

**Report to the Cabinet**

Meeting to be held on Thursday, 2 February 2023

**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  
2023/24**

(Appendix 'A' refers)

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**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 years allocations indicate that approximately £14.000m should be received. The programme has been developed to utilise this 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 £13.977m, as a further phase of high priority school repairs, subject to the grant settlement being £14.000m.
- (ii) That the Executive Director for Education and Children's Services, the Director of Strategy and Performance and the Director of Finance, in consultation with the Cabinet Member for Education and Skills, be authorised to approve any adjustments necessary 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 already identified works, 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 Priority 1 issues and any Priority 2 issues will be reviewed, prioritised 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.

### **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.

### **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.

### **Department for Education School Rebuilding Programme**

The Department for Education school rebuilding programme includes Penwortham Girls High School, which is currently at feasibility stage. However, there are certain urgent health and safety works which are necessary to maintain safe operation of the school. This work has therefore been included in this Condition Led Capital Investment Programme.



## **Delivery**

All schemes will be commissioned with and delivered by the 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 this will likely include the summer breaks in both 2023 and 2024.

It is anticipated that 40% of the proposed programme will be delivered in 2023/24, with the remainder of the programme being delivered in the following financial year.

## **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 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 and Construction Service 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.

## **Financial**

The Department for Education is yet to announce the 2023/24 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 2023/24, which is referred to in the Money Matters Quarter 3 2022/23 report elsewhere on the agenda.

The Department for Education School Condition allocations were as follows:

- 2020/21 £9.600m confirmed and spent.
- 2020/21 £4.463m additional one off in year allocation was confirmed and is committed to existing projects.
- 2021/22 £14.053m was received. However, the £10.000m programme was approved before the final grant was known leaving £4.053m uncommitted. The 2022/23 programme was set at £17.974m, with the difference being funded by the additional grant from 2021/22.
- 2022/23 £17.974m is confirmed and committed.

The programme in Appendix 'A' will be reviewed if there is a significant variance from the expected amount for 2023/24. The programme is deemed to be Part II as Appendix 'A' contains information relating to 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.

