

NORTH LINCOLNSHIRE COUNCIL

PEOPLE CABINET MEMBER

SCHOOLS INVESTMENT PROGRAMME UPDATE

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To update the Cabinet Member on the recent Department for Education (DfE) capital announcements and the implications for the capital programme.
- 1.2 To seek approval for the revised capital programme and approval to proceed with the proposed outline schemes for 2013-14 starts.

2.1 BACKGROUND INFORMATION

- 2.1.1 The capital programme for 2013-17 was approved by Council on 19th February 2013, which incorporated the People Directorate's School and Children's Centres Investment Programme (SCCIP) and the Schools' Temporary Building Replacement Programme. The programme was approved based on anticipated funding allocations because all local authorities (LAs) were still awaiting notification of their actual allocations, which were not published until 1st March 2013.
- 2.1.2 As the capital allocations have now been confirmed, this paper updates the Cabinet Member on current funding and options for investment.

2.2 CAPITAL FUNDING SOURCES

- 2.2.1 Each year the LA receives capital funding from central government to invest in their schools' estate. In summary there are three elements to the funding:

Basic Need Funding: This is allocated to local authorities to help them deal with capacity issues. This may include new building, extensions or provision of new schools. The methodology for calculating local authority level allocation has been revised for 2013-14 and is based on school capacity and pupil projection information.

Capital Maintenance: This is allocated to local authorities to undertake priority repairs and maintenance works to local authority maintained schools. Maintenance schemes include, for

example, electrical work (re-wiring), mechanical work (heating) or building work (re-roofing). The allocation reflects the proportion of schools that are now academies.

Devolved Formula Capital (DFC): This Funding is allocated each year to maintained primary and secondary schools for work to be undertaken on buildings or investment in other capital needs like ICT. Whilst this funding cannot be spent by the LA it does contribute to the maintenance and effectiveness of the overall schools' estate. DFC programme shown in Appendix 3.

2.2.3 The capital allocations which contribute directly to LA capital programme for 2013-14 are provided in the table below, along with the previous year's figures for comparison:

Table 2.1: Table of Capital Allocations 2012-13 and 2013-14

	2012-13 Actual (£)	2013-14 Actual (£)
¹ Basic Need	912,819	512,605
Capital Maintenance	2,366,735	1,849,833
Total	3,279,554	2,362,438

Notes: ¹The actual funding for Basic Need, as published on 1st March, was £1,025,210. However, this allocation is for two years' funding (eg 2013-14 and 2014-15), whereas the previous year's allocation was for a single year's funding. Therefore to make comparisons the £1,025,201 has been distributed evenly over two years – hence £512,605 for 13-14

2.2.4 The approved capital programme assumed the same grant levels as 2012-13. The actual allocation confirms the updated figures. The reduction in maintenance grant is due to the transfer of the grant for academy schools. Academy schools are not maintained by the local authority and hence a capital grant is available for them direct from the DfE. The basic need grant is based on each LA school capacity data, which for North Lincolnshire shows that there are sufficient places overall predicted.

2.2.5 In addition to the above government funding the LA has secured DfE private finance initiative (PFI) funding as part of the Priority Schools Building Programme (PSBP) to rebuild (wholly or partly) six schools which are deemed high priority for major capital investment. The net effect is that basic need and capital maintenance funding, which would have been spent on these six schools, can now be invested on other schools' priorities.

2.3 CAPITAL PROGRAMMES

2.3.1 The above grants are used alongside internal council resources to fund two programmes of work which are: The Temporary Building programme and the School and Children Centre Investment programme. These are described below in more detail.

2.3.2 **Temporary Building Programme:** The purpose of this programme is to replace a number of temporary school buildings within North Lincolnshire.

2.3.3 Temporary buildings are, by nature, not considered permanent. Therefore, where their condition starts to deteriorate and where capacity is still required, consideration may be given to their replacement through the temporary buildings programme.

