

## **Report to the Cabinet**

Meeting to be held on Thursday, 16 January 2020

### **Report of the Head of Service - Asset Management**

**Part I**

Electoral Division affected:  
(All Divisions);

### **Principles Underpinning Schools Capital Development**

Contact for further information:

Mel Ormesher, Tel: (01772) 536966, Head of Service - Asset Management,  
mel.ormesher@lancashire.gov.uk

#### **Executive Summary**

This report sets out the main sources of capital funding available to Lancashire County Council, through which to commission building works to school premises and proposes a set of principles to be taken into consideration in the development of new programmes of works.

#### **Recommendation**

Cabinet is asked to approve the principles underpinning schools capital development as set out in the report.

#### **Background and Advice**

In its capacity as education authority, the county council is responsible for commissioning school places for every child in Lancashire who wants one across a diverse school economy which includes: community schools; academies; voluntary aided; voluntary controlled; diocesan schools, and more, where the county council has a varying degree of control and influence. In recognition of this diversity, the council will work with all of our schools, regardless of status, to develop provision and this is reflected in our ambition to provide sufficient places, be inclusive and enable good outcomes for all children in Lancashire.

This report sets out the main sources of capital funding available to the county council through which to commission building works to school premises either for the provision of additional places or to address condition related issues. The value of these funding streams is included within the capital strategy.

In order to ensure that the council continues to gain the best value from such investment, outlined below is a set of principles that are taken into account in the development and approval of new programmes of works.

### **Basic Need**

The Department for Education allocates Basic Need Grant funding to local authorities each year to help them fulfil their duty to make sure there are enough school places for children in their local area. Allocations are informed by the school capacity survey data which local authorities return to the Department on an annual basis. This includes information setting out the capacity of existing school premises and the forecast number of school places required in future. The Department for Education annually publishes a scorecard for each local authority which shows how many places have been delivered or are planned to be delivered, and provides information about the quality of the places delivered for the relevant academic year. The scorecards also show forecasting accuracy of local authorities, how well parental preference is met and the cost of providing places in their area. Lancashire performs well in this regard with accuracy of forecasting within 1% and continues to work towards meeting parental preferences and reducing the cost of each new place.

### **Special provision capital fund**

Local authorities have been allocated additional capital funding to invest in provision for children and young people with special educational needs and disabilities through the special provision capital fund. This is to create additional places and to improve facilities in mainstream and special schools, nurseries, colleges and other education providers.

### **Housing Demand and Education Contributions**

Housing developers, as a part of the conditions made upon a successful planning application, are frequently asked to make a contribution to community infrastructure through a Community Infrastructure Levy or Section 106 agreement (Town & Country Planning Act 1990). Recent guidance from the Department for Education makes clear the government expects that, where growth in pupil numbers is as a result of housing growth, developer contributions should be available for education infrastructure and that Basic Need monies are not expected to mitigate the impact of such development. This formed the basis of a recent report to the Lancashire Chief Executives Group where it was agreed to undertake joint work on this issue. County council officers continue to work through local planning authorities at a district level to secure such contributions and sites for new schools where the scale of development is significant.

### **School Condition**

Each year, the Department for Education allocates funding to help maintain and improve the condition of school buildings and grounds. This funding is made up of:

- School condition allocations which is also informed by the school capacity survey and given to eligible bodies responsible for maintaining school buildings e.g. Lancashire County Council; and
- Devolved formula capital, allocated to schools and other eligible institutions.

The county council carries out condition surveys of its schools on a rolling five year basis. The findings of these surveys are reviewed and prioritised to address health and safety and statutory requirements with the aim of keeping premises safe, warm and dry. The principles set out below do not apply to devolved formula capital, which is allocated directly to schools.

### **Principles for investment: Statutory Duties**

The county council has a range of statutory duties to fulfil in its capacity as education authority for Lancashire, this includes to:

- Provide sufficient school places for every child in Lancashire who wants one;
- Promote high educational standards;
- Provide fair access and equal opportunity;
- Promote the fulfilment of every child's potential;
- Promote diversity in provision;
- Expand popular and successful schools; and
- Increase opportunity for parents and carers to access schools of their choice.

### **Principles for investment: Characteristics for education infrastructure**

In order to ensure that proposed projects take account of the nature of local educational requirements, characteristics and organisation across the school phases, the following principles are identified:

- To ensure the sufficiency and sustainability of school places;
- Education provision is inclusive, reflects the needs of the community, skills requirements and economic development;
- Infrastructure development should not destabilise education improvement in the area;
- Consideration is given to both mainstream and special needs capacity;
- Support local demand and minimise need for capital expenditure where possible;
- Maximise capacity in Private Finance Initiative and Building Schools for the Future premises;
- Enable parents and carers to access places at the right time;
- Prioritisation of condition related works utilising Department for Education guidance on [good estate management for schools](#);
- Deliverability of projects taking into account factors such as cost, site conditions and timescale.

This approach makes transparent the decision making process already in place in order to provide assurance that projects are not considered in isolation of the wider priorities in the local area and across the county.

## **Consultations**

N/A

## **Implications:**

This item has the following implications, as indicated:

### **Risk management**

### **Financial**

These principles aim to underpin the delivery of the capital strategy and inform the development of business cases for capital investment in the schools estate.

### **Property Asset Management**

This approach supports good practice in estate management for schools, as set out by the Department for Education. Building projects taken forward will be in accordance with planning and section 77 of the School Standards and Framework Act 1998.

### **Procurement**

Where capital works are approved, 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.

## **List of Background Papers**

Paper	Date	Contact/Tel
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None

Reason for inclusion in Part II, if appropriate

N/A