

Brighton & Hove City Council

Children, Young People & Skills Committee

Agenda Item 56

Subject: Education Capital Resources and Capital Investment Programme 2023/2024

Date of meeting: CYPS 6 March 2023
P&R 16 March 2023

Report of: Executive Director of Families, Children & Learning

Contact Officer: Name: Richard Barker, Head of School Organisation
Tel: 01273 290732
Email: Richard.barker@brighton-hove.gov.uk

Ward(s) affected: All

For general release

1. Purpose of the report and policy context

- 1.1 In order to determine an overall Capital Programme for Brighton & Hove City Council, each service is asked to consider its capital investment requirements, within the level of allocated resources for 2023/24.
- 1.2 The purpose of the report is to inform the Committee of the level of available capital resources allocated to support education buildings and to recommend a capital programme for 2023/24 in respect of School Condition Allocation (SCA) and Basic Need funding.

2. Recommendations

- 2.1 That the level of available capital resources totalling £5million for investment relating to education buildings financed from capital grant be noted.
- 2.2 That Committee agree the allocation of funding as shown in Appendices 1 and 2 and recommend this to Policy & Resources Committee on 16 March 2023 for inclusion within the Council's Capital Investment Programme 2023/24.
- 2.3 That Committee agree to recommend to Policy & Resources Committee that they grant delegated authority to the Assistant Director of Property & Design to procure the capital maintenance and basic need works and enter into contracts within these budgets, as required, in accordance with Contract Standing Orders in respect of the entire Education Capital Programme.

3. Context and background information

- 3.1 The Education Capital Programme forms part of the Council's full Capital Investment Programme which was presented to Budget Policy & Resources Committee on 9 February 2023 and Budget Council on 23 February 2022.

- 3.2 The capital finance settlement from central government includes Basic Need, School Condition Allocation (SCA), High Needs Provision Capital Allocation and Devolved Formula Capital for community schools.
- 3.3 Capital finance for Voluntary Aided schools, academies and free schools does not form part of the funding allocated to Local Authorities as they have access to the separate Condition Improvement Fund administered by the DfE.
- 3.4 The table below shows the allocations of capital grant funding announced for 2023/24 only and does not include 2022/23 grant forecast to be re-profiled into 2023/24 including those approvals in the Targeted Budget Management 2021/22 Month 9 report to Policy & Resources Committee on 9 February 2023.

	2023/24 Settlement million
School Condition Allocation (SCA)	£4.000 *
Basic Need Funding	£0
High Needs Provision Capital Allocation	£3.368
LA Devolved Formula Capital Grant (Passported entirely to schools)	£0.500 *
Sub Total	£7.868*

* To be confirmed. Estimate based on 2022/23 allocation

- 3.5 At the present time the government has not announced the maintenance funding allocations for 2023/24. For the purposes of this report we are working on the assumption that there will be no appreciable difference to the allocation for the 2022/23 financial year and therefore we assume that the School Condition Allocation will be £4.0million and the Devolved Formula Capital (DFC) allocation will be £0.5million. This is considered to be a cautious assumption; we have compiled a reserve list in case the actual settlement is higher than anticipated.
- 3.6 DFC grants are passed directly to schools and therefore are not available for the Local Authority to spend.
- 3.7 In March 2022 the Government updated their allocation figures for Basic Need capital funding for 2023/24. There was no allocation for Brighton & Hove for this period.
- 3.8 In addition to the funding from central Government there is a Services to Schools buy back option for the council's strategic property function providing schools with a full condition survey, statutory compliance contracts and access to advice and support on all property matters. It is anticipated that this will generate £0.500 million for the 2023/24 financial year. We are forecasting a drop in income this year since schools have indicated that they

are looking closely at where they can save money. In the event that we receive the same level of buy back as in previous years we will look to the reserve list mentioned in para 3.5 above.

- 3.9 This service buy back resulted from a change in the rules around the ways in which schools are funded in 2017/18. Before this date Schools Forum agreed to the use of £0.9million for building maintenance. As a result of this we set up a buy back scheme for schools. Since the change all community schools have purchased the service, Voluntary Aided schools buy a partial service (in recognition of their different status with the council when it comes to property) and the free schools and academies do not buy the service at all due to their direct relationship with the DfE. It is for this reason that the total buy back amount is less than the original amount of £0.9million.
- 3.10 The table below shows the level of new resources available for the Local Authority to spend in the 2023/24 financial year.

