

SCHOOLS CAPITAL REPAIRS & MAINTENANCE PROGRAMME

Report of the Director of Children's Services

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1. Purpose of the Report

1.1. To provide an overview of the County Council's current and planned future schools capital repairs and maintenance programme.

2. Recommendations

2.1. Schools Forum is asked to note:

- The progress of the current year's programme
- The current status of the PSBP2 programme

3. Background

3.1. Over the past four years the County Council's centrally managed schools capital maintenance programme has delivered, or is in the process of delivering, over 300 projects. This work is overseen by the Building Management Team.

3.2. The programme includes significant investment in maintained secondary schools, where schemes are managed by schools using their own consultants and contractors. Advice and support is provided by the Building Management Team.

3.3. The majority of schemes are in the primary sector where projects are managed centrally with only exceptional cases being 'school managed' (due mainly to scale or timing). This has enabled realisation of a number of benefits including:

- financial benefits from economies of scale
 - relieves schools from the burden of managing a project directly (i.e. Heads do not have to devote the time and effort required to manage projects, in an area where they have limited expertise)
 - provides the local authority (as landlord) with greater assurances around quality of specification and work on its estate
 - securing the necessary professional competence for managing construction Health & Safety including management of asbestos.
- 3.4. The centrally managed programme has been tendered as batches of work to the County Council's Property Consultancy framework in eight distinct phases (Appendix 1). The 2014/15 programme delivered over £20m of works across the schools estate.
- 3.5. In February 2015 the Education Funding Agency (EFA) announced funding of £18.759m to Hertfordshire for addressing school condition needs in 2015/16. This funding is known as the *Condition Funding Allocation*. The EFA also made it clear that the figures are indicative of funding the County Council will receive in 2016/17 and 2017/18. The budget set by the County Council reflected these figures and fully endorsed the continuation of the programme.
- 3.6. The County Council requested a scrutiny investigation of the Schools Capital R&M Programme which was carried out in June 2015. The outcomes of this are addressed below.

4. The current year's programme (2015/16)

- 4.1. 2015/16 has seen the closure of a significant number of early phase projects that had been delayed from previous years. Two of our consultancy firms have been temporarily suspended from bidding for any new work in order to achieve this and bring closure. One or two projects are still on site and a number are now in retention awaiting their 'end of defects' liability period to expire.
- 4.2. The 2015/16 programme was planned on an estimated budget of £18.7m with a nominal contingency of £2.9m. At the end of 2014/15 however there remained a significant outstanding commitment of approx. £3m. This was primarily due to unforeseen design cost, a number of unplanned projects and higher prices returning from tender. This has had an impact on the number of new projects started in order to manage within the available budget.
- 4.3. Design and tendering of the new 2015/16 schemes has been slower than anticipated and only £5m of schemes have delivered to date. Much of the physical delivery is therefore expected to take place during the second half of the year.

- 4.4. Since drafting the programme a number other calls on the budget have been identified that need to be progressed. These include the additional costs from earlier schemes (para 4.2 above) and the following significant unplanned schemes:
- Shepherd Primary – essential asbestos removal, pipework and replacement ceilings, completed during the summer holidays - £300k
 - Thomas Alleyne school – exceptional agreement to provide school with underspend from major refurbishment programme - £325k
 - Haileybury Turnford – contribution to resolve outstanding defects from former expansion project following academy conversion - £150k
 - DDA programme for children starting in September – schemes unidentified at beginning of year awaiting Occupational Therapy advice and confirmation from admissions - £150k
 - Special School and ESC projects - exceptional agreement to support various schemes across special schools and ESCs - £500k
- 4.5. The general trend remains that final costs are higher than surveyed estimates. Initial analysis of the programme suggests that it is therefore prudent to allow a minimum additional 10% when planning to account for this. The allowance should be noticeably higher for boiler / mechanical works and roofing which show a 40% increase in costs.
- 4.6. Market conditions continue to be highly variable with significant spread of costs returning from tenders. Winning tenders are still proving to be competitive although contractors are requesting longer tender periods due to volumes of work.
- 4.7. All of the above has resulted in a fully committed 2015/16 budget. Those schemes identified as the '2015/16 reserve list' reported to Schools Forum in April 2015 (Agenda Item 3, Appendix 3, p9) will now form part of the first phase for 2016/17.

