

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

Date 30th July 2019

REPORT AUTHOR: County Councillor Myfanwy Alexander Portfolio Holder for Education

SUBJECT: Schools Service Major Improvements Programme 2019-2020 and Additional Welsh Government Capital Maintenance Grant

REPORT FOR: Decision

1. Summary

1.1 This report presents the revised Schools Major Improvement Programme for 2019/20 and 2020/21 following approval in principle of additional Welsh Government Schools Capital Maintenance Grant totalling £1,783,578. This funding can be used in part to fund the existing Major Improvements Programme in financial year 2019/20.

1.2 The report is supported by the following appendix:

Appendix A - Major Improvements Programme 2019/20 – Additional Welsh Government Schools Capital Maintenance Grant

2. Proposal

2.1 On the 26th March 2019, Cabinet approved the Major Improvements Programme for financial year 2019/20 with funding of £2,003,452. This report will focus on the re-casting the profile of the programme funding in financial years 2019/20 and 2020/21 taking into consideration existing funding approved in financial year 2019/20 and the additional Welsh Government capital funding.

2.2 This proposal has been brought to Cabinet for approval now to allow sufficient time to resource and programme projects with our delivery partners and to bring forward high priority projects which could not be funded in this year's programme. The projects will focus on improving the condition of school buildings, safeguarding, energy improvements, essential health and safety works and improving external areas to maintain education and curriculum delivery. In Appendix A existing projects already approved have been highlighted (in pink fill).

2.3 From the options considered in section 3 below, additional essential projects (highlighted in blue fill) have been included in financial year 2019/20, funded by the additional Welsh Government Capital Maintenance Grant and part of the authority's capital funding already approved.

- 2.4 It is proposed to carry forward £1,412,452 and retain this funding in financial year 2020/21 together with the provisional annual budget of £1,000,000 for Major Improvements programme and a report brought to cabinet in January / February 2020 with detailed priorities for spend (see Table 1).

Table 1

Approved Budget	2019/20 £	2020/21 £	Total £
Major Improvements programme	£2,003,452	£1,000,000*	£3,003,452
New proposed budget			
Total £	£2,374,578	£2,412,452	£4,787,030
Displaced funding from 2018/19	£1,783,578	£Nil	£1,783,578
PCC Capital Funding	£591,000	£2,412,452 (comprising of £1,000,000 plus £1,412,452)	£3,003,452

*Note – provisional budget subject to approval by cabinet.

The justification for retaining the £2,412,452 in financial year 2020/21 is the estimated value of condition, suitability and safeguarding priorities identified in Appendix A totals £6,254,467 in financial year 2020/21 and £7,707,813 in financial year 2021/22.

- 2.5 The Programme for 2019/20 and future years is based on a clear prioritisation methodology and ranking of projects – the criteria is outlined in the Schools Asset Management Plan 2018 and set out in Cabinet report C48-2015. The methodology considers the following key categories and factors:

- Condition;
- Sufficiency;
- Suitability;
- Sustainability;
- Health & Safety issues including:
 - Legislative compliance;
 - Environmental Health issues (kitchen environmental health reports);

- DDA compliance;
 - Property safeguarding issues.
 - Consideration is also given to whether a school is part of a current or future strategic school reorganisation development.
- 2.6 Proposals for future financial years have also been ranked but these are provisional and will be subject to amendment/addition depending on changes in circumstances, priorities and available budgets. The Programme is also subject to the outcome and decisions around School Transformation and 21st C Schools proposals that emerge over the period of the programme.
- 2.7 A sum of £50,000 has been retained at this stage in financial year 2019/20 as a contingency to cover for emergencies, unforeseeable and legislative requirements, budget fluctuations and improvement works required to accommodate the RE-FIT programme for energy improvements. The Schools Major Improvement Programme is a flexible programme – sometimes projects have to be changed or postponed if we have to address emergency issues whilst keeping within the funding envelope.
- 2.8 In developing the Programme, consideration has been given to the level of investment made directly by schools through their individual delegated repairs and maintenance budget, compared to the funds delegated for repairs and maintenance as approved by cabinet (C38-2017):
- “Any school whose expenditure on repairs and maintenance is less than 80% of the delegated budget for repairs and maintenance over a 5 year period is required to make a contribution to the total cost of any capital works included in any major capital works programme. The level of a school contribution is set at the difference between actual expenditure on repairs and maintenance and 80% of the repairs and maintenance delegated budget over a 5 year period”.*
- 2.9 The Major Improvement Programme will be delivered alongside the Welsh Government RE: FIT Programme as referenced in C239-2015, which has been developed in collaboration with the Corporate Property Energy Officer.
- 2.10 All viable school energy efficiency scheme projects will require a justifiable business case and affordable payback period funded through the RE: FIT scheme. The Schools Service, Schools Finance team and individual schools will agree the projects and it is proposed these proposals will be brought to cabinet for approval by the Corporate Energy Officer.
- 2.11 Indications are that energy efficiency works project funded through the RE: FIT programme are very likely to result in the need for consequential works which will need to be funded from the Major Improvements programme budget. At this time the value of consequential has not been assessed and given the condition of schools these are likely to be significant. Once further

information is known then a report can be brought to cabinet on the extent and value of these consequential works.