2.3.4 The approved capital programme for temporary building replacement is £868k over two years, see Appendix 2. Whilst a number of temporary building projects have now been completed the following schemes are still outstanding:

- Alkborough Primary School (on site)
- Bowmandale Primary School (on site)
- Grange Lane Infant School (Replacement school to be built as part of the DFE's PSBP)
- Broughton Infant School (Included in the SCCIP to expand Broughton Junior site)
- Wroot Travis Charity Primary School
- New Holland Primary School
- Luddington and Garthorpe Primary School (relatively new and therefore not in the scope of replacement programme)
- Frodingham Infant School (dining hall is of wooden construction)

2.3.5 The contracts for Alkborough Primary School and Bowmandale Primary School commenced in 2012-13. This commits £360k expenditure in 2013-14 which leaves £508k to for the prioritisation of the remaining mobiles schemes. Based on condition data the following schemes would be considered as the next priorities:

2.3.6 **Wroot Travis Charity Primary School:** Wroot Travis Charity Primary School is a small school located in Wroot. Although the school is small in size (28 on roll based on Jan 2013 school census), it serves a local rural community. In addition it also attracts a proportion of its intake from other schools' catchment areas.

2.3.7 The condition of the existing mobile accommodation is satisfactory and it is not integral to the main school building. The proposed project will replace the school's mobile classrooms by extending the school's main building. This will provide a modern and integrated learning environment for all children and will be more energy efficient.

2.3.8 **New Holland CE Methodist Primary School:** Is a small school located in New Holland, Barrow-upon-Humber. Although the school is relatively small (75 on roll based on Jan 2013 school census), it serves a local and discrete rural community.

2.3.9 The condition of the existing mobile accommodation is satisfactory, but it is not integral part of the main school building. The proposed project will replace the school's mobile classrooms by extending the school's main building. This will provide a modern and integrated learning environment for all children and will be more energy efficient.

2.3.10 The Schools and Children's Centre Investment programme:

This is a rolling programme that is intended to meet the LA's overall strategic responsibility for the provision of school places and the maintenance of capital assets. The rolling programme aims to fulfil three key objectives:

- The programme identifies how funding will be utilised for the effective planning of school places across North Lincolnshire. This includes projects to expand teaching areas, reduce the capacity of underutilised areas or enable assets to be consolidated or rationalised through amalgamation or other structural solutions. See Appendix 1a for details.
- It identifies and prioritises a schedule of planned works. The planned elements of the programme relate to mechanical work (eg boilers and heating), electrical work (eg rewiring) and building work (eg reroofing). It is essential that these projects are completed as failure may ultimately result in school closure, thus leading to loss of education for our children and young people. See Appendix 1a for details.
- It provides flexibility to ensure the LA has the capacity to respond to unforeseen events. This may include, for example, storm damage to a building or unexpected loss of heating

2.3.11 In order for the council to meet its statutory obligation to provide a sufficient number of good quality school places, it is imperative that the schools' estate continues to be developed and maintained. Capital maintenance projects ensure that the fabric and appearance of existing establishments are improved and the basic need projects help the LA to match the supply of school places to the demand.

2.3.12 The delivery of the capital programme ensures that the LA meets its statutory duties regarding the provision of school places. It also supports the LA's role to promote standards and raise attainment. The quality and design of a learning environment can support different types of pedagogy and provide more flexible spaces to expand teaching and learning opportunities, which can enrich children's learning experiences.

2.4 FUNDING IMPLICATIONS

- 2.4.1 The Schemes outlined in Appendix 1 include projects that commenced during 2012-13 with associated costs of £2.03m against the 2013-14 Schools and Children's Centres rolling programme and projects in development for 2013 starts with projected spend of £5.6m.
- 2.4.2 The capital programme is funded by a combination of internal council funding and external contributions and grants. Appendix 1 shows the level of funding that was anticipated (ie prior to the DfE funding announcement on 1st March) and the actual funding received. The net result is a shortfall in anticipated funding of 917k.
- 2.4.3 The anticipated cost of works for the replacement temporary building programme is: £500k for Wroot Travis Primary School and £400k for New Holland Primary School. This will result in a shortfall of £393k from the overall temporary building replacement budget. Therefore, to enable the schemes to be undertaken, it is proposed that the School and Children's Investment programme is used to fund the remaining £393k
- 2.4.4 The proposed projects have been developed in conjunction with the prioritisation outlined above and/or in line with the Framework for Developing a Sustainable Primary School Estate.

3. OPTIONS FOR CONSIDERATION

- 3.1 There are two options for consideration
- 3.2 **Option 1:** To fund the shortfall on the Temporary Buildings Rolling Programme from the SCCIP and balance the capital programme shortfall by reducing the SCCIP project(s).
- 3.3 **Option 2:** To balance the capital programme shortfall by reducing the temporary building projects(s) and SCCIP project(s).

