

Worcestershire County Council

Directorate of Children, Families and Communities

Local Investment Plan
2018/19

**(Funding Prioritisation, Development and Implementation of the
Capital Investment Programme)**

Document Details:

Status: draft Version v.1.0

Date: March 2018

Document

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1. Introduction

This paper reviews the principles and priorities set out and agreed by Members in December 2011, and revised in February 2015, in determining the use of capital funding in schools and settings. Capital funding continues to be very tight going forward, so the priorities for the Council remain the same. This reduction in grant funding means that the Council will focus heavily on the value in the investment being made and prioritise schemes that maximise benefits.

This paper refreshes the 2015 revision and sets out the terms of investment going forward from 2017/18. This document accords with the current understanding of Government policy. The approval of these principles and priorities will enable officers to continue to progress capital investment in the most effective and efficient way.

Unless it relates specifically to an individual bid, Government funding is not ring-fenced for particular schools. The Authority must determine schemes/projects based upon national and local priorities. Since 2014/15 the Department for Education (DfE) have announced Basic Need for the current year plus two further years which has allowed scope for supporting the forward planning of need to support the provision of school places. Allocations for Condition Programme have been announced up to 2017/18 subject to the number of schools converting to academies.

We are proposing to allocate capital funding in line with the priorities identified in point 4 below. No schemes will formally be approved unless funding is secure. The full list of specific schemes will be included in the review of the capital programme and will be submitted to Cabinet as part of the budget approval process for 2017/18 and annually thereafter.

This document is intended to update Members and maintain transparency in the funding of capital schemes as we move through a period where funding remains tight, more schools / settings are considering developing academies, joining multi-academy trusts and considering changes of age range. It is expected that Worcestershire LA will continue to have a diverse school organisation going forward.

2. Sources of Capital Funding

The Schools capital programme currently consists of a number of funding sources:

- County Council's Capital programme
- County Council's Revenue Funding (RCCO)
- DfE Capital Grant for
 - Basic Need
 - Capital Maintenance
- Locally Controlled Voluntary Aided Programme (LCVAP)
- Section 106 (Developer Contributions)
- Devolved Formula Capital (DFC) – School specific allocations

The Basic Need grant allocation is based on the data collected from LAs in the School Capacity Survey (SCAP), the information on the capacities of schools in each planning area and the LAs' forecasts of pupil numbers for several years ahead. The funding is allocated on the basis of a comparison of forecast pupil numbers with school capacity, with shortfalls in capacity attracting funding. The allocations for financial year 2018-19 are based upon the projected need for new places by September 2019.

Further information on forecast methodology, known children and forecast information can be found on the website:

http://www.worcestershire.gov.uk/info/20062/schools/133/school_forecast_data

Capital Maintenance grant allocation is allocated to the LA to meet the need of schools maintained by WCC (See below). The grant is amended each year to take into account the number of schools that have converted to academies.

3. Establishments with access to these resources

County Council's Capital Contributions from the Corporate Capital.	Community, Foundation & VC Schools maintained by WCC & other establishments for which WCC has responsibility e.g. Children's Centres.
DfE Capital Grant – Capital Maintenance	Community, Foundation & VC Schools maintained by WCC
DfE Capital Grant – Basic need i.e. additional school places as a consequence of demographic growth	All tax-payer funded schools in Worcestershire (including Academies and Free Schools)
LCVAP	All Voluntary Aided Schools in Worcestershire. This money is delegated directly to the schools on approval of an agreed programme each year
Section 106 Developer Contributions	All tax-payer funded schools in Worcestershire (including Academies and Free Schools) i.e. Funding identified for named establishments or specific projects in the agreement
Devolved Formula Capital	All tax-payer funded schools in Worcestershire (including Academies and Free Schools but these are funded directly) It is proposed that this is fully devolved to local school decision making.

4. Prioritisation of Projects (Grant Funding)

The Government's priorities are Basic Need and building maintenance. Basic Need is designed to ensure that the Council can fulfil its statutory duty to ensure a sufficiency of school places. This grant can be used to support the creation of additional places at all tax-funded school in Worcestershire, including Community, Voluntary, Academies, Free Schools and Special Schools.