3. Options Considered/Available

- 3.1 As part of the authority's review of its capital programme and associated costs, the following options have been considered to ensure its schools' estate is fit for purpose. These are:

Option 1 – Reduce the Major Improvements Programme budget for 2019/20 and only utilise the Welsh Government Capital Maintenance Grant £1,783,578

Option 2 – Increase the Major Improvements Programme budget for 2019/20 to £2,374,578 by combining Welsh Government's Capital Maintenance Grant and PCC capital funds, as detailed in Appendix A and Table 1 above

Within Appendix B of this report, each option has been listed with the outcomes and relative benefits.

4. Preferred Choice and Reasons

- 4.1 The approval of the Major Improvement Programme for 2019/20 including the additional the displaced funding from the Schools Capital Maintenance Grant will enable the authority to improve the schools estate and go some way to make it fit for purpose and reduce it maintenance liability.

The preferred choice is Option 2 as it will ensure continuity of educational provision and curriculum delivery, improving the condition of school buildings, safeguarding, energy improvements, essential health and safety works and improving external areas.

5. Impact Assessment

- 5.1 An impact assessment is not required.

6. Corporate Improvement Plan

- 6.1 Improving the schools infrastructure is a key priority within Vision 2025.

7. Local Member(s)

- 7.1 Not applicable.

8. Other Front Line Services

- 8.1 The recommendation does not impact on other services run by the Council or on behalf of the Council.

9. Corporate Communications

- 9.1 Communications comment: The report is of public interest and requires use of proactive news release and appropriate social media to publicise the decision.

10. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

- 10.1 The Capital and Financial Planning comments that the terms and conditions of the Schools Capital Maintenance grant are:

(e) Payment will be subject to the following conditions:

- i. the funding will be used in 2018-19 financial year for additional expenditure on school maintenance or
- ii. the funding will be used in 2018-19 financial year for locally determined capital expenditure and the funding displaced by this grant will be spent in 2019-20 for investment in the improvement of schools,
- iii. the displaced funding must not relate to any existing specific capital grant or local authority match funding element relating to 2018/19 financial year;

The grant was used in 2018/19 to finance schools capital expenditure and the funding displaced was rolled forward in the Cabinet Report Capital Programme Outturn Position dated 16th June 2019. The conditions state the displaced funding has to be spent on investment in the improvement of schools.

- 10.2 Legal comments.....
- 10.3 Corporate Property comments....
- 10.4 Catering Services comments.....
- 10.5 HR comments.....

11. Scrutiny

The report is to be scrutinised on the 8th July 2019.

12. Statutory Officers

12.1 The Head of Financial Services (Acting S151 Officer) comments....**Jane Thomas**

12.2 The Solicitor to the Council (Monitoring Officer) has commented as follows.....**Clive Pinney**

13. Members' Interests

13.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<p>1. To approve the new proposed budget for the Major Improvement Programme for 2019/20 and 2020/21 as set out in Table 1 of the report.</p> <p>2. To approve the Programme profile for 2019/20 as set out in Appendix A.</p> <p>3. That the Portfolio holder for Education in consultation with the Head of Education has delegated authority to make changes to the Major Improvements Programme that are within budget and in accordance with Capital Budget virement rules for approval.</p>	<p>To progress the School Transformation Programme and meet Welsh Government fit for purpose objectives</p>

Relevant Policy (ies):	Schools Asset Management Plan		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Not applicable
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Person(s) To Implement Decision:	David Thompson and Schools Capital & Revenue Programme Officers group
Date By When Decision To Be Implemented:	From 1 st April 2019 onwards

Contact Officer Name:	Tel:	Email:
David Thompson	01597 826543	david.thompson1@powys.gov.uk

Status: Draft for comments

Background Papers used to prepare Report:

9th October 2018 – Schools Asset Management Plan

C48-2015: Schools Service Major Improvements Programme scoring and prioritisation criteria

C239-2015 RE: FIT programme

Table 1

Options	Outcomes	Benefits / Dis-benefits
<p>Option 1 Reduce the Major Improvements Programme budget for 2019/20 and only utilise the Welsh Government Capital Maintenance Grant £1,783,578</p>	<p>Improvements to the condition of individual school buildings and performance target for Corporate Improvement Plan met.</p>	<p>Benefits As above.</p> <p>Dis-benefits</p> <ol style="list-style-type: none"> 1) A reduction in the budget for new ICT equipment to implement digital curriculum in schools will have a detrimental effect on curriculum delivery for teaching and pupils. 2) A reduction in the number of projects may result in the closure due to the condition buildings and the need to ensure a safe working environment. 3) Not meeting the safeguarding requirements for fencing works resulting in the loss of integrity and increase in reputational risk. 4) No energy efficiency measures will result in higher energy costs, buildings overheating and risks to occupiers.
<p>Option 2 Increase the Major Improvements Programme budget for 2019/20 to £2,330,378 by combining Welsh Government's Capital Maintenance Grant and PCC capital funds, as detailed in</p>	<p>Improvements to the condition of individual school buildings and performance target for Corporate Improvement Plan met.</p>	<p>Benefits</p> <ol style="list-style-type: none"> 1) School buildings continue to be maintained in a relatively good condition and can continue to operate. 2) "Reasonable adjustments" to schools buildings meet with Equality Act 2010 and Health and Safety legislation 3) Reduces detrimental impact on children's education, welfare and wellbeing 4) Preventative benefit reduces need for further investment due to dis-repair 5) Energy efficiency measures (boilers, BMS and control panels etc.) reduce energy consumption, Carbon Dioxide emissions and repair/maintenance costs. 6) Reduces reputational risk

Status: Draft for comments

Appendix A and Table 1		
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