

Subject: Education Capital Programme
Date of Meeting: 10 March 2014
Report of: Executive Director of Children's Services
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Ward(s) affected: All

FOR GENERAL RELEASE

1. PURPOSE OF 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 2014/15.
- 1.2 The purpose of the report is to inform the Committee of the level of available capital resources allocated to this service for 2014/15 and to recommend a Capital Investment Programme for 2014/15.
- 1.3 To allocate funding available in the capital programme under Structural Maintenance, Pupil Places and Condition investment for 2014/15.

2. RECOMMENDATIONS:

- 2.1 That the level of available capital resources totalling £8.887 million for investment relating to education buildings financed from capital grant, revenue contributions and borrowing be noted.
- 2.2 That Committee agree the allocation of funding as shown in Appendices 2 and 3 and recommend this to Policy & Resources Committee on 20 March 2014 for inclusion within the council's Capital Investment Programme 2014/15.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The Education Capital programme forms part of the Council's full Capital Investment Programme and was presented to Policy & Resources Committee on 13th February 2014 and Budget Council on 27th February 2014.

Capital Finance Settlement

- 3.2 In March 2013, the Government announced a two-year settlement for the education Basic Need capital allocations for 2013/14 and 2014/15.
- 3.3 In December 2013, the Government announced a two-year settlement for the education Basic Need capital allocations for 2015/16 and 2016/17. The settlement amounts to £24.679 million over the two years.

- 3.4 In January 2014, the Government announced the capital maintenance settlement and Devolved Formula Capital Grant for 2014/15.
- 3.5 Both basic need and maintenance capital allocations are funded entirely through capital grant.
- 3.6 The table below shows the allocations of capital grant funding announced for 2014/15.

	2014/15 Settlement £m
Capital Maintenance Grant	2.863
Basic Need Funding	3.961
Targeted Basic Need Programme	0.493
Devolved Formula Capital Grant*	0.528
Total	7.845

This table only includes funding allocated for building related work. It does not include budgets managed by others.

*Devolved Formula Capital is passed directly to schools and therefore is not available for the Local Authority to spend.

- 3.7 Additional grant funding may be made available throughout the forthcoming financial year and will be reported separately if necessary.

Capital Resources

- 3.8 The level of projected resources must finance all capital payments in 2014/15 including existing approved schemes, new schemes and future year commitments. A summary of the resources available to finance these payments is shown in the table below.

	£m
Capital Grants (including estimates)	7.845
Revenue Contributions	0.900
Borrowing	0.142
Total Capital Resources	8.887

- 3.9 In addition to the resources identified above, the Department for Education will allocate funding for expenditure at voluntary aided schools in Brighton & Hove under several programme headings.

Capital Investment Programme

- 13.10 Funding is now allocated under three headings only: structural maintenance (under which £0.9m is available for expenditure on schools and other educational establishments); Capital Maintenance Grant (under which £2.863m, is available for expenditure on improving the condition of the school estate); and Basic Need Funding (under which £3.961 million is available for providing additional pupil places in the 2014/15 financial year).
- 3.11 Capital reprofiling and slippage arising from the 2013/14 capital programme will be incorporated into the 2014/15 programme when the capital accounts are closed in May 2014 and will be funded from existing resources carried forward.
- 3.12 An overall summary of expenditure against each of these headings for 2013/14 and 2014/15 is attached at Appendix 3 and a more detailed explanation of each item is shown below.
- 3.13 The resources table in paragraph 3.8 includes borrowing of £0.142m in respect of Dorothy Stringer School, to be repaid over 7 years, to carry out improvements to its facilities for dining and social space. The school has had a long standing concern about its very limited facilities for dining and this was raised as an issue by the Ofsted inspection team in Autumn 2013. The business case has been assessed positively and is supported on education grounds by Children's Services. The application is subject to planning consent and the target date for a decision on the planning application is 20 March.

Structural Maintenance

- 3.14 The sum of £0.9m is available for structural maintenance as a result of the transfer of revenue funding. Additional funding of £1.6m is set aside from the Capital Maintenance Grant as detailed in 3.20 below. This funding will be used to address the most urgent and important items highlighted by the condition surveys of school buildings.
- 3.15 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 scoping of the works.
- 3.16 A copy of the proposed structural maintenance programme is attached at Appendix 2 to this report.

Capital Maintenance Grant

- 3.17 Legislation on both the control of legionella and 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 new legislation. It is recommended that £0.150m each be allocated to legionella and asbestos work.
- 3.18 It is recommended that £0.150m is allocated for works identified by the Fire Risk Assessments that are the responsibility of the Local Authority.

