

London Borough of Hammersmith & Fulham

Report to: Cabinet

Date: 01/02/2021

Subject: Immediate Schools Capital Programme of Works to March 2021

Report of: Councillor Larry Culhane - Cabinet Member for Children and Education

Report author: Anthony Mугan, Service Manager Education Operations

Responsible Director: Jacqui McShannon – Director of Children’s Services

Summary

The Council receives grant funding annually from the Department of Education for the school condition and maintenance programme. This grant covers major programmes of work, material infrastructure upgrades and key reactive maintenance projects.

Officers are currently developing a medium-term strategy and programme of works from the detailed stock condition surveys. In the interim this report seeks approval for the immediate programme of works up to and including Easter 2021 to ensure essential works can be undertaken across the maintained school estate.

Recommendations

1. To approve capital budget of £548,100 and revenue budget of £85,700 for the programme of works detailed in Appendix A, which includes a strong focus on works that contribute significantly to enhancing health and safety, Covid security and school condition, to be funded from a combination of School Condition Allocation grant and Special Provision Capital Fund grant balances.
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Wards Affected: All

Our Values	Summary of how this report aligns to the H&F Values
Building shared prosperity	Creating safe, high performing learning environments for our children and young people.
Creating a compassionate council	Providing modern fit for purpose working environments.
Doing things with local residents, not to them	Collaborative approach to programme working with headteachers and

	governing bodies.
Being ruthlessly financially efficient	Preventative maintenance to avoid reactive responses.
Taking pride in H&F	Learning spaces that facilitate the borough's children acquiring the skills necessary to compete successfully in the future knowledge economy.
Rising to the challenge of the climate and ecological emergency	Investment in services and equipment that is modern and fit for purpose reducing eco footprint.

Financial Impact

- Capital grant balances are held with respect to the condition of schools' capital assets pending the development of the medium-term capital strategy for school assets.
- This report seeks approval for the immediate works required in schools pending this wider strategy and are shown below in table 1, together with their proposed funding source.

Table 1 – Capital and Revenue Budgets and Funding Source Proposed

Area of Expenditure	Budget Requested	Funding Source
Capital Budget Requested:	£	
Unplanned reactive maintenance	118,600	School Condition Allocation (SCA) Grant
Fire Stopping Works - Queensmill School	97,200	SCA Grant
Kitchen replacement - Cambridge School	65,100	Special Provision Capital Grant
ICT - Cambridge School	45,200	Special Provision Capital Grant
Groundworks	43,500	SCA Grant
General Build Works	39,200	SCA Grant
Drain and Drainage	16,800	SCA Grant
Electrical	2,500	SCA Grant and external contribution (75%)
Making Special schools Covid secure	97,000	Special Provision Capital Grant
Making Special schools Covid secure	23,000	SCA Grant
Capital Total	548,100	
Revenue Budget Requested:	£	
Asbestos	37,300	SCA Grant
CCTV	18,600	SCA Grant
Fencing	14,900	SCA Grant
De-Carbonisation Feasibility	11,300	SCA Grant
Structural Survey	3,600	SCA Grant

Revenue Total	85,700	
Total Capital and Revenue	633,800	

- Capital budget of £548,100 is requested to cover immediate priority works in 2020/21 financial year, inclusive of proposed budget for unplanned or reactive maintenance until 31st March 2021. This represents an initial phase of capital works to be commissioned in the fourth quarter of 2020-21 and, subject to approval, will be followed by a significantly larger schools capital programme being developed for a two-year programme across 2021-22 and 2022-23 financial years.
- As at October 2020 there are considerable capital grant balances held with respect to schools' asset condition and maintenance, with further grant funding due in 2020/21. Table 2 below sets out the grants available, proposed use of grants in 2020/21 and remaining grants available for the medium-term capital strategy from April 2021.

Table 2: Proposed sources of funding

	Bal. held October 2020/21	Grant funding due 2020/21	Total Available Grant 2020/21	Proposed Use of Funds 2020/21	Grant Available to Carry Forward
Grant Name	£	£	£	£	£
School Condition Allocation	5,172,888	376,008	5,548,896	329,300	5,219,596
School Maintenance Grant	3,347,743	0	3,347,743	0	3,347,743
Special Provision Capital Fund	554,149	0	554,149	304,500	249,649
Basic Needs Capital Grant Balance	5,641,534	202,437	5,843,971	0	5,843,971
Total	14,716,314	578,445	15,294,759	633,800	14,660,959

- The schools' estate condition surveys together with significant potential Salix Scheme projects mean that there are considerable resource requirements with respect to the capital balances and funding held and forecast which require strategic prioritisation and decision. The financial impact of the wider medium-term capital strategy for school assets will be included in any future decision.
- There is a potential significant commitment from these balances with respect to outstanding internal borrowing to pay for historic school windows works in schools. Until 2019/20 this was to be repaid from a capital funding allocation within the historic element of Central Services Dedicated Schools Grant (revenue) over a 25-year period. With reductions in funding from this grant from 2020/21, this is no longer affordable and will require a contribution in full

or in part from available capital balances. The value of outstanding internal borrowing at 31/03/20 was £7.885m.