4. ANALYSIS OF OPTIONS

Option 1

- 4.1.1 It is possible to use funding from SCCIP to support the continuation of the temporary buildings programme as the schemes address condition issues as well as suitability issues.
- 4.1.2 Utilising either Basic Need funding or Capital Maintenance Funding for the temporary buildings programme may curtail the LA's ability to meet future demand for primary school places in areas of high density or respond to immediate and unplanned issues (eg storm damage to school buildings).

- 4.1.3 The number of academies in North Lincolnshire has increased from 3 on 1 January 2012 to 19 on 1 January 2013. There will be 59 maintained schools in North Lincolnshire in April 2013 out of 80 schools; therefore this reduces the potential demand on the SCIPP programme for maintenance schemes.
- 4.1.4 Suspending or cancelling programmed schemes, as identified in SCCIP, may increase the likelihood of either:
- a) Schools not being maintained adequately, this may lead to school closure and loss of school days;
 - b) Increased parental dissatisfaction due to insufficient school places. This may also cause an increase in transport costs and
 - c) Lack of appropriate provision (eg playgrounds) for children

Option 2

- 4.2.1 As noted earlier, temporary buildings are not permanent assets of a school's estate. Therefore, there is an assumption that, where demand for school places continues, the accommodation will be replaced with new-build. Therefore, the continued use of temporary accommodation may not be cost effective and may have a detrimental impact on the quality of education provision.
- 4.2.2 Where pupil numbers are low in a school, capital development costs may be much higher when calculated on a 'per-pupil ratio'. The cost per pupil over a 25 year period if the school maintained their current numbers on roll equates to:
- New Holland CE Methodist Primary School - £213 per pupil per year.
 - Wroot Travis Charity Primary School - £714 per pupil per year.
- 4.2.3 Following the recent consultation with headteacher and governing bodies regarding the LA 'Framework for Developing a Sustainable Primary School Estate', the framework sets out how small schools will be reviewed in conjunction with governors to confirm sustainability.

5. RESOURCE IMPLICATIONS (FINANCIAL, STAFFING, PROPERTY, IT)

5.1 Finance:

- 5.1.1 The approved capital programme 2013-17 for the People Directorate is £72.7m. Based on the allocation of Basic Need Grant 2013-15 and Maintenance Grant 2013-14 the revised programme would be £68.6m. However, this may change following the 2014-15 allocation and the next Spending Review for 2015 onwards.

5.1.2 Procurement would be undertaken in accordance with the council's policy and procedures to ensure best value outcomes.

5.2 Staffing: The decrease in capital funding may impact on workloads for the council's internal design and consultancy services.

Property: Implementation of the capital programme will improve the quality of the council's assets through maintenance, modernisation or redevelopment. School amalgamations may release assets.

6. **OTHER IMPLICATIONS (STATUTORY, ENVIRONMENTAL, DIVERSITY, SECTION 17 - CRIME AND DISORDER, RISK AND OTHER)**

6.1 Statutory: The capital programme supports the council to deliver their statutory duty to provide sufficient mainstream schools places to meet the needs of the population of the area; to secure appropriate special education needs provision; to provide a diverse range of education provision (eg academies, maintained schools, trusts, faith schools).

Environmental: The maintenance programme seeks to modernise schools and where relevant make them more energy efficient (eg boiler replacement). On appropriate schemes, consideration is given to the use of sustainable materials.

7. **OUTCOMES OF CONSULTATION**

7.1 Each named school in Appendix 1 and 2 has been consulted on the proposed works.

8. **RECOMMENDATIONS**

8.1 That the Cabinet Member considers the options for the future capital programme and gives approval to proceed with the preferred option.

DIRECTOR OF PEOPLE

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Date: 8 March 2013

Background Papers used in the preparation of this report:

- 1) Report of the Director of Policy and Resources: Capital Programme 2013/17: Full Council Meeting, 19th February 2013
- 2) Developing a Sustainable Primary School Estate