5. Future years R&M programme

- 5.1. The rationale previously agreed with the Schools Forum continues to be applied:
- Bids will be reviewed principally on the basis of condition;
 - Funding will be directed towards repairing core teaching assets (accommodating basic need) where failure is impacting directly on the ability of a school to function effectively;
 - Works will be batched up and released to the market in phases to secure better value for money and ease of managing volume;
 - Funding will not be committed more than a year ahead and acceptance of a bid does not equate to funding;
 - The programme will prioritise renewing boilers and heating systems, roofing repairs or replacements, replacement or refurbished window schemes and significant structural repairs;

- Works for other condition related purposes will only be funded by exception, for example, adaptations to accommodate a pupil with acute needs, electrical re-wiring, mobile replacement, each will be dealt with on its own merits.
- 5.2. In response to requests from Forum and Scrutiny a clearer timetable has now been published on the GRID for when bids will be reviewed. This provides schools with a termly deadline by which to submit bids for them to be considered. Funding will continue to be allocated annually.
- 5.3. The draft programme for 2016/17 is proposed as follows:

2016/17 Schools R&M programme	Estimated Value
Previous commitments (estimate)	£3m
Primary Programme	£8m
Secondary Programme	£3.5m
DDA contingency	£0.25m
Children Centres Maintenance	£0.25m
Schools Meals Equipment (fixed equipment, canopies and ventilation)	£0.25m
Uncommitted (retain for unforeseen costs and high priority works identified mid-year)	£3.5m
Total expected EFA grant	£18.75m

- 5.4. The previous reserve list includes £2.3m of primary schemes which will be included within the first primary batches to be released for 2016/17. All outstanding and new bids have been reviewed and a proposed programme is included within Appendix 2. Assuming Forum is supportive of the approach then schools will be contacted following the meeting and consultants will be appointed before the end of the year with a view that schemes can start early in the new financial year. A second phase will be considered for release following the review of bids in the Spring Term. This will be dependent on greater clarity of both budget and scheme costs.

6. Priority Schools Building Programme (PSBP)

- 6.1. The EFA is continuing to progress the second phase of the PSBP. The EFA's consultants surveyed schools during June and July in order to prepare Scoping Studies for each of the successful sites. The studies' purpose was to validate the selection of the particular blocks at each school, confirm the level of condition need, pick up on any local constraints and identify any issues with programming.
- 6.2. The County Council provided support to a number of the schools, attending meetings and meeting with the EFA Programme Director. The reports were submitted to the DFE for consideration and results are due to be published in the autumn. It is expected that the next announcement will include the amount of funding committed to each block and the expectation therefore about whether it should be rebuilt or substantially refurbished.

7. Scrutiny

7.1. County Councillors carried out a scrutiny investigation of the schools capital Repairs and Maintenance programme in June 2015. Members of the Forum wishing to read more about the scrutiny investigation can find all the papers here.

<https://cmis.hertsdirect.org/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/450/Committee/6/Default.aspx>

7.2. The investigation was supported by three witnesses from the Forum and heard in detail about the programme. The investigation asked the following questions:

- What are the responsibilities of the County Council and schools with regard to funding and managing schools maintenance and repair?
- How is the ongoing maintenance liability in the sector managed?
- What processes are in place to assess capital maintenance priorities and how are projects managed?

7.3. Councillors made a number of recommendations to the Executive Member for Education, Enterprise & Skills who published his response in early September¹. A number of these specifically commit to consult the Forum and will be brought to a future meeting.

7.4. Actions arising from the scrutiny investigation have included:

- A new timetable for reviewing capital bids and a commitment to communicating more frequently with schools (Recommendation 2)
- Suspending for a three month period two consultants and one contractor from the Property Frameworks pending evidence of improved performance. One further contractor and one consultant are currently under review (Recommendation 5)
- Sharing the Forum papers on schools capital maintenance with members of the County Council's Cabinet Panel responsible for education (Recommendation 6)

7.5. The scrutiny recommendations will be monitored by the Council's Review of Recommendations Topic Group.

8. Financial contributions from schools

8.1. The requirement for all schools to make a financial contribution to schemes will continue to be applied. The Forum's recommendation (September 2015) to reduce the burden, reflecting the increasing financial pressures on schools, will be applied from 2016/17. This is confirmed as:

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<https://cmis.hertsdirect.org/hertfordshire/Calendarofcouncilmeetings/tabid/70/ctl/ViewMeetingPublic/mid/397/Meeting/450/Committee/6/Default.aspx>

- Primaries – 75% of the capital maintenance allocation for 2016/17
- Secondaries – 0.75% of total budget share for 2016/17

