme would only be set against the funding allocated for investment in modernisation and suitability related schemes. The Programme element for planned maintenance would be unaffected by this proposal and would continue to be prioritised on condition basis across all schools. Only maintained school premises would benefit from SPTCP investment given that NYCC does not receive Schools Condition Grant for Academies.
- 7.22 It is proposed that moving forward the following governance principles should apply:
- Commitments for the SPTCP could be for individual projects, or for block sums to build up an SPTCP fund
 - SPTCP funded projects will only be undertaken on maintained school sites in North Yorkshire
 - Commitments to individual SPTCP projects would require Member approval/ratification either through the NYCC Executive through presentation of the annual School Condition Capital Programme, or through the quarterly capital monitoring arrangements should it be necessary to approve a project in mid-cycle
 - Schools Forum and CYPs Executive Members would receive bi-annual reports on the deployment of block sums (noting commercial sensitivity) and the overall position of the SPTCP and its associated fund
 - Total annual contributions to the SPTCP from Schools Condition Grant would not exceed £2m per year, or 40% of the Programme element for modernisation and suitability schemes
 - Schools Forum agreement would be required should the LA wish to allocate more than 40% in any single year
 - Should the LA be successful in securing significant external funds for SPTCP purposes then the whole SPTCP approach would be revisited with the Schools Forum and Executive prior to any further Schools Condition Grant commitments being made to the SPTCP
- 7.23 Appendix 1 confirms that the proposed SPTCP allocation for 20/21 is £1.6m representing 28% of the overall £5.734m allocated for modernisation and suitability schemes. Further work is required to determine the first priority schemes for the initial SPTCP allocation so they are not noted in this report. The first call on the SPTCP funding is likely to be for further developments to complete the satellite provision of Mowbray School at Ripon, and proposals are currently being finalised.

Proposed Capital Investment – Strategic Priorities:

- 7.24 A number of strategic priorities are proposed as described in the following sections. The total value of these priority investments in mainstream schools is £3.388m. Further detail is included in Appendix B (not for publication). It will not be possible to include all of the projects which schools have asked the local authority to support. Remaining bids will be reconsidered in future years.

School Modernisation

- 7.25 It is proposed to undertake a further programme of strategic priorities to bring accommodation at a number of schools up to modern standards. The 20/21 programme will prioritise 14 projects. These projects match the key priorities described at 6.2 of this report. Most of the schemes identified for inclusion have had advance feasibility work undertaken in 19/20 to provide better cost certainty moving forward.

Replacement of Prefabricated Classroom Units

- 7.26 A review of the condition of Prefabricated /Portable Classroom Units has been undertaken again this year to determine whether there are any which are beyond economic repair or at risk of becoming unsafe. Where the school has no further use for them in the long term they are removed or demolished to reduce the school's maintenance liabilities. The local authority will continue to support this wherever possible.
- 7.27 Where new or replacement teaching accommodation is required this will be with permanent buildings wherever viable although in some cases it will be necessary to consider portable or modular solutions for cost or technical reasons. Portable solutions will also be provided where accommodation is genuinely temporary. These would be to a specification which is energy efficient, meets all current building regulations and provides a pleasant environment for teaching and learning. Schools are giving good feedback about the quality of more recent portable and modular teaching spaces. It is proposed to undertake feasibility studies for the replacement of a small number of temporary classrooms and carry forward funding will be retained for any schemes which are subsequently progressed.
- 7.28 Previous school modernisation programmes have included the replacement of HORSAs buildings. The condition of such buildings is monitored and buildings maintained but none are scheduled for replacement this year.

Development of Future Programme – Advanced Feasibility

- 7.29 It is proposed to make an additional provision of £149k in 2020/21 for advance feasibility work required as part of the early development of projects for the Capital Programme in 2021/22. It is hoped this will comprise of approximately 18 feasibility studies depending on their individual complexity. The purpose of this is to provide greater cost certainty moving forward, an approach which is increasingly proving to be successful. The advanced feasibilities will include some of the bids received from schools. If appropriate, following completion of feasibility work, capital allocations for a project(s) may be made against the general contingency or other uncommitted elements of the 20/21 Capital Programme. Should this be required, any additional

commitments would be reported through the quarterly capital monitoring report.

