

Report to the Cabinet

Meeting to be held on Thursday, 8 February 2024

Report of the Director of Strategy and Performance

Part I

Electoral Division affected:
(All Divisions);

Corporate Priorities:
Delivering better services;
Protecting our environment;

**Capital Strategy for Schools – Condition Led Capital Investment Programme
2024/25**

(Appendix 'A' refers)

Contacts for further information:

Simon Smith, Tel: (01772) 535467, Property Asset Manager – Capital,
simon.smith@lancashire.gov.uk

Michael Peppin, Tel: 07974 590019, Capital Programme Principal,
michael.peppin@lancashire.gov.uk

Brief 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.

The condition programme is funded by a grant from the Department for Education. Allocations are usually announced in April, and previous year's allocations indicate that approximately £14.000m should be received in 2024/25. In addition to this grant, there is an unallocated balance of previous year's Condition Led Programme funding, and it is proposed to utilise £4.000m leaving approximately £3.153m in reserve.

The programme, set out at Appendix 'A', has been developed to utilise this grant funding allocation. Once the amount is announced, the programme will be adjusted accordingly.

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



Recommendation

Cabinet is asked to approve:

- (i) The proposed list of maintenance schemes in Lancashire schools, detailed at Appendix 'A', totalling £17.949m, as a further phase of high priority school repairs, subject to the grant settlement for 2024/25 being £14.000m.
- (ii) That the Director of Strategy and Performance in consultation with the Executive Director for Education and Children's Services, the Director of Finance and the Cabinet Member for Education and Skills be authorised to approve any necessary adjustments to the programme once the final funding settlement is announced.

Detail

The Schools Condition Led Programme began in 2011. Using Department for Education grant monies, 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 prepared a schedule of Priority 1 school repairs. These are set out at Appendix 'A'.

The programme has been formulated using the most 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. A significant contingency is recommended, which will be available to capture any justifiable projects which come to light during the delivery of works already identified and which meet the Priority 1 criteria.

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 annual funding for Schools Condition. This is based on a set methodology for county council controlled schools. Due to the finite budget, it would not be possible to address all high priority issues in all schools. The remaining high priority issues will be reviewed and considered for any future condition led programmes.

Carbon Reduction Strategy

Where heating systems require wholesale replacement, each project will be considered individually for suitability for a low carbon heating solution. Consideration will be given to the building fabric, heat load of the building, occupants need, local



electricity infrastructure and projected running costs as part of the initial feasibility. There may be additional costs associated with consequential improvements to a building as a result of this approach, and a contingency amount has been allowed for in the programme.

In the past, the Schools Condition Led Programmes were based predominantly on the condition of the building structure, fabric, and services; with the highest priorities being ranked according to risk of building closure or Health and Safety risks.

These condition priorities will still form the basis of the programme. However, it is proposed to incorporate a focus on carbon reduction, taking a more holistic approach to the building and its operational use.

It is recognised that, due to the wide range of construction types and age of the portfolio, there cannot be one approach for all buildings. Some will not be suitable for a low carbon heating option without significant enabling works, and consideration will need to be given to the operational needs of each building.

As part of the strategy to reduce carbon emissions, all relevant projects will be supported by a low carbon consultant, who will formulate a bespoke plan to help identify and minimise energy consumption. As well as guidance on good energy management to reduce waste, each property will be issued with a recommendations report to highlight areas for future improvement.

By taking a long-term view, improvement works can be phased to ensure carbon reductions are achieved, without placing an unmanageable burden of increased operating costs on the budget holder that can be associated with the change from gas to electricity.

Specialist surveys and investigations

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. In particular, there is a need to review existing concrete and/or steel frame building construction across the property portfolio. This will assist in managing risk and determining priorities in future programmes of work.

Health, Safety and Compliance

Health and safety and compliance works are required to prevent breaches in legislation and address health and safety issues. In some cases, this can be managed through more frequent testing and monitoring, although this approach would only delay and not address the identified issues. It is proposed to include an allowance within this programme to enable such works to be addressed as they arise across the programme year.

Delivery

All schemes will be commissioned with and delivered by the council's Design Group. 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.

Certain projects due to their complexity and potential disruption to school operations require long lead-in periods and advanced design works. It is proposed that the design of these projects will be funded from the uncommitted balance of the previous year's programme and will not present any financial risk should the funding allocation be significantly different to that anticipated as the delivery will not commence until the full funding allocation is known.

Although this programme utilises the expected 2024/25 grant allocation it is anticipated that due to lead times, design processes and the need to access buildings at suitable times that the delivery of the works will take place over more than one financial year with some expenditure being in the 2025/26 year.

Appendices

Appendix 'A' is attached to this report. For clarification, it is summarised below and referenced at relevant points within this report.

Appendix	Title
Appendix 'A'	Schedule of Priority 1 School Repairs

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 partial or complete school closure, 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 additional severe condition related projects that come to light, and it is recommended therefore that a contingency fund is retained to be approved and managed by the Asset Management Service. This contingency figure is included in the overall programme value.

It should be noted that this programme does not address all condition works required in the Lancashire schools building portfolio. The programme has been prepared in conjunction with the Design Group and all Priority 1 works have been further prioritised to address schools with the greatest need within the anticipated funding allocation.



The current economic conditions also pose a further risk to delivery of this programme. Restricted material and labour availability has significantly increased costs within the construction industry and anticipated increases have been included within this programme.

Legal

There are no legal implications.

Financial

The Department for Education is yet to announce the 2024/25 schools condition grant allocation. Based on allocations in the previous two years, it is anticipated that the county council will receive approximately £14.000m, and this has been built into the proposed capital programme for 2024/25.

The Department for Education School Condition allocations were as follows:

- 2022/23 £17.974m.
- 2023/24 £15.191m.

The programme in Appendix 'A' will be reviewed if there is a significant variance from the expected amount for 2024/25. The programme is deemed to be exempt from publication as Appendix 'A' contains information relating to the financial or business affairs of any particular person (including the authority holding that information).

It should be noted that this programme delivery is set to the funding available and does not represent the whole quantum of condition work that could be required to be carried out at Lancashire schools.

Future years grants will be allocated on the same basis to address the highest known priorities at the time.

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 established frameworks or through undertaking a compliant procurement exercise following the county council's Procurement Rules, where appropriate.



List of Background Papers

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

Appendix 'A' - Exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972. Appendix 'A' contains information relating to the financial or business affairs of any particular person (including the authority holding that information). 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.

