

**14 July 2014****Agenda Item: 4****REPORT OF THE SERVICE DIRECTOR, YOUTH, FAMILIES AND CULTURE  
SCHOOLS CAPITAL PROGRAMME – PROGRESS REPORT****Purpose of the Report**

1. The purpose of this report is to:
  - provide an update to the Committee on the progress in delivering the various programmes of investment that comprise the Schools Capital Programme;
  - seek the endorsement of the Committee to the bid for funding under the auspices of the second tranche of the government's Priority Schools Building Programme; and
  - seek approval for the new School Place Planning and Capital Strategy, including the process for establishing new schools in Nottinghamshire when and where these are required.

**Information and Advice****Background**

2. The Schools Capital Programme consists of a number of discrete programmes of investment, predominantly:
  - School Places Programme
  - Schools Capital Refurbishment Programme (SCRIP)
  - Priority Schools Building Programme (PSBP)
  - Schools Access Initiative
  - Capital projects arising from the implementation of the Universal Infant Free School Meals Initiative.
3. The School Places Programme contributes to discharging the statutory function of the Local Authority to provide sufficient school places. It is an on-going annual programme that delivers new schools and/or expansions to existing schools to coincide with the arrival of new cohorts of pupils from September. The programme is funded via government grant (Basic Need Grant), which allocates funding to local authorities on an annual basis as a result of data provided to it about school capacities, Published Admission Numbers and projected future demand for places. The Programme is supplemented by additional funding provided by the County Council.

4. The SCRP represents a major programme of investment to address the deteriorating condition of schools that is beyond the scope of the Council's annual planned maintenance programme and for which the amount of capital funding delegated directly to individual schools is insufficient to address major items of work. Some funding for this programme is also provided by government grant (Capital Maintenance Grant), though the majority of the funding for the current SCRP is provided by the County Council.
5. The PSBP is a government funded and managed programme. The current programme provides for whole-school rebuilds, and will provide a total of 15 new schools across Nottinghamshire over the next 2-3 years – the most in any single local authority area. The Government has recently announced a second tranche of PSBP funding, which is targeted at replacing specific buildings / blocks within a school site which meet the defined criteria regarding their [poor] condition.
6. Taken across the period 2012 to 2016/17, the total investment across the School Places Programme and the SCRP amounts to £162m. This does not include the value of the funding for Nottinghamshire schools via the PSBP which is managed by central government. It is estimated this would bring the total investment to a figure in excess of £250m.

### **School Places Programme**

7. Since the time of the last capital programme update to Committee in December 2013, works to complete the programme of school expansions for 2013/14 academic year have concluded. In all, significant works to provide additional places were undertaken at 18 schools at a total cost of £17.2m.
8. At the same time, works have been progressing to deliver the additional places at those schools identified as requiring investment to providing additional places for the 2014/15 academic year, i.e. from September 2014. Since the time of the last update to this Committee, colleagues in the Council's property services have been managing these projects, seeking approvals from Finance and Property Committee and Planning and Licensing Committee as appropriate in relation to budgetary and planning approval. A list of the schools that are receiving investment via the 2014 School Places Programme is attached as **Appendix 1**. One of the schools on the list – Rushcliffe Academy – will receive funding from the Council towards the cost of a major capital project that it is undertaking to create a new post-16 studies centre at the school. The majority of the funding is being provided by central government, with the Council's funding specifically targeted at the provision of additional places in line with its statutory responsibility for ensuring sufficiency of places across all schools, irrespective of governance. This brings the total investment across these 16 schools to approximately £14.5m.

### **Schools Capital Refurbishment Programme**

9. The current SCRP was approved at the meeting of the County Council in May 2011. The objective of the Programme is to maintain key elements of the fabric of the schools estate and to address urgent health and safety matters. It focuses on major items of repair and maintenance in relation to roofs, external elevations, and mechanical/electrical installations, driven by information contained in schools condition survey

reports. It will ultimately deliver major refurbishment works at over 300 schools: effectively every school in the County that has not been recently rebuilt and/or received significant capital investment through other means.