- 3.19 Issues regarding compliance in relation to ventilation in school kitchens have been raised for a number of years. Inadequate ventilation in a kitchen environment leads to very hot and humid conditions which raise the risk of accidents, hygiene problems and potential poor health of staff. It is recommended that £0.150m is allocated for this purpose.
- 3.20 A major priority of the Asset Management plan is to reduce the amount of condition related works in schools. A rolling programme of works has been prepared which currently shows a backlog of £30m. It is recommended that £1.6m is allocated to carry out additional structural maintenance in the 2014/15 financial year.
- 3.21 The work is prioritised using the Department for Education (DfE) condition criteria. The highest level of priority will be attached to the renewal or replacement of building elements which fall within Grade D (as being in bad condition, being life-expired and/or in serious risk of imminent failure) and fall within;
- Priority 1 Urgent work, which will prevent immediate closure of premises and/or address an immediate high risk to the health & safety of occupants and/or remedy a serious breach of legislation;
- 3.22 In the current year the total D1 priority work identified is approximately £2.25million excluding fees (£2.5million including fees). By allocating £1.6 million from this budget together with the £0.9m from the structural maintenance budget we will be able to address all the D1 priority works.
- 3.23 The extent of the work at each school will be the subject of further discussion with schools.
- 3.24 It is also recommended that £0.100m is allocated to carry on with the rolling programme of surveys of school premises, £0.150m is allocated for advanced design of future projects, £0.150m is allocated for adaptations to schools to accommodate pupils with special mobility or sensory needs.
- 3.25 The above allocations will leave approximately £0.163m of the available resources uncommitted. This is considered prudent until tenders for the current planned work have been received and will enable any urgent priorities which arise later in the financial year to be addressed.

Basic Need Funding

- 3.26 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.
- 3.27 At its meeting on 11th March 2013 the Children and Young People Committee agreed to £1.1m being made available from the 2014/15 allocation to the cost of expanding Aldrington Primary School by one form of entry.

- 3.28 At its meeting on 11th March 2013 the Children and Young People Committee agreed to £0.5m being made available from the 2014/15 allocation to the cost of expanding West Hove Infant School, Connaught Road Annexe by one form of entry.
- 3.29 At its meeting on 11th March 2013 the Children and Young People Committee agreed to £0.9m being made available from the 2014/15 allocation to the cost of converting the former police station in Holland Road into a three form extension of West Hove Junior School.
- 3.30 Since then it has been agreed that this site needs to be a four form entry extension of West Hove Junior School. As a result of this decision it has been necessary to increase the budget to allow for the additional accommodation. It is therefore recommended that a further £1.0m is allocated to this project.
- 3.31 These three projects are on track for occupation in September 2014. They will provide high quality new places which will help to meet the demand which continues to grow for school places in South and Central Hove. The proposed programme includes provision for a further 1 form of entry (210 places) at one primary school in Hove and one primary school in Brighton in the areas where growth continues to put pressure on available places. It also includes provision for a first phase of the investment plan for the secondary sector which is being developed in order to meet the growth in secondary pupil numbers. The level of funding proposed will ensure that the Council can maintain its commitment to high quality, sustainable school buildings.
- 3.32 All new school buildings are designed to high sustainability and energy efficiency standards. Solar panels are a sustainability feature which the Council wishes to encourage. £50 000 has been identified within basic need funding to support this commitment.

4. ANALYSIS & CONSIDERATION OF ANY 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 & CONSULTATION

- 5.1 There has been no specific consultation regarding the content of this report

6. CONCLUSION

- 6.1 The proposed capital Investment 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 & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 The report sets out the allocation of capital resources included in the Capital Investment programme as approved by Budget Council on 27 February 2014 that were announced as part of the capital finance settlement in December 2013 and January 2014 as well as announcements previously made in March 2013 and August 2013. The schedule of investment includes potential advanced works on an additional secondary form of entry for September 2015 and will require up to £3.4m to be met through temporary funding as reported in the Capital Resources and Capital Investment Programme 2015/18 report to Policy and Resources on 13 February 2014 and Budget Council on 27 February 2014. The temporary funding will be met from the Basic Need education funding for 2015/16 announced in December 2013. The revenue implications of any capital investment including financing costs associated with borrowing will be met from existing revenue budgets in 2014/15 and onwards.

Finance Officer Consulted: Name Rob Allen

Date: 10/2/2014

Legal Implications:

- 7.2 There are no direct legal implications arising from this report. Individual projects may give rise to specific issues which will be covered by the individual reports referring to them.

Lawyer Consulted: Serena Kynaston

Date: 24/02/2014

Equalities Implications:

- 7.3 There are no equalities implications arising from this programme which would impact disproportionately on any defined groups. New and refurbished buildings will conform with all relevant regulations and be fully accessible.

Sustainability Implications:

- 7.4 There are no direct environmental implications arising from this report. 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 sustainability issues generally.

Any Other Significant Implications:

- 7.5 None

SUPPORTING DOCUMENTATION

Appendices:

1. Other implications
2. Structural maintenance programme
3. Summary of allocation of funding streams in Section 3 of this report

Documents in Members' Rooms

1. None

Background Documents

1. None

Crime & Disorder Implications:

- 1.1 The detailed planning of projects will take account of security issues

Risk and Opportunity Management Implications:

- 1.2 There are no risk issues in terms of resources or risks to children as a result of this proposal

Public Health Implications:

- 1.3 There are no public health implications arising from this report

Corporate / Citywide Implications:

- 1.4 The Capital Maintenance Grant identified in this report is evidence of the Governments continuing support for the Council's work as a Local Education Authority. The Basic Need Funding is indicative that the DfE understands the issues of primary places we face in the city. The proposals for Aldrington C E primary school and the new junior provision for Hove are an essential element in providing additional places in local areas for local children.

