

**SCHOOLS CAPITAL REPAIRS & MAINTENANCE BI-ANNUAL REPORT**

*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 planned future schools capital repairs and maintenance programme.
- 1.2. To advise the Forum on a number of related property issues.

**2. Recommendations**

- 2.1. Schools Forum is asked to note:
  - Progress of the capital repairs programme and proposals for future years
  - Current status of the Government's PSBP2 programme
  - Response to scrutiny recommendations
  - Changes to the Landlord's Consent process

**3. Background**

- 3.1. Over the past five years the County Council's Building Management Team has delivered over 300 projects in maintained schools using a capital grant provided by the Department for Education for addressing the condition needs of the County's schools. This has resulted in significant building fabric improvements across all types of maintained schools and is overseen by the Building Management Team.
- 3.2. The centrally managed programme has been tendered as batches of work via the County Council's Property Frameworks in nine distinct phases (Appendix 1). The 2015/16 programme delivered £17m of capital works.

- 3.3. The recent announcement about compulsory academisation of schools is expected to end the County Council's involvement in capital maintenance. At this time it is not known how fast this will happen and therefore the current approach will be continued so long as funding is made available.
- 3.4. The Education Funding Agency (EFA) has indicated that the County Council will receive £18.759m in 2016/17 and 2017/18 for continuing to address the condition needs of maintained schools. The budget set by the County Council reflected these figures and fully endorsed the continuation of the programme. The figure is likely to be adjusted down for any schools converting to academy status in the interim but is otherwise expected to be honoured.
- 3.5. The County Council undertook a scrutiny investigation of the Schools Capital R&M Programme in June 2015. It made a number of recommendations which are also addressed in this paper.

#### **4. The 2016/17 planned programme**

- 4.1. The previous year's (2015/16) programme was planned on an estimated budget of £18.7m with a nominal contingency of £2.9m. The forecast outturn at the end of March was £18.1m with £1.7m having to be re-programmed to 2016/17.
- 4.2. The Forum endorsed a provisional programme for 2016/17 at its meeting in November 2015 and this is now being progressed following the County Council's budget setting process.

2016/17 Schools R&M programme	Estimated Value
Reprogramming from previous year	£1.7m
Primary Programme	£9m
Secondary Programme	£3.5m
Mobile replacement programme	£1m
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)	£2.8m
<b>Total EFA grant</b>	<b>£18.75m</b>

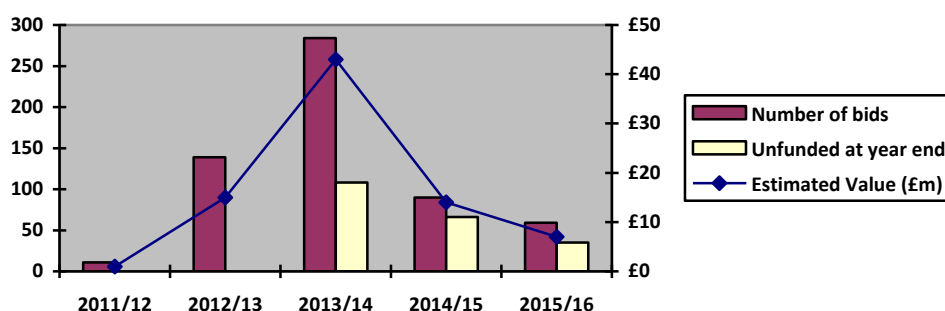
- 4.3. Taking into account the delays in starting last year's programme, design and tendering of the new 2016/17 schemes has already begun. Consultants have already been appointed for three batches, accounting for half the budget, and work on the design is well progressed with schools.
- 4.4. A number of schools managed projects have also been agreed and schools are securing the necessary technical support to ensure these deliver comfortably within the financial year.

- 4.5. Further projects to address temporary accommodation in poor condition are also being progressed with feasibility underway at a number of sites.
- 4.6. Estimated budget costs for these projects now take into account the variations that have been identified from previous year's projects. This should give greater confidence when planning, reduce the need to hold back contingency and enable more projects to be included within the programme.