10. It is anticipated that works at all schools will be completed by September 2015. Works that fall outside of the scope of the Programme as described above or which are beyond that which can be afforded within the agreed allocation of funds to individual projects, will only be undertaken if a school is able to add its own delegated funding to the project budget allocated for the works at that particular site.
11. Currently, work is completed or underway at over 200 schools. The process of scheduling the planning and preparatory work at the remaining 120 schools is also underway, including procuring the necessary survey work to confirm the scope of works that will be undertaken, in line with the objectives of the Programme. The total value of investment in the school estate through the SCRPs is £90m; the value of works accounted for to date totals £54m, which is in line with the financial projections for the Programme as a whole.
12. A list of the schools within the SCRPs is provided at **Appendix 2**.

### **Priority Schools Building Programme**

13. The PSBP is a central government funded and managed school rebuilding programme. It provides whole-school rebuilds based on a model that triangulates the condition of the fabric of the building, ongoing repairs and maintenance liabilities, and the cost of rebuilding. The County Council was more successful than any other local authority in terms of the number of successful bids for this programme. A total of 15 schools will be rebuilt through this programme, as listed in **Appendix 3**. The new schools are due to be completed for occupation from late 2015 onwards
14. The new schools will be rebuilt to a (standardised) baseline design. Whilst there is no expectation of a funding contribution from the Local Authority for the new school buildings per se, the DfE funding model for construction is very tight. There is no provision for new furniture and equipment (it assumes re-use of existing), and our engagement with DfE colleagues managing the Nottinghamshire projects has indicated potential financial risks for the County Council in relation to a number of issues, including planning conditions and the asbestos-related costs of demolishing the existing buildings. The Council has thus developed a detailed analysis of its exposure to financial risk arising out of the PSBP with the objective of containing it within the overall quantum of funding allocated to the schools capital programme, i.e. the £162m referred to in paragraph 6 above. This is currently the case, and officers are continuing to work closely with DfE officials to ensure the smooth delivery of the programme in Nottinghamshire whilst ensuring there is full understanding by all parties to the financial implications that are deemed outside of the scope of the government funding.
15. The government has recently announced a second tranche of PSBP funding. This is different in scope to the current programme in that, whilst it retains the possibility of a whole school rebuild, it also includes for complete refurbishment of a school or rebuild/refurbishment of individual school buildings. In this regard, officers are in the process of compiling a bid for Nottinghamshire's maintained schools, which prioritise specific school

buildings (e.g. those that are 'system-build') that were not deemed to be such a high priority under the criteria for the previous round of the PSBP but which meet the criteria for the current round of bids.

16. The deadline for submission of bids to the Education Funding Agency is Wednesday 18 July 2014. The final list of schools that constitute the Nottinghamshire bid is not available at the time the agenda was published. It will be made available to Committee members in advance of the meeting, and further information will be presented to members at the meeting. Subject to Committee approval, the bid will subsequently be submitted to the DfE. The current timetable anticipates that successful bids will be announced by the end of 2014.

### **Schools Access Initiative / Universal Infant Free School Meals Initiative**

17. The capital implications arising out of these two initiatives complete the current scope of the schools capital programme. The Schools Access Initiative provides for adaptations to schools in order that the buildings are able to meet the specific needs – in relation to accessibility – of a young person who is seeking a place at that school. The initiative has been in operation for some time and thus an increasing number of schools already have the requisite degree of accessibility. Equally, in many cases the scope of the adaptation works are of a scale that does not constitute a formal capital project. Nevertheless, experience shows that there are usually 5-6 more substantial capital projects required per annum. The total anticipated spend on this initiative during 2014/15 is £579,000, which will be met from within the overall quantum of funding allocated to the schools capital programme.
18. In 2013, the government announced the Universal Infant Free School Meal Initiative, which will provide a free school meal to all key stage one pupils who wish to have one from September 2014. A specific capital grant was allocated to each local authority to fund adaptations to kitchens, including additional equipment, in order to provide the additional capacity to meet the expected increase in demand. The capital grant provided to Nottinghamshire is £1.715m, and officers in the schools catering service are working with colleagues in property to prioritise the allocation of this funding and deliver the necessary capital works. Though not all of the larger capital projects will be completed by September 2014, the schools catering service has plans in place to ensure that the additional demand for school meals will be met from September 2014.