	Million
Capital Finance settlement	£4.000
Services to Schools Income	£0.500
High Needs Provision Capital Allocation	£3.368
Total	£7.868

- 3.11 Additional grant funding may be made available throughout the forthcoming financial year and will be reported separately if necessary.
- 3.12 Capital reprofiles and slippage arising from the 2022/2023 Capital Programme will be incorporated into the 2023/2024 programme when the capital accounts are closed on 31 March 2023.

Capital Commitments

- 3.13 An overall summary of expenditure for 2023/24 is attached at **Appendix 1** and a more detailed explanation of each item is shown below.

Condition Related Works

- 3.14 The capital maintenance funding will be used to address the most urgent and important items highlighted by the condition surveys of school buildings as well as a number of programmes to address specific safety and improvement priorities as set out in paragraphs 3.15 – 3.25 below. In doing this the council will consider how best to do so in a responsible and sustainable way.
- 3.15 It is recommended that £4.0 million from SCA plus £0.500 million from Services to Schools is allocated to carry out maintenance and legislative works to the school estate in the 2023/24 financial year.
- 3.16 A copy of the proposed structural maintenance programme is attached at **Appendix 2** to this report. This shows the estimated total cost of each

programme of work (such as roof replacements, mechanical and electrical works etc.) but not the estimates for each individual element. This is because at the present time the amounts are pre-tender estimates and it would not make commercial sense to reveal these prior to going out to tender.

- 3.17 The extent of the work at each school will be determined by the condition survey and detailed investigation and scoping of the problem to be addressed. There will also be discussion with each school on the timing and scope of the works.
- 3.18 Projects within the planned programme are procured using the building maintenance frameworks put in place in 2020/21. The successful contractors had to demonstrate that they would minimise waste, meet targets for reductions in waste to landfill and optimise the recovery, reuse and recycling of waste.
- 3.19 In addition to this they had to describe the steps they will take to minimise the use of resources (water, fuel, energy from fossil fuels) and improve sustainable sourcing and this was all taken into account when scoring the applicants. The framework contracts include performance indicators in respect of sustainability and environmental management that are to be monitored on a quarterly basis.
- 3.20 We look at the sustainability of projects at the outset to ensure the best outcomes for the building and its users. The building works we undertake will improve the thermal performance of the building overall. This can include items such as repointing, replacing curtain walling with aluminium systems which have better lifecycle costs, recyclability and energy efficiency.
- 3.21 When replacing or refurbishing roofs we look to exceed Approved Document L requirements in terms of energy efficiency. The insulation we install when undertaking roofing works are rated A+ (the highest) in the BRE Green Specification Guide. We are now also considering the use of aluminium rainwater goods (gutters and pipes) in some cases, but there are significant cost implications to this.
- 3.22 In terms of mechanical plant, we install efficient condensing boilers and water heaters, make use of heat recovery on ventilation and heat pumps with improved coefficients of performance. Pipework is insulated and building management systems include zoning and automatic adjustments with the seasons to reduce waste. We use LED and PIR controlled lighting, low energy extract fans, non-concussive taps and water flow restrictors all of which reduce waste and improve efficiency.
- 3.23 By allocating the School Condition Allocation for 2023/24 (£4.0million), and the £0.500 million from the services to schools funding we will be able to invest £4.5 million in improving the condition of the school estate. Of this, £4.0 million will be allocated to the most urgent projects detailed in **Appendix 2**.

3.24 In addition to these works we also allocate funding to programmes of work arising from statutory responsibilities. The allocation is as shown below:

Legionella	£0.100million
Asbestos	£0.100million
Fire Safety works	£0.100million
Accessibility adaptations	£0.100million
Surveys feasibility and Advanced design	£0.100million
TOTAL	£0.500million

3.25 Legislation on the control of asbestos in buildings has given rise to the need to carry out works on a rolling programme to school buildings to achieve compliance with the legislation. In line with good practice the council does not seek to actively identify and remove dormant asbestos due to the risks of disturbance. Instead the rolling programme means works are completed alongside larger improvement projects in the school or a standalone removal project when the circumstances require it.