## **5. Future years R&M programme**

- 5.1. The rationale previously agreed with the Schools Forum will continue to be applied whilst funding is available.
- 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. Consideration is however being given to whether there are specific projects that should be undertaken which are not necessarily part of the existing condition-related programme prior to the transfer of responsibilities to the EFA. These might be projects of the type which represent good long-term value for money but are not the type of item EFA will fund as they do not fit within standardised templates.
- 5.3. A number potential projects have been identified which include, for example, moving and expanding existing schools as part of an integrated expansion and maintenance project. Where we believe there are specific projects that merit introduction these will be brought back to Forum in due course.
- 5.4. 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.

- 5.5. Bids with an estimated total value of £7m were received during the 2015/16 financial year. Approximately £12.9m remain unfunded at the end of 2015/16 (taking into account the 2016/17 planned programme). This represents a significant improvement on the position last year. A significant proportion of these schemes (estimated £7.3m) have elements that are considered to be in poor condition (D1 or C1) and require prompt attention. A list of currently unfunded projects is shown in Appendix 2.



- 5.6. 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.
- 5.7. 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.
- 5.8. The Government's indication to remove schools from local authority control is likely to result in the programme ceasing to exist in its current form by 2022. In the meantime the County Council will seek to maximise the legacy from the *Condition Funding Allocation* that it receives.
- 5.9. The likely future scenario is that maintained schools when they convert to Academy status will have to look to the EFA for future condition related funding, as academies do currently.
- 5.10. The County Council will continue to be the Landlord for the time being and is developing more robust procedures for securing approval to make changes to the school buildings. However, it seems possible that the government will transfer to itself all schools-related assets, including the freeholds which sit beneath academy leases. If and when that happens, approval process required by EFA may be developed and come into play.

## **6. Landlord's Consent**

- 6.1. Schools are reminded that in all cases where the County Council is the Landlord that permission must be sought prior to making changes to the school buildings. As a general rule this applies to all permanent changes to the fabric, particularly extensions, new blocks or installations that might affect the structure or any guarantees e.g. solar panels, mobile phone masts etc.
- 6.2. The Landlord's Consent process applies equally to academy schools and any school seeking to make changes to its buildings should contact the County Council for permission. More detailed guidance about this process is available on the GRID > Premises & Sites. Specific guidance on solar PV installations has also recently been published here:

<http://www.thegrid.org.uk/info/premises/energy/renewable.shtml>

## **7. Priority Schools Building Programme (PSBP)**

- 7.1. The EFA has confirmed support for 15 Hertfordshire schools as part of its PSBP2 programme. Schools have been advised of the scope and when these projects are expected to start. The majority will commence during late 2017 although one or two of the diocesan schools are expected to begin this financial year. The funding is available until 2021.
- 7.2. Two of the schemes have been identified as suitable for Local Delivery and the County Council is currently working with the EFA to take forward the relevant schemes at the Barclay and Hemel Hempstead School. Consultants are being procured to project manage these on our behalf.

## **8. Scrutiny**

- 8.1. County Councillors carried out a scrutiny investigation of the schools capital Repairs and Maintenance programme in June 2015 and more detail was provided to the Forum in November 2015. A number of the recommendations required further work and a commitment was made to bring these to the Forum for comment.
- 8.2. A further update on progress with the recommendations is being considered by the Council's Review of Recommendations Topic Group on 25 April.

### Review of condition grades and associated guidance

- 8.3. The condition grade is a key piece of information that underpins the process of allocating funding and the scrutiny investigation recommended that the level of understanding and consistency be reviewed. A review was undertaken and a guidance note has been published with the support of the PHF Maintenance sub-group. This now forms part of the information available to schools when submitting bids. The information has also been

shared with consultants operating on the framework to ensure they have a consistent understanding of what the Council expects.

#### Evaluation of undertaking surveys and support in-house

- 8.4. The scrutiny committee recommended that an evaluation be undertaken as to the options for providing support to schools *in-house* as was the case presented by one of the local authority witnesses. The review was shared with the PHF Maintenance sub-group and concluded that the proposal does not represent value for money. The current *outsourced* model continues to provide sufficient capacity and scalability and, in the light of the move towards compulsory academisation, the County Council is not likely to need any long-term capacity to undertake this work.
- 8.5. The Forum is asked to note these actions and comment.