Appendix 1a

The table below shows the planned proposals for capital expenditure 2013/14

School	Scheme Type	Description
Berkley Junior School Number on roll = 329	Rewire	This scheme will ensure the school's electrical wiring meets current standards. Phase 1 was completed in September 2012, Phase 2 is planned for the Summer of 2013 and Phase 3 would complete the rewire.
Enderby Road Infant School Number on roll = 97	Kitchen Ventilation	This project will upgrade kitchen ventilation equipment on the schools' site in order to comply with current regulations. Mechanical extraction and gas interlock is required. This normally takes the form of a canopy hood installed over the cooking appliances.
Willoughby Road Primary School Number on roll = 285	Kitchen Ventilation	As above
Priory Lane Community Primary School: Number on roll = 396	Amalgamation	Priory Lane Community Primary School has recently been amalgamated. However, as it remains on separate sites, this capital project seeks to co-locate all key stages on the Priory Lane junior site, thus further enhancing the level of integration.
Broughton Primary Schools No on roll Infant = 130 No on roll junior = 223	Amalgamation	Broughton Primary Schools comprise of a hard federation between the infant and junior schools. Proposals are being considered to amalgamate the schools. This capital project seeks to co-locate the schools on the junior site, thus further enhancing the level of integration.
Scunthorpe CE Primary School Number on roll = 231	Play Ground	The school currently has use of land at Chatterton Crescent for team games. Use of the site is restricted due to the physical location away from the school. The proposal is to form additional play facilities on land in Gurnell Street in lieu of the Chatterton Crescent site.
Bottesford Infant School Number on roll = 203	Windows	The wooden, single glazed windows in the hall are beyond economic repair. Replacement, double glazed windows will create benefits such as: lower heating bills, greater comfort from less draughts, less decorating and maintenance, less condensation and greater security.
St Luke's Primary Special School Number on roll = 121	Roof	The school has had ongoing issues with water ingress due to a design fault. A scheme was undertaken on a pilot area of the school in 2012 to address the issue. This has proved successful and the proposal is to undertake the same work of the remaining areas of the school. A sound roof is essential to prevent water ingress which can otherwise rapidly cause deterioration of the internal and external fabric of a building.
Althorpe and Keadby	Roof	The condition survey identifies that the roof requires

School	Scheme Type	Description
Number on roll = 201		replacing. Once a roof deteriorates beyond its useful life the school can suffer leaks which can disrupt teaching and learning.
Kirton Lindsey Primary School Number on roll = 204	Capacity	Demand for places within Kirton has increased. Therefore in order to address the demand, this scheme will increase capacity at the school, thus helping the LA to meet its statutory obligation to provide a sufficient number of good quality school places.

School & Children Centre Investment Programme

On site projects		2013/14			
Althorpe & Keadby Extension		80,000			
Bowmandale Increase capacity & replace mobile		770,000			
Frederick Gough/Bottesford Drainage		170,000			
Holme Valley		230,000			
Willoughby Amalgamation Project		730,000			
Existing commitments		50,000			
Totals		2,030,000			
Projects in development					
		2013/14	2014/15	2015/16	2016/17
Althorpe & Keadby Re-roof		250,000			
Priory Lane Amalgamation		1,300,000	1,790,000		
Willoughby Kitchen Ventilation		60,000			
Enderby Kitchen Ventilation		60,000			
Broughton Amalgamation		1,350,000	1,500,000		
Berkley Junior Re-wire (Phase 2 & 3)		105,000	55,000		
Scunthorpe CE Playground		80,000			
Bottesford Infants Windows		16,000			
St Luke's Roof		25,000			
Condition Issues*		1,348,000	1,500,000	3,371,735	2,366,289
Kirton Increase Capacity		70,000			
School Organisation/Basic Need		1,000,000	1,000,000	1,912,819	912,819
Total		5,664,000	5,845,000	5,284,554	3,279,108
		7,694,000	5,845,000	5,284,554	3,279,108
					22,102,662
Funding as per Feb 2013 Capital Programme					
		2013/14	2014/15	2015/16	2016/17
Capital maintenance (grant)		2,161,735	2,161,735	2,366,735	2,366,735
Basic Need (grant)		912,819	912,819	912,819	912,819
Corporate Funding (internal)		1,000,000	1,000,000	2,000,000	
Re-profiled from previous year		5,389,446	5,000		
Total		9,464,000	4,079,554	5,279,554	3,279,554
					22,102,662

Reduced Funding as per March 2013 Allocations		2013/14	2014/15	2015/16	2016/17
Capital maintenance (grant) £205k to temp bldgs in 13/14 & 14/15		1,644,833	1,644,833	1,849,833	1,849,833
Basic Need (grant)		512,605	512,605	512,605	512,605
Corporate Funding (internal)		1,000,000	1,000,000	2,000,000	
Re-profiled from previous year		5,389,446	5,000		
Less transfer to temporary classrooms		-197,500	-195,000		
Total		8,349,384	2,967,438	4,362,438	2,362,438
					18,041,698

