

Cabinet

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Education Capital: The Priority School Building Programme



Report of Corporate Management Team

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Purpose of the Report

- 1 To update Cabinet about Education Capital Funding and the new Priority School Building Programme (PSBP) announced on 19 July 2011 which is intended to address those schools in the worst condition.

Background

- 2 In July 2010 the Building Schools for the Future (BSF) Programme was stopped and the Government launched a comprehensive review of all capital investment funded by DfE. The review's findings and recommendations were published in April 2011. The DfE is now consulting on these and responses are to be returned by 11 October 2011. CYPS will submit a response on behalf of the LA.
- 3 In December 2010, the Secretary of State announced details of School Capital Grant Allocations for Local Authorities for 2011-12. Durham County Council was allocated £3.8m Basic Need Funding (for additional school places) and £9.8m for Capital Maintenance of Schools. £13.6m in total.
- 4 The Secretary of State made clear that allocations for 2012-13 until 2014-15 would be informed by the outcome of the Capital Review (April 2011) but he stated that he expects funding available for Basic Need and Capital Maintenance of Schools to be roughly in line with the funding for 2011-12.
- 5 On this basis a report was submitted to Cabinet on 13 July 2011 setting out a proposed 4 year plan for investment in schools. (see Annex 1). Plans are being developed for the Spennymoor and Elemore Hall School Projects using the 2011-12 allocation.
- 6 Written confirmation has still to come from DfE about exact amounts of grant funding being allocated from 2012-2015 (this is expected in December 2011), but an announcement was made on 19 July 2011 about the new Priority School Building Programme that is to be introduced nationally. The PSBP will be financed via PFI and is completely separate from grant funding mentioned above.

Priority School Building Programme (PSBP)

- 7 The programme is available to all publically funded schools and it is envisaged that in total it could assist between 100 to 300 schools nationally including a mixture of primary, secondary, and special schools along with sixth form colleges and alternative provision. In year one it is expected that between 50 -60 schools will receive investment across the country with the first schools scheduled to open in the 2014/15 academic year.
- 8 **To take the opportunity of accessing funding through this programme applications need to be submitted to DfE by 14 October 2011.**
- 9 Individual Schools, Academies and Local Authorities are all eligible to apply for funding. DfE expects LA's to submit applications on behalf of all maintained schools (including VA, VC and Foundation Schools) and Academies to submit their own application. **The target date for informing applicants of the outcome of their applications is December 2011.**

Eligibility

- 10 Any school receiving investment must be prepared to enter into a long-term (approximately 27 year) private finance arrangement.
- 11 Successful applications will be batched together and contracts will be procured by a central body (or by a centrally determined alternative VFM route, as decided following the consultation)
- 12 Procurement will be based upon standardised designs (subject to site constraints, planning requirements and a limited amount of LA choice)
- 13 Schools will be required to make a contribution to the annual revenue payments of the private finance contract and continue to pay for utilities (to include some elements of contract management).

Issues for Consideration

- 14 The application form is prescriptive in terms of information that needs to be provided and must be supported by data extracted from condition surveys carried out or updated in the last two years. All schools had condition surveys carried out in 2005 but surveys of the schools in worst condition have been updated since then.
- 15 Schools that have had substantial investment in the last 15 years e.g. a new or replacement school or a refurbishment of more than 50% of the existing building, or those schools that have more than 30% of their building listed under Planning Regulations will be unlikely to succeed. This is because the programme is calling for value for money solutions and is only suitable for those schools which will have to be substantially rebuilt.

