

## **Report to the Cabinet**

Meeting to be held on Thursday 7 March 2019

### **Report of the Director of Strategy and Performance**

#### **Part I**

Electoral Divisions affected:  
(All Divisions);

### **Capital Strategy for Schools – Condition Led Capital Investment Programme 2019/20**

(Appendix 'A' refers)

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#### **Executive Summary**

This report sets out the proposals for the allocation of schools capital funding to address a further phase of high priority building condition repairs on Community, Voluntary Controlled and Maintained Schools in Lancashire.

This is deemed to be a Key Decision and the provisions of Standing Order C19 have been complied with.

#### **Recommendation**

Cabinet is asked to approve the proposed list of maintenance schemes in Lancashire Schools, detailed at Appendix 'A', totalling £8.346m as a further phase of high priority school repairs.

#### **Background and Advice**

This is the 8th phase of the Condition Led Programme which first started in 2011. Each round of the programme has addressed the worst condition issues that have been identified. Through a process of cross referencing asset management building condition data held by the county council, officers have formulated a schedule of Priority 1 school repairs. These are set out at Appendix 'A'.

The programme has been formulated using the current information available, but from experience on earlier programmes, and the complexities of assessing the condition of existing buildings, there could be a risk that further Priority 1 issues may become apparent. With this in mind, a significant contingency is recommended, which will be available to capture any justifiable projects which come to light during

the delivery of already identified works and which meet the Priority 1 criteria and these will be added to the programme as per the financial regulations.

The criteria for schools being included in the programme is based on the Department for Education Schools Asset Management Guidance which defines Schools Priority 1 repairs as:

**Priority 1.** *Urgent work that will prevent immediate closure of premises and/or address an immediate high risk to the health and safety of occupants and/or remedy a serious breach of legislation.*

The Department for Education provides Lancashire County Council with an annual budget of Schools Condition allocation based on their set methodology for the Lancashire County Council controlled schools. Due to the finite budget, it will not be possible to address all high priority issues in all schools. Any remaining Priority 1 issues and any Priority 2 issues will be reviewed, prioritised and considered for any future condition led programmes. In addition there is also an allowance in the programme to undertake further investigations and specialist surveys on buildings where there is deemed to be a potential risk due to the age, type of construction or condition. This will assist in managing risk and determining priorities in future programmes of work.

## **Consultations**

N/A

## **Implications:**

This item has the following implications, as indicated:

## **Risk management**

If the recommended work is not undertaken, the risk would be managed by further regular reactive maintenance to 'patch' the problems. However, in some cases, further deterioration of the building fabric or discontinued components would result in closure of parts of, or the whole school, until significant emergency repairs could be undertaken. Due to the nature of building maintenance works, the full extent of repairs required may not be apparent until the building infrastructure is exposed, which may result in the need to undertake additional work and therefore increased project costs. Furthermore, there may also be genuine severe condition need projects that come to light, and it is recommended therefore that a risk contingency is included to be approved and managed by the Asset Management Service. This contingency figure is included in the overall programme value.

The programme also allows for up front design fees to allow the Design and Construction Service to undertake design and feasibility work for future projects in the anticipated 2020/21 programme i.e. boiler and heating projects. Currently when funding is received and the programme of work is agreed at the beginning of the financial year, there is insufficient time to complete the necessary design work prior to the summer holiday period when the majority of this type of work is required to be

undertaken. This can result in high tender costs, delays in completing work and disruption to the school. The upfront design process will alleviate this, allowing sufficient time for the design and tendering of those projects deemed to be high risk Priority 1.

## **Financial**

The Department of Education School Condition allocations received are as follows:

- 2017/18 £10.956m (confirmed)
- 2018/19 £10.956m (confirmed)
- 2019/20 £10.000m (indicative allocation announcement due March 2019)

The current balance of the Department for Education Schools Condition capital (this is the balance currently uncommitted before projects at Appendix 'A'), and including the indicative amount for 2019/20 is £12.000m.

The proposed programme for 2019/20 is set out at Appendix 'A' totalling £8.346m. The programme will be reviewed if there is a significant variance from the indicative amount for 2019/20. The current balance of £12.000m will not be fully committed with this programme and further funding will be received in March 2020. It is anticipated that 50% of the proposed programme will be delivered in 2019/20 with the remainder of the programme being delivered the following financial year.

All schemes will be commissioned with and delivered by Lancashire County Council's Design and Construction Service. The delivery timescales will be dependent on several factors linked to the practicalities of undertaking the work in occupied premises which would have an impact on education. It is anticipated therefore that the programme will be delivered when possible in school holidays, and that this will likely include the summer breaks in both 2019 and 2020.

## **Rhyddings Business and Enterprise College**

At its meeting on 3 December 2018 Cabinet gave approval for an initial allocation to address complex condition related works at Rhyddings Business and Enterprise College, Oswaldtwistle. That report requested a capital allocation through which to complete demolition works. Cabinet is advised that additional funding will be necessary to provide replacement accommodation once further work has been completed to determine the schools future capacity requirements and associated accommodation. A separate Cabinet report will be submitted for this once those works are confirmed which will be funded from the remaining unallocated balance of the condition programme.

Whilst the 2019/20 allocation of £10.000m is termed as 'indicative' we have assurances from the Department for Education that the allocation will be as per the preceding two years. The Department for Education are using the same allocations methodology for the financial year 2019/20, with no changes. This will provide stability for responsible bodies while the Department for Education review the methodology for 2020/21 onwards.

## **Procurement**

The selection of contractors to undertake the capital works will be carried out in full compliance with the Public Contract Regulations 2015, either through the use of an established framework such as the rotational list for building works, the Partnering Framework, or through undertaking a compliant procurement exercise where appropriate.

The proposed programme is set out at Appendix 'A' and is deemed to be **Part II** for the reasons set out below.

### **List of Background Papers**

None

Reason for inclusion in Part II, if appropriate

Appendix 'A' contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. It is considered that in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information in Appendix 'A'.