For sufficiency purposes Worcestershire works on 16 planning areas (for Mainstream Schools) and these are:

- Bewdley

- Bromsgrove
- Droitwich
- Evesham
- Hagley
- Kidderminster
- Malvern
- Martley
- Pershore
- Redditch
- Rubery
- Stourport
- Tenbury
- Upton
- Worcester
- Wythall

Whilst individual schools in a specific planning area may be full, the LA may not seek to address this from Basic Need if there are sufficient places in neighbouring schools from within the same planning area.

Building maintenance is to address poor condition of an asset against set criteria. In Worcestershire condition surveys are commissioned on our behalf by Place Partnership Ltd to help prioritise the capital maintenance programme. The data collected provides the raw material from which maintenance programmes are compiled.

Due to the limited funds received by the Council and that the majority of this comes from DfE grant funding, we will continue to only fund the top two priority areas: basic need and building maintenance. These are discussed in more detail below.

The Council will not fund works at schools undertaking the conversion process to become an Academy school, unless funds have already been committed to a scheme. The exception will be Basic Need to which they are entitled.

a. Basic Need – priority one

The County Council has a statutory duty to ensure there are sufficient school places across all statutory phases and ages. CFC's Provision Planning and Accommodation Team, in conjunction with corporate colleagues, will identify the need for additional places and quantify the requirement. Basic Need places will be identified because of natural demographic changes and/or future housing development. Basic Need will not apply as a result of parental preferences for particular schools, where other schools in the education planning area have surplus places.

The LA will only consider expansion of schools rated outstanding or good on their last Ofsted inspection, unless in exceptional circumstances. This is because the LA believes that the focus of schools in category should be on improving and supports Government priorities to expand successful schools.

The LA will give consideration to temporary or long term change. If it is a temporary change then capital investment should be relevant e.g. mobile classrooms. If it is to satisfy a longer term need then permanent build options will be explored.

The programme will fund all relevant work needed to achieve the change under this proposal, including feasibility, new accommodation and furniture and equipment. Funding will not support addressing other issues at the school even if they are seen as desirable. The school may fund works themselves, as part of the overall scheme but they will be expected to agree to these costs as part of the process.

Basic Need will not be used to fund accommodation for provision of Early Years/extended services/community facilities; these will be the responsibility of the school. Governing bodies will be supported to explore the possibility of delivering these services using other local facilities in partnership with other providers.

Within priority one, the LA will respond to provision of accommodation/specific equipment associated with the admission of SEN pupils attending schools where it is essential to support them in giving them access to the curriculum, and addressing their personal needs in terms of toileting and changing facilities. Investment here will be considered where the capital cost exceeds the £15,000 threshold up to which this has been deemed the responsibility of the school.

b. Building Maintenance – priority two

The priority for the County Council will be to ensure that the buildings are weather-tight, meet health and safety and other regulatory standards and remain operational all year round. Work linked to safeguarding will be recognised under this category, but only in relation to schools having a reasonably secure perimeter boundary – to be determined by the LA. Works to secure internal areas of the site, i.e. early years play area or to replace existing boundaries will be deemed a school responsibility. Funding is also allocated to cover in year emergencies – i.e. unplanned major repairs – for example: flooding, heating failures, etc. In addition, asbestos removal works are also accommodated within this programme.

Priority has been given to those schemes falling within the condition categories D (Bad - life expired and/or risk of imminent failure) and C (Poor - exhibiting major defects and/or not operating as intended) with a priority of 1 or 2. Priority 1 being urgent and normally considered an emergency repair need. Priority 2 being essential work required within two years of the date of the survey that will prevent serious deterioration of the fabric or services and/or address a medium risk to the health and safety of occupants and address a serious breach of legislation.

Significant funding has been invested in maintaining the Council's schools but some issues will always remain. We are proposing to continue to prioritise schemes as identified above but with greater emphasis being given to addressing asbestos issues in schools, especially as they relate to heating systems.

There is still a significant stock of temporary buildings on school establishments and challenges are made at the point of renewal of planning permission as to their continued need and also when the condition of the buildings is such that it is no longer economic to repair or maintain.

Where a need for the accommodation is still identified for school places, the Council will consider options for replacement including like for like or permanent build.