- 16 Schools which show sufficient long term pupil demand will be considered as a priority for the programme and pupil projection figures will need to be included in the application along with detail of any building short comings e.g. Health and Safety issues, and any proposed site constraints or planning issues that could impact upon the delivery of the project.
- 17 There is a substantial piece of data collection and analysis for the LA to prepare in a limited time frame and careful consideration will have to be given to the number of applications to be submitted and the prioritisation process used so that we can demonstrate to both the DfE and schools our decisions and methods for inclusion into the programme.
- 18 As the programme is likely to cover only 100-300 schools nationally, a realistic number of applications to submit from the LA is four. (A separate application form needs to be submitted for each school).
- 19 Given existing knowledge about schools, the following are those in the worst condition, listed in priority order:
1. Seaham School of Technology
 2. Durham Trinity School
 3. West Cornforth Primary School
 4. St Joseph's RCVA Primary School, Coundon

These schools were the highest priorities for new build via the BSF and Primary Capital Programmes until they were stopped in July 2010.

However, any application would need to be supported with up to date condition data that demonstrates these schools are the highest priorities.

- 20 By the end of December 2011, we should know whether these bids have been successful or not. This is at the same time we should hear about further capital funding that is to be allocated to Durham County Council for years 2012-2015 (highlighted in paragraph 6). If this is in line with allocations for 2011-12, we could receive about £41m over three years. The new school for Seaham School of Technology would be the highest priority to be funded from this grant allocation if funding through the PSBP does not materialise.

Recommendations

- 21 Cabinet is asked to:
- (a) give approval for CYPS to submit a bid to DfE for funding under the PSBP and;
 - (b) taking account of the priority order in paragraph 19 agree that these schools should be included in the bid.

Appendix 1: Implications

Finance

If the bids are successful the schools will be financed via PFI.

Staffing

None.

Risk

There could be risks to the schools of engaging in a PFI contract.

Equality and Diversity

As a public body, the Council must take into account the Equality Act 2010, a consolidating Act which brings together previous Acts dealing with discrimination. Decisions must be reviewed for potential impact on persons with "protected characteristics".

If the bid highlighted in the body of the report is successful, any new school buildings provided through the scheme will be designed to the appropriate accessibility standards. If successful, full Equality and Diversity Impact Assessments would be carried out and considered before the detailed schemes were planned and implemented.

S.149 of the 2010 Act also lays down the Public Sector Equality Duty whereby from the 5 April 2011, local authorities and other organisations exercising public functions must have due regard to 3 key areas:

- Eliminate unlawful discrimination, harassment and victimisation.
- Advance equality of opportunity between those who share a relevant protected characteristic and those who don't and
- Foster good relations between those who share a relevant protected characteristic and those who don't.

The relevant "protected characteristics" are: age, disability, gender, re-assignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

Accommodation

If bids are successful, new build schools will be provided to replace schools in the worst condition.

Crime and Disorder

None.

Human Rights

Human rights will not be affected.

Consultation

Appropriate consultation will be undertaken with schools involved.

Procurement

If bids are successful, the Government will advise how the projects would be procured.

Disability Issues

None.

Legal Implications

None.

Proposed 2 Year Capital Investment Plan with Proposed 2 Year Extension in Schools Based on Indicative DfE Grant Allocation

	Actual Allocation 2011/12	Proposed Allocation 2012/13	Proposed Allocation 2013/14	Proposed Allocation 2014/15	Total
Grant Allocation from DfE					
Basic Need (School Places)	£3.8m	£3.8m	£3.8m	£3.8 m	£15.2m
Condition of School Buildings	£9.8m	£9.8m	£9.8m	£9.8m	£39.2m
Total	£13.6m	£13.6m	£13.6m	£13.6m	£54.4m
Projects for Consideration					
Primary School Places	£3.8m	£3.8m	£3.8m	£3.8m	£15.2m
Spennymoor (remodelled school)	£6.15	£1.0m	-	-	£11.0m to include £3.85m from capital receipts (estimate)
Seaham School of Technology (new build)	£1.45m	£7.2m	£5.85m	-	£17.5m to include £3.0m from capital receipts (estimate)
Elemore Hall (remodelled/additional accommodation)	£1.4m	£1.4m		-	£2.8m
Durham Trinity Special School (new build)	-	-	Costs to be determined	Costs to be determined	
Contingency	£0.8m	£0.2m	£0.2m	£0.2m	£1.4m
Total	£13.6m	£13.6m	Costs to be finalised	Costs to be finalised	-