### **9. Financial contributions from schools**

- 9.1. The requirement for all schools to make a financial contribution to schemes will continue to be applied. For 2016/17 this is confirmed as:
- Primaries – 75% of the capital maintenance allocation for 2016/17
  - Secondaries – 0.75% of total budget share for 2016/17
- 9.2. All affected schools will be written to in May to confirm the amount and when it is planned to be taken. Further notification will be sent in November prior to the money being taken during December 2016.
- 9.3. Contributions for other schools will be based on the primary model.

### **10. Project Evaluation and Training**

- 10.1. Evaluation of schemes continues to be undertaken post project completion to capture schools' perceptions of consultants, contractors and HCC's performance. Response rates continue to be relatively low but overall the numbers are building up to enable meaningful analysis.
- 10.2. Overall performance is showing improvements from year to year across all areas with contractors receiving the most positive response overall. Less than 10% of responses are below average. Projects where negative feedback is received result in a post project review in order to learn lessons for future use.
- 10.3. The team continue to offer face-to-face training aimed at business managers and head teachers. Feedback is universally positive and to date 62 delegates have attended the training. The course is offered through Herts for Learning and is being run termly throughout the current academic year. Discussions are underway to move the training online to reduce the time burden on the team and to anticipate the reduced role for the County Council in future capital works in schools.

## **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 has delivered over £77m of work since 2012/13.
- 11.2. A positive grant settlement will enable continuation of the programme at a similar level through to 2017/18. The Government's indication that it will be pursuing the academisation of schools will however ultimately lead to the Council's involvement in this programme ending.
- 11.3. There remain a large number of schools whose proposed schemes are 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 - 3: HCC batches 1-11 (158 schools), managed by consultants Artelia, Atkins and Ingleton Wood are all now complete.

Phase 4: HCC Batches 12-16 (31 schools) managed by consultants Ingleton Wood and Artelia are complete subject to 12 month defects period. Batch 15 (Oxhey Wood) is currently under construction and is due to complete by June 2016.

Phase 5: HCC Batches 17-20 (31 schools) managed by Ingleton Wood. The majority of schemes are now complete with one or two continuing in to the 2016/17 year following delays relating to planning and design complications.

Phase 6: HCC Batches 21-23 (24 schools) were tendered in the autumn of 2014 and awarded to consultants Artelia and NPS. Batch 21 and 22 are substantially complete and Batch 23 (roofing) is in progress.

Phase 7: HCC Batch 24 (34 schools) were tendered using the new Property Consultants Framework in April 2015 and awarded to Ingleton Wood. A number of projects are already complete, a significant number under construction with one or two still to be tendered.

Phase 8: HCC Batches 25-29 (16 schools) were tendered on the new framework and awarded to Mouchel (Kier), Capital, Mouchel (Kier), Artelia and Pellings respectively. Contractors have been appointed and projects are due on site shortly.

Phase 9: HCC Batches 30-32 (28 schools) were tendered during the last quarter of 2015/16. Consultants have been appointed on two of the three and work has begun to progress each project for implementation during 2016/17.