3.26 In 2022/23 we identified 62 individual projects to undertake throughout the year at an estimated cost of £4.313million (Inc. fees). To date we have undertaken 58 of these (some of these are still ongoing) and 4 will continue into 2023/24, the budget to meet the cost of this work has been re-profiled within the TBM9 report. A list of these projects is included in **Appendix 3**.

Basic Need Funding

3.27 Basic Need funding is provided to authorities who are experiencing increasing school rolls. The funding is provided to ensure that the Local Authority can meet its statutory obligation to secure a school place for every child that wants one.

3.28 Brighton & Hove did not receive an allocation for the 2023/24 financial year because our pupil numbers are falling. We do however have £8.312million of unallocated Basic Need funding from previous years.

3.29 Our Basic Need priorities remain implementing the outcomes of the SEND review by making adaptations to special schools and to ensure there are adequate secondary school places available in the city over the next few years.

3.30 In the capital budget for 2019/20 an allocation of £4.0million was agreed for the work required to create the Central Hub which was to incorporate Homewood College and the Pupil Referral Unit.

3.31 A scheme to provide enhanced facilities for Homewood College on the previous site of the Cedar Centre was developed in conjunction with the school and tendered in the summer of 2021. A tender evaluation exercise was undertaken to select the preferred contractor.

- 3.32 However, owing to the outcome of the Ofsted inspection, the school being made the subject of an academy order it is no longer considered prudent to continue with this proposal.
- 3.33 In September 2022, CYPS Committee agreed a proposal to create a satellite site for Hill Park School on the site of the former Cedar Centre to provide 30-place provision for autistic children and young people who have anxiety and mental health issues, but who do not have a learning disability.
- 3.34 The allocation of £4.2 million for this project will need to be increased as a result of the delay to awarding the contract. It is recommended that £0.5million is allocated to cover the cost of inflation over the delay period from the High Needs Provision Capital Allocation (see below).
- 3.35 The LA has previously installed mobile accommodation on the site of two schools. One to accommodate a bulge in pupil numbers in a primary school and one to provide accommodation in a secondary school while a permanent extension was being constructed at a secondary school. This accommodation is no longer required and is to be removed over the summer holiday 2023.

High Needs Provision Capital Funding

- 3.36 On 29 March 2022 the DfE announced an allocation of capital funding to support the provision of additional high needs places.
- 3.37 Brighton & Hove were allocated £2.765million for 2022 23 and a further £3.386million for 2023 24. A condition of receiving the grant was that we submitted a form outlining our proposals to the DfE. We did this in September 2022.
- 3.38 The information we submitted was very general with the exception of the £0.5million for the Hill Park works mentioned at 3.34 above and an allocation for Downs View School of £1.0 million for the expansion of the site to allow for admission of nursery age pupils and £0.4million for works to relocate the primary PRU from Lynchet Close to Connaught Road.

Section 106 Funding

- 3.39 Since 2007 we have sought education contributions for developments of more than 10 new dwellings in areas where there was a pressure on school places. The calculation of a contribution has always been based on the number of pupils the development is likely to generate and the cost of providing this number of places. We do not seek contributions in areas where there are sufficient school places.
- 3.40 From 2007 until January 2022, we had secured approximately £5.725million of contributions. Since that date we have secured a further £0.317million from 3 developments. **Appendix 4** shows the contributions received between January 2022 and January 2023.

3.41 It is important that any monies accrued are used in accordance with planning legislation and policy objectives as further defined in the Developer Contributions Technical Guidance. The decision on how to use the funding is based on knowledge of the school estate in terms of its capacity and condition. This information is gathered via the condition surveys and the yearly updating of the plans for the SCAP return.

3.42 In the 2022/23 financial year we have not spent any Section 106 funding.

4. Analysis and consideration of alternative options

4.1 The only option available would be to not make use of this funding to improve or extend the education property portfolio. This is not recommended as it would limit our ability to maintain, modernise and improve our school buildings property portfolio and to secure sufficient school places.

