

REPORT TO: Executive Board

DATE: 13 December 2012

REPORTING OFFICER: Strategic Director – Children and Enterprise

PORTFOLIO: Children, Young People and Families

SUBJECT: Priority School Building Programme

WARDS: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 This report provides a summary of the Priority School Building Programme.

2.0 RECOMMENDATION: That

- 1) the position in respect of the Priority School Building Programme be noted ; and**
- 2) the sharing of asset management data with the DfE be agreed.**

3.0 SUPPORTING INFORMATION

- 3.1 In July 2011 the Department for Education (DfE) announced it was commencing the Priority School Building Programme - a privately financed programme to address those schools in the worst building condition.
- 3.2 To be considered for inclusion in the programme local authorities and maintained schools must accept being part of a long term (approximately twenty seven years) private finance arrangement where the building maintenance (apart from catering and security) will be provided by a third party; that the contract will be procured by a central body and for procurement purposes each school will be batched together with a number of other schools in the same geographic area; that the procurement will be based on standard designs; that schools will be required to make a contribution to the annual revenue payments of the private finance contract .
- 3.3 Local Authorities were required to demonstrate that school buildings were in poor condition by data extracted from a building condition survey. An on-line application form automatically calculated whether the cost of addressing the current condition of the school exceeded 30% of the notional rebuilding cost. If condition need is below 30% then it is unlikely that it would be value for money to include the school in the programme. Further, even if schools were eligible for the programme, the condition of the school would be compared to those of others.

- 3.4 In respect of Halton community schools three schools met the criteria of 30% of the rebuilding cost -The Bankfield, The Park Primary School and Halebank CE Voluntary Controlled Primary School. Applications were submitted to the DfE for these schools in accordance with the deadline of October 2011.
- 3.5 Following the submission of applications the DfE appointed consultant surveyors to carry out validation checks of the survey data and the school sites were visited in February 2012.
- 3.6 In May 2012 the DfE announced the names of schools to be taken forward in the Programme. Halebank CE Voluntary Controlled Primary School was included in the list and has since then been included in a North West group of nine local authorities (Manchester, Wigan, Cheshire West and Chester for example) covering sixteen schools.
- 3.7 The local authority had requested the DfE to provide details of the private finance arrangement so that full consideration can be given to the terms before a decision is made whether to proceed as part of the programme. Privately financed schemes use a procurement model through which a public sector procuring body engages a private sector contractor to design, build, finance and operate a facility (including providing facilities management, maintenance and lifecycle services) for the life of the contract, which is typically 27 years.
- 3.8 The DfE has now advised the contractor will be responsible for hard facilities management and lifecycle costs (building fabric and fixed equipment) with the school making an annual contribution to the costs. Currently this is estimated to be £13/15 per m² meaning an estimated school contribution of around £12,000 per annum. The school will be responsible for soft facilities management (repairs and maintenance, loose furniture and equipment).
- 3.9 The contract for the provision of hard facilities management is signed by the Secretary of State and not the local authority. In the case of school pupil numbers falling and the school being unable to meet their annual contribution there would be no risk to the local authority.
- 3.10 In the meantime an initial “collective launch” meeting was held with all the North West local authorities and their respective schools on 5 November to be followed by an initial site visit to understand site specific issues and the environment. The DfE have requested the local authority to provide asset management data in order to gain a complete understanding of the school buildings and grounds – data includes existing site plans and room layouts, pupil and net capacity, asbestos surveys, land title etc. The DfE aim to have an Outline Business Case submitted in April 2013.

4.0 POLICY IMPLICATIONS

- 4.1 The Priority School Building Programme will allow the Council to continue to meet its requirement to enhance the learning environment through capital projects.

5.0 OTHER IMPLICATIONS

- 5.1 The Priority School Building Programme will contribute to Halton's Carbon Management Programme by producing more energy efficient buildings.
- 5.2 The addition of a PFI building into the school estate would have an impact on some services that the LA currently offers. Given the current information, we only envisage this to affect the Property Services SLA.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

- 6.1 Children and Young People in Halton. The Priority School Building Programme will address condition and suitability issues within school buildings and will improve the learning environment for children and young people.

7.0 RISK ANALYSIS

- 7.1 Not applicable.

8.0 EQUALITY AND DIVERSITY ISSUES

- 8.1 Consideration to access issues is given in all building projects. The capacity of schools to meet the needs of children with more complex needs and disabilities will be developed further through building works at schools.

9.0 REASON FOR DECISION

- 9.1 To enable further details of the private finance to be considered at a later date which will help decide whether to progress with inclusion in the programme.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 10.1 It is not possible for the local authority to fund a new build school from its capital programmes.

11.0 IMPLEMENTATION DATE

- 11.1 Not applicable.

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Document	Place of Inspection	Contact Officer
Priority School Building Programme Announcements – DfE 19/07/2011 & 24/05/2012	Children & Enterprise	Phil Dove