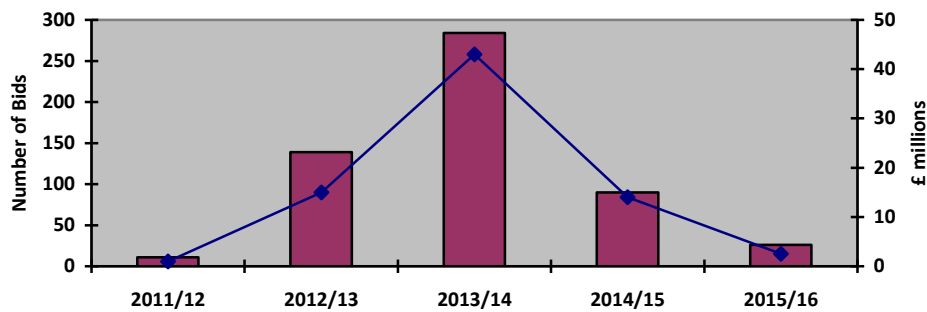
8.2. The changes will not affect current schemes. All schools will be notified exactly how much their contribution will be once their scheme has started. It will normally be taken in December via the BISCUIT. A reminder for schools in the 2015/16 programme is also being sent out.

8.3. Contributions for other schools will be based on the primary model.

9. Unfunded schemes

9.1. Bids with an estimated total value of £15.8m remained unfunded at the end of 2014/15 (66 projects at 55 schools).

9.2. Approximately £2.5m of new bids have been submitted since April 2015 reflecting a continuing decline in the level of demand for capital projects.



9.3. On the basis of the draft programme above the list of unfunded schemes would be approximately £9m representing a significant improvement on the position last year. A significant proportion of these schemes (estimated £5m) have elements that are considered to be in poor condition (D1 or C1) and require prompt attention. A list of unfunded projects is shown in Appendix 3.

9.4. Many schools continue to have to manage the day-to-day problems arising from the poor condition of their buildings with limited revenue resource. This is compounded by the uncertainty about when their bids might be funded. The current progress suggests that, unless there is a further spike in bids, the unfunded list will continue to reduce.

9.5. All unfunded bids are reconsidered whenever further funding becomes available. Schools have been advised to report any significant deterioration in condition so that this can be considered alongside the original bid. Support will be offered to support emergency works wherever funding is available to do so. Schools cannot rely on this route to funding and must continue to demonstrate that sufficient management and maintenance were in place to effectively avoid the emergency arising.

10. Project Evaluation and Training

- 10.1. Evaluation of schemes continues to be undertaken to capture schools' perceptions of consultants, contractors and HCC's performance. Response rates continue to be very low and it is difficult to draw firm conclusions about the programme as a whole from the results. The latest evaluation was carried out between October 2014 and January 2015. Results represent a 40% return (22 responses) from the 55 schools surveyed.
- 10.2. Efforts are being made to increase the effectiveness of the survey methods by introducing telephone surveys immediately after projects are completed. Improved analysis of the data should be available as more surveys are completed.
- 10.3. Overall, contractor performance is showing the most significant improvement in the most recent surveys, with excellent and good scores received for consideration towards site users, site health and safety and quality of workmanship.
- 10.4. Schools have also scored consultants more favourably for the amount of time it has taken consultants to organise works however communication continues to be reported as one of the main issues. This appears to be due to a lack of school meetings, changes in consultancy representatives and slow responses at resolving issues. Consultant performance is discussed at monthly review meetings and clearer guidance is being issued at the time new consultants are appointed.
- 10.5. Variability in HCC's support for schemes has also been noted with experiences being polarised between excellent and poor. Performance concerns are being addressed internally where this is the case. Issues also include where respondents were unclear on the capital bid process and this has been addressed through updates to the GRID.
- 10.6. The team continue to offer face-to-face training for business managers and head teachers. The course is offered through Herts for Learning and will run termly throughout the current academic year. Feedback is very positive and some of the resources are now being shared through the GRID. To date 49 delegates have attended the training.

11. Summary

- 11.1. The schools repairs and maintenance programme continues to be successful at delivering a large volume of work across the schools estate. It delivered over £23m of work in 2014/15 in addition to £25m in 2013/14 and £12m in 2012/13.
- 11.2. A positive grant settlement will enable continuation of the programme at a similar level through to 2017/18.

- 11.3. There is still a large number of schools whose proposed schemes remain unfunded and who will continue to have to manage the interim challenges within difficult financial circumstances.
- 11.4. The recent scrutiny provided an opportunity to evidence the significant impact of this programme overall and the positive way in which it continues to be managed.