8. The Hammersmith and Fulham Scheme for Financing Schools is clear that revenue expenditure should be met from delegated schools' revenue resources within maintained schools with capital infrastructure schemes being met from local authority managed capital grants. However, it should be noted that schools also receive devolved formula capital grants to meet minor capital expenditure as well as holding reserve balances in relation to unspent capital and revenue budgets from prior years. Therefore, the future strategy should take into account appropriate funding by and contributions from schools themselves.
9. There has been some revenue maintenance and asbestos management expenditure met in prior years from local authority Dedicated Schools Grant (revenue) and from the School Condition Allocation grant. It is proposed that these essential revenue maintenance works totalling £85,700 are met from SCA in 2020/21 pending clarification in the Autumn term of responsibility for funding works between the Local Authority and delegated schools' resources. The application of this grant to revenue maintenance spend is considered appropriate within the purpose of grant. There are no repayment conditions with respect to this grant from the Education and Skills Funding Agency.

Legal Implications

10. The Council has an obligation to ensure that the premises of schools which it maintains are maintained to prescribed standards in accordance with section 542 of the Education Act 1996 and regulations made under that section. The Schools Capital Programme of Works contributes to the fulfilment by the Council of that obligation.

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Background Papers Used in Preparing This Report

None

DETAILED ANALYSIS

Proposals and Analysis of Options

1. The report seeks approval for the capital budget and revenue budget to deliver the immediate programme of works at Appendix A of this report.
2. Extensive stock condition surveys have been undertaken across the school's estate. Officers are currently collating these surveys and developing a medium-term strategy and a significant associated programme of works for the 2021-23 period, however in the interim there continues to be immediate priority works.
3. The 2018-2022 Business Plan sets out priorities around improving and supporting schools in the face of ongoing funding reductions which in turn requires creative approaches to bridge the gap. The Industrial Strategy aims to promote a model of inclusive growth which recognises the key role of schools in equipping residents with the skills and capability to benefit from the dynamism of our local economy. Learning spaces that facilitate the borough's children acquiring the skills necessary to compete successfully in the future knowledge economy will be critical.
4. Hammersmith and Fulham have high performing and popular schools. To maintain and further accelerate standards for education in the borough, improvement in our school estate is necessary. A proportion of the current estate contains post-war prefabricated buildings that do not match our ambition for excellence in teaching, learning and pupil wellbeing. Estimates from the current school stock condition surveys and other intelligence suggests that resolving all condition issues in the school estate would cost in excess of £17 million. The programme of works aims to reduce future maintenance burdens and improve the physical environment benefits to children's education.
5. The 2020-21 programme of immediate works is therefore an initial phase of works, intended for commissioning in the fourth quarter of 2020-21. A much more significant programme of works aimed at addressing the most serious condition issues in the school estate over the 2021-23 time period is under development and will be the subject of a separate report.
6. There are three categories of spend:
 - Schools have delegated budgets for revenue spend. All spend that is revenue in nature must be met by schools delegated budgets. Schools should contract and procure themselves according to their internal governance requirements and per the Scheme for Financing Schools.
 - Devolved Formula capital (DFC) is paid direct to schools. This annual grant should be used by schools to meet minor capital expenditure.

Schools will be required to submit their budget, monitoring and outturn statements identifying capital expenditure funded from DFC.

- School Condition Allocation (SCA) grant available to the local authorities for local-authority-maintained schools.

The programme detailed in Appendix A is proposed to be met from the School Conditional Allocation grant, The Special Provision Capital Fund and other external funding contributions.

Options and analysis

7. The options in relation to programmes of works are set out below.

Option 1 – do nothing

8. This option is not recommended. Our school estate features a number of prefabricated buildings, built after the second world war. These buildings are past their intended life span and make it harder for our schools to deliver an excellent education. Without the maintenance and capital programmes children will miss the opportunity to be educated in modern, fit-for-purpose schools. Schools will also experience greater financial pressures with money diverted from teaching resources into maintaining and repairing buildings.

Option 2 – Progress with capital programmes of maintenance

9. This option is recommended. There is a clear requirement to maintain our school estate to ensure our children are educated in safe, modern environments. Maintaining the estate will also help mitigate against unexpected expenditure across the portfolio whilst ensuring the building remain safe and compliant for our residents to be educated in.