## Appendix 2: 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	Work Type	Surveyors Classification	Total
Primary	Aboyne Lodge School	Window Walling	C1	£ 476,025
	Andrews Lane Primary School	Window Walling	C1	£ 313,500
	Ashwell Primary School	Roofing	D1	£ 198,000
		Window Walling	D1	£ 82,500
	Bedmond Village Primary School	Heating	C1	£ 106,700
		Window Walling	C2 & C3	£ 132,000
	Bedwell Primary School & Nursery	Window Walling	C1 & C2	£ 280,500
	Bernards Heath Infant School	Roofing	C1	£ 181,500
		Window Walling	C2	£ 85,800
	Bernards Heath Junior School	Window Walling	C1	£ 249,700
	Bonneygrove Primary School	Roofing	C1 - B3	£ 168,300
	Breachwood Green JMI School	Boiler	(blank)	£ -
	Bromet Primary School	Window Walling	C1	£ 186,340
	Bushey Heath Primary School	Window Walling	C1	£ 110,220
	Camp Primary and Nursery School	Roofing	C1	£ 123,200
	Chater Junior School	Window Walling	C2	£ 89,100
	Dewhurst St Mary C of E Primary School	Window Walling	C2	£ 90,200
	Field Junior School	Boiler	D1	£ 76,138
	Forres Primary School	Window Walling	(blank)	£ 213,917
	Furneux Pelham Church of England School	Roofing	D1	£ 99,000
	Giles Junior School	Window Walling	C1	£ -
	Greenway First & Nursery School	Electrical	(blank)	£ 20,350
	Hobletts Manor Infants' & Nursery School	Window Walling	C3	£ 261,800
	Hobletts Manor Junior School	Roofing	C1	£ 308,000
	How Wood Primary School	Roofing	D1	£ 390,092
	Ickleford Primary School	Boiler	C2	£ 71,500
	Knebworth Primary School	Roofing	D1 & C1	£ 408,232
	Layston Church of England First School	Roofing	B3	£ 155,100
	Leavesden Green Primary School	Roofing	C2	£ 374,000
	Lime Walk Primary School	mobile replacement	(blank)	£ -
	Little Heath Primary School	Window Walling	C1	£ 294,800
	Longlands Primary School and Nursery	Roofing	C1	£ 141,900
	Markyate Village School & Nursery	Mechanical	N/A	£ 13,045
	Micklem Primary School	Window Walling	C1	£ 147,070
	Millbrook Primary & Nursery School	Electrical	(blank)	£ -
	Morgans Primary School	Roofing	C2	£ 203,500
		Window Walling	(blank)	£ 192,500

	Moss Bury Primary School & Nursery	Roofing	C3	£ 302,500
		Window Walling	C2 & C3	£ 385,000
	Oak View Primary & Nursery School	Window Walling	C1	£ 90,475
	Oakwood Primary School	Mobile	(blank)	£ -
	Oughton Primary and Nursery School	Window Walling	C1 & C2	£ 308,000
	Priors Wood Primary School	Window Walling	C2	£ 134,891
	Purwell Primary School	Roofing	C1	£ 44,000
	Roundwood Primary School	Roofing	D1 - C1	£ 211,750
	Strathmore Infant and Nursery School	Boiler	(blank)	£ -
		Window Walling	C1	£ 68,200
	Swing Gate First and Nursery School	Window Walling	C1	£ 90,200
	Templewood Primary School	Boiler	(blank)	£ 165,000
	The Grove Junior School	Boiler	(blank)	£ -
		Window Walling	C1	£ 125,400
	The Orchard Primary School	Roofing	D1 & C2	£ 245,812
	Therfield First School	Roofing	C1	£ 60,500
	Thorley Hill Primary School	boilers	(blank)	£ 88,000
	Thundridge Primary School	Boiler	(blank)	£ 171,600
	Watchlytes School	Roofing	C2	£ 157,300
	Watford Field School (Infant & Nursery)	Roofing	C1 & C3	£ 180,000
	Woolenwick Infant & Nursery School	Window Walling	(blank)	£ -
Primary Total				£ 9,073,156
Secondary	Barnwell School	Minor Works	(blank)	£ -
	Sheredes School	Boiler	(blank)	£ 528,000
	The Bishop's Stortford High School	Roofing	(blank)	£ 38,500
	The Cavendish School	Window Walling	C2 & C3	£ 1,485,000
Secondary Total				£ 2,051,500
ESCs & Special	Heathlands School	Roofing	C2	£ 55,000
			D1	£ 418,000
	Park Educational Support Centre	Roofing	C2	£ 102,850
			D1	£ 138,380
		Window Walling	C1	£ 78,100
	Rivers ESC (Hoddesdon)	Window Walling	C1 & C2	£ 290,000
	The Collett School	Minor Works	(blank)	£ 23,221
		Safeguarding Entrance	(blank)	£ 65,714
		Window Walling	C1	£ 40,700
	The Valley School	Roofing	D1	£ 649,000
ESC Total				£ 1,860,965
Grand Total				£12,985,621