Revised Schemes to balance to funding

Projects in development		2013/14	2014/15	2015/16	2016/17
2012-13 Schemes (as above)		2,030,000			
Althorpe & Keadby Re-roof		250,000			
Priory Lane Amalgamation		1,300,000	1,790,000		
Willoughby Kitchen Ventilation		60,000			
Enderby Kitchen Ventilation		60,000			
Broughton Amalgamation		1,350,000	1,500,000		
Berkley Junior Re-wire (Phase 2 & 3)		105,000	55,000		
Scunthorpe CE Playground		80,000			
Bottesford Infants Windows		16,000			
St Luke's Roof		25,000			
Condition Issues*		850,500	936,536	2,871,735	1,866,289
Kirton Increase Capacity		70,000			
School Organisation/Basic Need		500,000	500,000	1,412,819	412,819
Total - option 1		6,696,500	4,781,536	4,284,554	2,279,108
					18,041,698

* The additional resource required to fund the remaining temporary classroom programme would be met from here.

Temporary Buildings

Projects	2013/14	2014/15	
Alkborough (on site)	160,500		
Bowmandale (on site)	200,000		
Wroot	500,000		
New Holland		400,000	
Totals	860,500	400,000	1,260,500

Funding as per Approved Capital Programme 2013-17	2013/14	2014/15	
Capital maintenance (grant)	205,000	205,000	
Corporate Funding (internal)	300,000		
Re-profiled from previous year (internal)	158,000		
Total	663,000	205,000	868,000

Shortfall	-197,500	-195,000	
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Devolved Capital

Funding as per Approved Capital Programme 2013-17	2013/14	2014/15	2015/16	2016/17
Grant	490,846	490,846	490,846	490,846
Re-profiled from previous years (grant)	629,000			
Total	1,119,846	490,846	490,846	490,846

Funding as per March 2013 Allocations	2013/14	2014/15	2015/16	2016/17
Grant	392,903	392,903	392,903	392,903
Re-profiled from previous years (grant)	629,000			
Total	1,021,903	392,903	392,903	392,903

Revised Capital Programme 2012-17

	2012/13 £000's	2013/14 £000's	2014/15 £000's	2015/16 £000's	2016/17 £000's	
People Directorate Capital Programme						
Rolling Programme						
Formula Capital Devolved To Schools	456	1,022	393	393	393	
Access In Schools	37	200	100	100	100	
Total Rolling Programme	493	1,222	493	493	493	
2011-12 and Earlier Starts						
Improving the Care Home Environment	14	0	0	0	0	
CareFirst Developments	114	0	0	0	0	
Care First Computer System	65	3	0	0	0	
Building Schools for the Future - Construction	7,486	15,843	10,552	1,042	0	
Lakeside New Primary	2,294	320	0	0	0	
Primary Capital Programme	740	100	0	0	0	
School Kitchens, equipment & facilities	45	0	0	0	0	
Sure Start Children's Centres	25	76	0	0	0	
School & Children's Centre Investment	2,035	6,697	4,782	4,285	2,279	option 1
Schools Temporary Building Replacement	386	861	400	0	0	option 1
School & Children's Centre Investment	2,035	7,197	5,182	4,285	2,279	option 2
Schools Temporary Building Replacement	386	361	0	0	0	option 2
St Bedes Playing Field	1	0	0	0	0	
Short Breaks for Disabled Children	0	217	0	0	0	
Total 2011-12 and Earlier Starts	13,203	24,116	15,734	5,327	2,279	
2012-13 Starts						
Children's Campus	446	921	0	0	0	
Total 2012-13 Starts	446	921	0	0	0	
2013-14 Starts						
Early Years 2 Year old placements	0	265	0	0	0	
Upgrade Server for Case Management System	0	119	0	0	0	
Lilacs Rehab Unit & Social Hub	0	1,323	1,700	0	0	
Total 2013-14 Starts	0	1,707	1,700	0	0	
Total People Services Capital Programme - Revised	14,142	27,966	17,926	5,819	2,772	68,626

Approved Capital Programme

72,686

Reduction in Programme (virement required)

-4,060