Appendix 1: Summary of schools R&M Batches

Phase 1: HCC batches 1-4 (57 schools), managed by consultants Artelia (formerly Appleyards) and Ingleton Wood, are now complete having ended the 12 month retention period.

Phase 2: HCC batches 5-8 (66 schools). All projects managed by Atkins are now complete bar one which is being taken forward without them due to unacceptable delays. Three projects managed by Artelia, deferred to 2015/16, are now complete including Window Walling at The Giles (due to expansion project), High Wych (ecological issues with bats), Chessbrook (contractor Health & Safety issues). The two remaining projects are awaiting resolution of the requirements of listed building consent.

Phase 3: HCC Batches 9-11 (35 schools) managed by consultants Atkins, Artelia and Ingleton Wood respectively are now nearly all complete following the end of their 12 month retention period.

Phase 4: HCC Batches 12-16 (31 schools) managed by consultants Ingleton Wood and Artelia, are now all complete subject to 12 month defects period. Batch 15 (Oxhey Wood) however, was managed through the SmarteEast framework and construction has only recently begun on site.

Phase 5: HCC Batches 17-20 (31 schools) were tendered in the spring of 2014 and Ingleton Wood were appointed as a consultant on all of these. The majority of schemes are now complete. The remaining schemes have been delayed due to difficulties securing planning consent which are still outstanding.

Phase 6: HCC Batches 21-23 (24 schools) were tendered in the autumn of 2014 and awarded to consultants Artelia and NPS. Delays in the design process have meant that contractor tenders were only issued in the autumn of 2015. Batch 21 and 22 are expected to complete within the financial year. Batch 23 (roofing) is now due to commence early in 2016.

Phase 7: HCC Batch 24 (34 schools) were tendered using the new Property Consultants Framework in April 2015 and awarded to Ingleton Wood. The works are in the final stages of design and are being tendered in smaller clusters throughout the autumn 2015.

Phase 8: HCC Batches 25-29 (16 schools) were also tendered on the new framework. They were awarded to Mouchel (Kier), Capital, Mouchel (Kier), Artelia and Pellings respectively. These projects are in various stages of design and tender.

Appendix 2: Proposed early phases for 2016/17 delivery

Bids considered and accepted and now with funding approval for 2016/17. All subject to school financial contribution and final tendered costs.

School Category	Establishment	School Number	Work Type	Surveyors Classification	Total
Nursery	Greenfield Nursery School	399	Roofing	C1	£102,960
			Window Walling	C1	£60,720
Nursery Total					£163,680
Primary	Abel Smith School	249	Window Walling	D1	£77,000
	Brookland Infant & Nursery	366	Window Walling	C2	£159,500
	Brookmans Park School	574	Window Walling	D1	£89,298
	Commonswood School	529	Boiler	(blank)	£108,000
	Cunningham Hill Infant School	437	Electrical	C1	£17,600
			Mechanical	C1	£55,000
	Dundale Primary & Nursery School	940	Roofing	C1 / C2	£563,200
			Window Walling	C1 / C2	£380,600
	Eastbury Farm Primary School	703	Roofing	C1	£270,600
	Fawbert and Barnard Infants	222	Roofing	D1/ C1 /C2	£136,180
	Gade Valley JMI & Nursery School	855	Roofing	C2	£319,000
			Window Walling	C2 / C3	£277,200
	Hertford Heath Primary School	267	Window Walling	C2	£51,700
	Highover JMI & Nursery School	038	Roofing	C2	£354,750
	Holdbrook Primary School	358	Roofing	C1	£185,900
			Window Walling	C2	£151,800
	Icknield Infant and Nursery School	020	Boiler	C1	£85,250
	Killigrew Primary & Nursery	455	Window Walling	C2	£169,180
	Leverstock Green (C of E) Primary	853	Roofing	C2 / C3	£247,500
	Malvern Way Infant & Nursery	697	Window Walling	C2	£275,000
	Oakmere Primary School	657	Roofing	C1 - B3	£354,200
	Prae Wood Primary School	440	Minor Works	C1	£28,600
	Roman Way First School	086	Pipework	C1	£52,074
	Roundwood Primary School	490	Drainage works	C1	£35,000
	Samuel Lucas JMI School	035	Window Walling	C1	£143,000
	Shepherd Primary School	699	Fire Alarm	N/A	£22,000
	St Catherine`s (C of E) Primary	307	Window Walling	C2 / C3	£252,000
	St Meryl School	774	Window Walling	C2 / C3	£277,200
	Swallow Dell Primary School	525	Roofing	D1 / C2	£547,360
	Thorley Hill Primary School	211	Window Walling	D1	£161,700
	Tudor Primary School	829	Window Walling	D1	£157,850
	Two Waters Primary School	828	Window Walling	(blank)	£100,000
	Wheatfields JM School	463	Roofing	C2	£326,700
Wood End School	493	Roofing	C1 / C2	£136,730	
Woodhall School	768	Window Walling	C2	£324,500	
Yewtree Primary School	863	Window Walling	C2	£214,676	
Primary Total					£7,107,848
Middle	Edwinstree C of E Middle School	225	Minor Works	(blank)	£45,654
Middle Total					£45,654
Secondary	Adeyfield School	812	Window Walling	D1 / D2	£356,400
	Barnwell School	108	Window Walling	D1 / C1	£677,600
	Sir Frederic Osbourne	511	Roofing	D1	£362,000
Secondary Total					£1,396,000
ESC & Special	Brandles School	637	Roofing	C1	£25,850
			Window Walling	D2	£254,760