Proposals to rebuild part or full school buildings are few and far between, and only where a detailed business case demonstrates that the condition of the building will make it uneconomic to repair or refurbish, and therefore a full or partial re-build would deliver long term value for money can this be considered.

c. School driven projects

The LA is happy to work with schools to develop projects that will benefit and seek to address the priorities of both parties. If the school wishes to submit a proposal, to be part funded from Council resources, then this will need to have a robust business case and be supported by contributions from the school or other parties. Any bid will be subject to approval by the Children, Families and Communities Leadership Team and the Corporate Business Board. Formal update of the Capital Programme will be approved by Cabinet.

5. Section 106 (s106)

This is funding received by the LA from housing developers' as a result of new housing. The LA can only request this where the housing will result in additional places that the schools are unable to meet. The funding will be subject to a legal agreement with the developers and District Councils and will state the schools eligible for funding and the timeframe. This funding is prioritised against Basic Need and where possible will be used to support the LA Basic Need Capital Programme.

Where the LA has not identified a need they wish to address the LA will contact the schools to work with them to identify Basic Need issues that the school believe can be addressed at a local level with this funding. The school will need to complete a concept form and submit to the LA for approval. Funding will only be released when it has been received by the LA from the developer which may not be for a number of years.

6. Special Schools

The LA does not receive capital funding directly reserved for special schools. Any requirement to increase the capacity of a school due to increased demand will be treated as Basic Need and judged in line with mainstream school priorities. Support for these pressures will need to come from the Special School annual forecasts.

Condition requirements will be funded in line with the Condition Programme, identified above, and will need to be supported by appropriate survey information.

7. School Organisational Changes

The LA will not fund school organisational changes e.g. change of age from within its capital allocations.

8. Free Schools

Where it is not possible to expand existing schools in an area to meet increased demand or where a large scale urban expansion takes place, the LA may seek to commission a Free School in line with Government policy. Where this expansion is as a result of Basic Need, either through demographic or housing growth, the school will be commissioned and funded from within the Council's overall Capital Programme, including s106. The LA will liaise with the Regional Schools Commissioner (RSC) and the Education Funding Agency (EFA) to identify potential partners to run the school on our behalf but the decision on the sponsor will be the Secretary of State.

The LA would expect to procure the school via the normal method and the specification would be in line with other new builds in the County, but we are prepared to consider alternatives that provide a similar standard of new school. For new first or primary schools of 2FE or greater, the LA would expect these to include nursery provision as numbers are unlikely to be able to be met in existing provision.

Sponsors may also bid to the EFA to create a Free School as part of the Free School Process. The LA is happy to work with potential sponsors and supply information currently in the public domain. As these proposals are not as a result of Basic Need, the LA would not fund the capital costs.

9. Consultation and Communication with Stakeholders

All Directorate investment proposals are subject to review and comment by the Children, Families and Communities Leadership Team (CFCSLT) and Cabinet Member with Responsibility for Children and Families.

CFCSLT meets regularly and an update report is submitted at least 3 times per year on the position of the overall capital investment programme. Once agreed, the main programme agreed at the beginning of each financial year in outline is available on the County Council website.

10. Project Implementation and Performance Monitoring

For projects funded from Basic Need or Condition Funding, the normal procurement method the Council will be:

Client Function – CFC Officers on behalf of Worcestershire County Council
Project Management - Place Partnership Limited (PPL)
Design Development – Jacobs (Architects).

The exceptions to this are Voluntary Aided schools and academies, which may have their own procurement route in place. In the case of academies the LA will agree appropriate funding with the school and a legal agreement put in place and the academy will manage the programme on our behalf. The Council still retains Landlord responsibility for academies where the school is leased from the Council. In these cases schools will need to seek the Council's approval before undertaking major capital projects.

Schemes managed by PPL on behalf of the Council have robust project management methodology in place to ensure that projects are managed well and within agreed tolerances. Highlight reports and Exception reports are issued by Project Managers and presented to CFC on a monthly basis at a

liaison meeting held to discuss progress and key issues. Updates are also provided to CFCSLT quarterly or more frequently as required as part of the Capital Investment Programme review.

Following the completion of major projects, members of the client and design teams will undertake a post occupation evaluation visit / review. The end user is invited to discuss the project, how it was implemented and its 'fitness for purpose' upon completion. This process is undertaken to inform future projects in terms of procedures, design teams construction forms and materials.