Strategic Support for Capital Delivery

- 7.30 The Capital Programme and individual projects within it are commissioned and sponsored by CYPS Strategic Planning staff but following restructuring of the property function they are now delivered by staff working within the Corporate Property Service. It is proposed to continue funding one Band N post, now within the Capital Programme Team. This post provides support for the delivery of the CYPS Planned Maintenance Programme and other parts of the CYPS Capital Programme. Monitoring arrangements will be in place by the Property Service to record the work undertaken in respect of individual schemes.

General Contingency

- 7.31 It is necessary to retain an element of client contingency within the programme to ensure that funding is available where unforeseen additional costs arise as schemes develop through feasibility and into detailed design and procurement. There is an element of contingency included within the proposed Capital Planned Maintenance Programme to meet unforeseen emergency work which emerges during the year relating to asbestos or other urgent and unplanned infrastructure requirements. The general contingency, will address any additional costs associated with 2019/20 schemes yet to be completed as well as those in the proposed 2020/21 programme. The value of the proposed contingency for 2020/21 is £845k which compares to £1.69m last year.

8.0 DELIVERY OF PROGRAMME

- 8.1 CYPS will commission the programme via the Property Service's Capital Programme Team in line with established corporate arrangements. The Property Service is responsible for directly delivering and/or procuring, via the North Yorkshire consultancy 'Align Property Partners', the required technical and professional advice and for procuring schemes from the County Council's framework contractors. Every effort will be made to ensure the programme can be commissioned and delivered in a timely fashion although the Covid-19 situation may impact on schemes and particularly those which are currently due for delivery this summer.

9.0 RECOMMENDATIONS

It is recommended that Executive:

- 9.1 Approve the proposed Schools Capital Programme for 2020/21 as summarised in Appendix A and including the allocation to the Specialist Provision Targeted Capital Programme.
- 9.2 Approve the governance principles for the Specialist Provision Targeted Capital Programme as set out in paragraph 7.22
- 9.3 Approve the list of strategic priority / modernisation schemes as set out in Appendix B

- 9.4 Approve the Planned Capital Maintenance Programme as set out in Appendix C
- 9.5 Agree the continuation of the approach for dealing with any schools which convert to Academy status following the approval of the Programme as laid out in paragraph 3.3

Stuart Carlton
Corporate Director – Children and Young People’s Service
COUNTY HALL, NORTHALLERTON
12 May 2020
Author of report – Andrew Dixon, Strategic Planning Manager

Appendix A – Schools Capital Programme 2020/21
Appendix B – Strategic priority / modernisation schemes
Appendix C – Planned Capital Maintenance Programme 2020/21
Appendix D – Report to Schools Forum 12 March 2020

Appendix A – DRAFT	
Proposed Schools Condition Capital Programme 2020/21	Amount (£)
Potential Capital Funding Available:	
Capital Planned Maintenance Programme contingency 19/20 carry forward	279,500
General compliance/H&S 19/20 carry forward	154,400
Accessibility Schemes 19/20 carry forward	99,500
Asbestos inspections 19/20 carry forward	50,000
Prefabricated Classroom Replacement Programme 19/20 carry forward	646,500
Advanced Feasibility 19/20 carry forward	1,000
Estimated contribution from School's Devolved Formula Capital (DFC) in 20/21	250,000
General contingency 19/20 carry forward	90,100
Schools Condition Allocation 20/21	9,783,429
Total Potential Capital Funding Available	11,354,429
Capital Maintenance and Compliance/Regulatory Requirements:	
General Compliance and Health & Safety (b/f from 19/20 + £70k)	224,400
Capital Planned Maintenance Programme (b/f from 19/20 + £250k DFC contributions + £3,309,657)	3,839,157
Condition Survey & Asbestos Surveys – internal fee	300,000
Asbestos Inspections (b/f from 19/20)	50,000
Accessibility Schemes (b/f from 19/20 + £200 k)	299,500
Total Capital Maintenance and Compliance/Regulatory Requirements	4,713,057
Proposed Capital Investment – Strategic Priorities:	
Prefabricated Classroom Replacement Programme (c/f from 19/20)	646,500
Advanced Feasibility (c/f from 19/20 + £149k)	150,000
Modernisation/Suitability Schemes	3,388,000
Specialist Provision Targeted Capital Programme - <i>Total annual contributions to the SPTCP from SCG will not exceed £2m per year, or 40% of the Programme element for improvement schemes</i>	1,600,000
Total Proposed Capital Investment - Strategic Priorities	5,734,500
Strategic Support for Capital Projects (Band N post) – Investment and Delivery Team	61,000
Total Proposed Investment	10,508,557
General Contingency	845,872