### **School Place Planning and Capital Strategy**

19. A revised and updated School Place Planning and Capital Strategy is attached for consideration at **Appendix 4**. This sets out the current context for planning school places, including the key principles that will underpin decisions on planning additional places, together with an outline of the forecasting methodology by which future demand for places is forecast on a school-by-school basis. It will drive the school places programme over the coming years; indeed it includes a list of the areas / communities around the County where it is envisaged there may be a shortage of places compared to anticipated demand, and thus where schools are being considered for expansion from September 2015 (see page 13 of the strategy for details).

20. Subject to the Committee's approval of the strategy, reports will be brought back to this Committee in order that it may give its approval to undertaking the relevant statutory processes at specific schools which data show to require a significant expansion (greater than 25%), in line with the requirements of Section 19 of the Education and Inspections Act 2006. Equally, reports will be presented to the Finance and Property Committee and the Planning and Licensing Committee to seek budgetary and planning approval respectively over the coming months as part of delivering the 2015 school places programme.
21. The strategy also includes a recommended process for establishing a brand new school in Nottinghamshire, in line with current legislation which requires local authorities to seek proposals for the establishment of an Academy or Free School whenever the need for a new school is identified. This is set out in Appendix 1 of the strategy (pages 14 and 15) and, subject to approval by this Committee, will be the basis upon which any school is procured from this point onwards.

### **Other Options Considered**

22. No other options have been considered.

### **Reason/s for Recommendation/s**

23. Projected demand for school places indicate that without investment in additional school places at the locations identified there will be a shortfall in school places. The Local Authority would be in breach of its statutory duty to provide sufficient school places.

### **Statutory and Policy Implications**

24. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

### **Implications for Service Users**

25. The School Places Programme seeks to ensure there will be sufficient school places for children living within the Local Authority area, and that the recommended 5% provision for the exercise of parental choice will be met.

### **Financial Implications**

26. Financial provision for the elements that comprise the Schools Capital Programme are reconciled annually as part of the Council's overall budget setting process, taking account of the most recent grant and other forms of income from government and other bodies that contribute to the overall funding of the Programme, together with the anticipated actual spend across the range of projects. Realistic assumptions about future sources of external income / grants have been built into the overall financial planning for the Programme, and robust arrangements are in place to monitor these over the course of the Programme.

## **Public Sector Equality Duty Implications**

27. Children within the Local Authority area will be able to access school places locally. All new build schemes will meet requirements for disabled access and special needs.

## **Human Rights Implications**

28. The provision of additional school places in refurbished schools will facilitate parental preference via the school admissions process.

## **Safeguarding of Children and Vulnerable Adults Implications**

29. All new build schemes will take account of safeguarding needs and requirements.

## **Human Resources Implications**

30. Where schools are expanding, appropriate levels of teaching staff will be appointed and funded from increases in the delegated school budget triggered by the increased number in pupils.

## **Implications for Sustainability and the Environment**

31. Increasing the number of school places is demonstrated by sustainable demand. All new projects will require planning consent and will meet Building Regulations which reflect environmental and sustainability targets. By providing local school places the need for travelling by car can be reduced.

## **RECOMMENDATION/S**

That:

- 1) the progress in delivering the Schools Capital Programme be noted.
- 2) a bid be made to central government for funding via the second tranche of the Priority School Buildings Programme (PSBP2), as agreed following the presentation made at the meeting.
- 3) the School Places and Capital Strategy is approved, including further work to confirm the list of schools for possible expansion from September 2015.
- 4) the process for establishing a new school, as set out in the School Places and Capital Strategy, is approved
- 5) a further update be provided to this committee in six months.

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**Constitutional Comments (KK 03/07/14)**

32. The proposals in this report are within the remit of the Children and Young People's Committee.

**Financial Comments (KLA 25/06/14)**

33. The financial implications of the report are set out in paragraph 26 above.

**Background Papers and Published Documents**

School Capital Strategy 2011/12 to 2013/14 – report to County Council on 19 May 2011

Schools Capital Programme to meet Basic Need 2014/15 – report to Children & Young People's Committee on 11 March 2013

Schools Capital Programme progress report – report to Children and Young People's Committee on 9 December 2013

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

**Electoral Division(s) and Member(s) Affected**

All.

C0462