5. Community engagement and consultation

5.1 There has been no specific consultation regarding the content of this report. When an individual project is developed the necessary consultation is undertaken and reported to the relevant committee.

6. Conclusion

6.1 The proposed Capital Programme will enable us to continue to ensure that we secure school places in areas of the City where they are required and to improve the condition of our education property portfolio.

7. Financial implications

7.1 The report sets out the allocation of capital resources included in the Capital Investment Programme 2023/24 as approved at Policy & Resources Committee on 9 February 2023 and Budget Council on 23 February 2023. The capital resources will meet ongoing capital maintenance requirements as well as addressing bulge classes, refurbishments, permanent expansions and to implement outcomes resulting directly from the SEND review.

7.2 The report details the resources available for investment into the Education Capital Investment Programme for 2023-24. The report includes estimated Government grant contributions for Education Capital Maintenance (£4.0m) and Devolved Capital Formula (£0.5m) which are subject to confirmation from the DfE in due course and will be reported in future TBM reports. The capital resources include income estimated at £0.500m for 2023/24 that relates to Services to Schools buy back associated with the strategic property function. This income will assist with maintenance spend identified in this report.

7.3 Developer contributions (Section 106 contributions) received and the spend to date is detailed in Appendix 4. The contributions are required to be spent

in accordance with planning legislation and policy objectives. These do not form part of the resources included in Appendix 2.

Name of finance officer consulted: Rob Allen Date consulted 28/01/2023

8. Legal implications

- 8.1 There are no direct legal implications arising from this report. Particular projects may give rise to specific issues which will be covered by individual reports at future meetings.

Name of lawyer consulted: Serena Kynaston Date consulted 14/02/2023

9. Equalities implications

- 9.1 Para 3.24 refers to £0.15million being allocated for Accessibility Adaptions. This funding is used to make adaptations to mainstream schools required by pupils with SEND who prefer a place at a mainstream school. This could include changes resulting from any type of SEND and ensuring school buildings are compliant with the Equalities Act.

- 9.2 New and refurbished buildings will conform with all relevant regulations and be fully accessible.

10. Sustainability implications

- 10.1 The environmental impacts of individual schemes are reported to Members when the detailed report is submitted to Policy and Resources Committee for final approval. The detailed planning of projects at educational establishments will take account of the implications of Brighton & Hove's policies in relation to sustainability issues generally.
- 10.2 The council will consider how best to undertake the planned programme in a responsible, sustainable way. Projects within the planned programme are procured using the new building maintenance frameworks put in place last year. The successful contractors had to demonstrate that they would minimise waste, meet targets for reductions in waste to landfill and optimise the recovery, reuse and recycling of waste. In addition to this they had to describe the steps they will take to minimise the use of resources (water, fuel, energy from fossil fuels) and improve sustainable sourcing. The framework contracts include Performance Indicators in respect of sustainability and Environmental Management these will be monitored on a quarterly basis.
- 10.3 We look at the sustainability of projects at the outset to ensure the best outcomes for the building and its users. The building works we undertake will improve the thermal performance of the building overall. This can include items such as repointing, replacing curtain walling with aluminium systems which have better lifecycle costs, recyclability and energy efficiency. When replacing or refurbishing roofs we look to exceed Approved Document L requirements in terms of energy efficiency. The

insulation we install when undertaking roofing works are rated A+ (the highest) in the BRE Green Specification Guide.

11. Other Implications

Social Value and procurement implications

- 11.1 Works arising from this report will be procured using the council's framework contracts. These have been evaluated on a number of factors including Social Value.

Crime & disorder implications:

- 11.2 There are no specific crime and disorder implications arising from this report. Which just serves to allocate funding. The detailed planning of projects will take account of security issues. Well maintained buildings are less likely to attract anti-social behaviour.

Public health implications:

- 11.3 There are no public health implications arising from this report.

Supporting Documentation

1. Appendices

1. Overall summary of expenditure
2. Proposed structural maintenance programme for 2023/24
3. Complete projects from 2022/23
4. S106 Contributions received in 2022/23