Reasons for Decision

10. There is a significant amount of work to be completed to rationalise the medium-term capital strategy. This may require a further interim report for 2021/22 however Officers are working at pace to prioritise this programme of works.
11. Enables the Council to renew and maintain school buildings and help improve Children's educational outcomes utilising the grant funding received from the Department for Education for the school condition and maintenance programme.
12. The decisions enable the programme of works to proceed anchoring future collaboration between the Council and the wider school community.
13. A prioritised investment programme is required to enable planning and delivery of a structured capital programme over the medium-term. Future years School Condition Allocation Grants are yet to be confirmed.

Equality Implications

14. It is not expected that this programme of works will have any direct negative impact on any groups with protected characteristics, under the terms of the Equality Act 2010.

Implications verified by: Fawad Bhatti, Policy & Strategy Officer, tel. 07500 103617

Risk Management Implications

15. *Delivery of the capital programme is a mission critical issue, specifically following the impact of Covid on the local economy, employment and need to support projects that support recovery. The programme will enable the Council to renew and maintain school buildings, maintain health and safety and contribute to improving Children's educational outcomes utilising the grant funding received from the Department for Education for the school condition and maintenance programme. Works must be undertaken in a Covid safe manner following HM Government, building and construction industry and Health and Safety Executive guidance. Covid does however mean that there remains some uncertainty on delivering projects as planned and this is noted in paragraph 9 of the report which proposes a subsequent report if required.*

Implications verified by: Michael Sloniowski, Risk Manager tel 020 8753 2587

Consultation

16. In developing the programme of works consultation is undertaken with school head teachers and governing bodies to priorities the scheme for the financial year.

List of Appendices:

Appendix A – Schools Medium Term Capital Programme

Appendix A – Immediate Programme of Works to Easter 2021

The programme has been priority rated to identify priority works to be completed this financial year. Within each programme is an element of contingency (10%). The table below details the prioritised investment programme required to enable planning and delivery of a structured capital programme over the medium-term. Officers will prioritise work within available budgets.

Schools	Wards	Asset Number	£	Capital or Revenue	Financial Year	Area of work	Funding Source
Avonmore Primary School	Avonmore and Brook Green	20331	£12,400	Revenue	2020-2021	CCTV	SCA
Flora Gardens Primary School	Ravenscourt Park	20237	£6,200	Revenue	2020-2021	CCTV	SCA
Randolph Beresford School	Wormholt and White City	20256	£4,400	Capital	2020-2021	Drain and Drainage	SCA
Vanessa Nursery	Askew	20318	£3,700	Capital	2020-2021	Drain and Drainage	SCA
Wendell Park School	Askew	20330	£8,700	Capital	2020-2021	Drain and Drainage	SCA
Holy Cross RC / Marie Ecole D'Orlicac Primary School	Parsons Green and Walham		£2,500	Capital	2020-2021	Electrical	SCA and external contribution
Cambridge School	Wormholt and White City	20254	£1,900	Revenue	2020-2021	Fencing	SCA
Vanessa Nursery	Askew	20318	£3,100	Revenue	2020-2021	Fencing	SCA
William Morris 6th Form School	Fulham Reach		£9,900	Revenue	2020-2021	Fencing	SCA
Cambridge School	Wormholt and White City	20254	£39,200	Capital	2020-2021	General Build Works	SCA
Cambridge School	Wormholt and White City	20254	£43,500	Capital	2020-2021	Groundworks	SCA
Randolph Beresford School	Wormholt and White City	20256	£1,200	Revenue	2020-2021	Structural Survey	SCA
Sir John Lillie Primary School	North End	20292	£1,200	Revenue	2020-2021	Structural Survey	SCA

Vanessa Nursery	Askew	20318	£1,200	Revenue	2020-2021	Structural Survey	SCA
Cambridge School	Wormholt and White City	20254	£65,100	Capital	2020-2021	Kitchen replacement	SEN
Cambridge School	Wormholt and White City	20254	£45,200	Capital	2020-2021	ICT	SEN
Queensmill			£97,200	Capital	2020-2021	Fire Stopping Works	SEN
Asbestos Management Averyst	All	Various	£37,300	Revenue	2020-2021	Asbestos	SCA
Making Special schools Covid secure	All	Various	£97,000	Capital	2020-21	Enhancing Covid secure provision	SEN
Making Special schools Covid secure	All	Various	£23,000	Capital	2020-21	Enhancing Covid secure provision	SCA
Public Sector De-Carbonisation Fund	All	Various	£11,300	Revenue	2020-2021	Salix Grant Feasibility	SCA
Unplanned works	All	Various	£118,600	Capital	2020-2021	Unplanned reactive works (30% of total spend)	SCA
Allocated funds for essential works			£633,800				