	Breakspeare School	884	Drainage works	(blank)	£35,000
ESC & Special Total					£315,610
Total					£9,028,792

Appendix 3: Unfunded schemes (Approved but held for future years)

Bids considered and accepted in principle but currently unfunded. Decisions on whether or not they will be funded are held over to future years and are therefore subject to future budgets and priorities. For schools converting to Academy Status, appearance on this list does not imply a commitment to funding by HCC post conversion.

School Category	Establishment	School Number	Work Type	Surveyors Classification	Total
Primary	Aboyne Lodge School	423	Roofing	C1	£286,756
			Window Walling	C1	£476,025
	Andrews Lane Primary School	372	Window Walling	C1	£313,500
	Bedmond Village Primary School	777	Window Walling	C2 / C3	£132,000
	Bedwell Primary School & Nursery	127	Window Walling	C1 / C2	£280,500
	Bernards Heath Infant School	417	Roofing	C1	£181,500
			Window Walling	C2	£85,800
	Bernards Heath Junior School	416	Window Walling	C2	£249,700
	Bonneygrove Primary School	363	Roofing	C1 / B3	£168,300
	Bromet Primary School	721	Window Walling	C1	£186,340
	Bushey Heath Primary School	678	Window Walling	C1	£110,220
	Chater Junior School	728	Window Walling	C2	£89,100
	Dewhurst St Mary (C of E) Primary	359	Window Walling	C2	£90,200
	Forres Primary School	292	Window Walling	(blank)	£213,917
	Hobletts Manor Infants & Nursery	835	Window Walling	C3	£261,800
	Hobletts Manor Junior School	834	Roofing	C1	£308,000
	Layston Church of England First	232	Roofing	B3	£155,100
	Leavesden Green Primary School	740	Roofing	C2	£374,000
	Longlands Primary and Nursery	375	Roofing	C1	£141,900
	Manland Primary School	485	Mobile	C1	£385,000
	Heathlands	626	Roofing	C1	£480,000
	Micklem Primary School	844	Window Walling	C1	£147,070
	Morgans Primary School	256	Roofing	C2	£203,500
	Oak View Primary & Nursery School	583	Window Walling	C1	£90,475
	Oughton Primary and Nursery	043	Window Walling	C1 / C2	£308,000
	Strathmore Infant and Nursery	040	Window Walling	C1	£68,200
	Swing Gate First and Nursery	919	Window Walling	C1	£90,200
	The Grove Junior School	491	Window Walling	C1	£125,400
Watchlytes School	543	Roofing	C2	£157,300	
Watford Field (Infant & Nursery)	731	Roofing	C1 / C3	£180,000	
Primary Total					£6,339,803
Secondary	Sheredes School	276	Boiler	(blank)	£528,000
	The Bishop`s Stortford High School	203	Roofing	(blank)	£38,500
	The Cavendish School	803	Window Walling	C2 / C3	£1,485,000
Secondary Total					£2,051,500
ESC & Special	Park Educational Support Centre	591	Window Walling	C1	£78,100
	Rivers ESC (Hoddesdon)	667	Window Walling	C1 / C2	£290,000
	The Collett School	631	Minor Works	(blank)	£21,110
			Window Walling	C1	£40,700
The Valley School	619	Roofing	D1	£649,000	
ESC & Special Total					£1,078,910
Total					£9,470,213