

Appendix B of this report contains information of the type defined in paragraph 3 of Part 1 of Schedule 12A Local Government Act 1972 (as amended).

NORTH YORKSHIRE COUNCIL

EXECUTIVE REPORT

11 June 2024

SCHOOLS CONDITION CAPITAL PROGRAMME – 2024/25

Report of the Corporate Director – Children and Young People’s Service

1.0 PURPOSE OF THE REPORT

- 1.1 To seek Executive approval for the Schools Condition Capital Programme for 2024/25

2.0 EXECUTIVE SUMMARY

- 2.1 In announcements made in March 2024 the Department for Education (DfE) allocated Schools Condition funding of £5,883,316 to North Yorkshire Council for 2024/25.
- 2.2 The allocation was made on the basis of an allocation methodology that was introduced by the DfE in 2021/22 and which utilises the DfE’s own data about the condition of schools. This is a single year allocation. The programme for 2023/24 was approved by the Executive at its meeting on 4 July 2023 and is currently being delivered. The programme is monitored through the quarterly capital report.
- 2.3 The amount of funding allocated to the Council to meet the condition needs of maintained school buildings is expected to continue to reduce as schools convert to academy status.
- 2.4 This report proposes a programme of investments to address the condition needs of school buildings in 2024/25.
- 2.5 As of 1 April 2024, the Council was the responsible body for asset management purposes for 186 of the 207 maintained schools in North Yorkshire. Those schools have a significant total investment requirement which includes but is not limited to the condition of their buildings. The investment requirements associated with backlog maintenance alone is estimated to be approximately £22.3 million and further planned maintenance investment requirements of approximately £73.3 million have been identified as being required to address the condition of school buildings within the next 5 years.
- 2.6 In addition to the capital allocation that has been made to the Council and which is described in this report, further allocations of Devolved Formula Capital (DFC) were made directly to schools and which total £1,211,907.

2.7 A draft of this report (excluding the private appendix B) was presented to the Schools' Forum on 16 May 2024.

3.0 GOVERNMENT ALLOCATION ANNOUNCEMENTS

3.1 The Schools Condition Allocation for 2024/25 was announced on 26 March 2024.

3.2 The Schools Condition Grant is part of the single capital pot and may be used for all local priorities, although it is specifically intended for investment in schools. Schools Condition funding does not have to be used strictly for maintenance; it is the only capital funding stream available to support other capital improvement works e.g., compliance, suitability, invest to save projects or investment required to address strategic service priorities.

3.3 Academies receive their funding for condition related investment and devolved capital direct from the Education and Skills Funding Agency (ESFA) so are not included in these figures. The amount usually deducted from Schools Condition Allocation for each year is based on open academies at the beginning of November and those expected to open on or before 31 March prior to the relevant allocation year. This means that no projects have been included in the proposed 2024/25 programme for any schools that were expected to convert by 31 March 2024 (including those where conversion has been delayed). It is again proposed that where projects have been included in the programme, but schools later become an academy, a judgement will be made about whether the scheme should proceed or not. This will take account of the nature and value of the project, the stage of design development reached and the extent to which the project will extend beyond the date of conversion. This reflects the policy that schools convert to academy status in their existing condition.

3.4 The allocation is once again 100% grant funded (no borrowing approvals or PFI). There is no time-limit on expenditure so can be carried forward if unspent at the end of the financial year without risk of claw back. The following table compares the allocations over the past three years:

Capital Funding Allocation – LA Schools (Community, Voluntary Controlled and Foundation)

	2022/23	2023/24	2024/25
LA School Condition Allocation	£7,337,571 including £968,126 transitional award	£6,044,988	£5,883,316
Devolved Formula Capital (LA Schools)	£1,313,187	£1,242,978	£1,211,907

3.5 Capital allocations made since 2021/22 have been informed by the DfE's data that was collected in respect of all schools nationally during 2019 via a Programme called the 'Condition Data Collection'. The next DfE programme of condition data collection is not expected to complete until 2026, so the baseline data currently in use may well remain in place for some years.

- 3.6 Annual allocations are usually reduced to reflect the number of academy conversions and therefore the reducing pupil numbers in the maintained sector. It is difficult to estimate the scale and speed of academy conversions and therefore the potential level of reduction year on year.

	Voluntary conversions	Sponsored conversions (directed cases)
2017/18	27	2
2018/19	13	5
2019/20	12	5
2020/21	12	3
2021/22	3	5
2022/23	10	2
2023/24	8	0
2024/25 projected	12	5

- 3.7 As of 1 April 2024, there remained 207 maintained schools in North Yorkshire: 3 Nursery, 180 Primary, 14 Secondary, 6 Special schools and 4 Pupil Referral Units. This represents 57.8% of all 358 schools in North Yorkshire.
- 3.8 The Council is the responsible body for asset management purposes for 187 of the 207 maintained schools. The remaining 20 are voluntary aided schools who receive their school condition allocations via separate arrangements.
- 3.9 The DfE used pupil census data as part of their allocation methodology for this latest allocation and will do so in future. The following table shows the cumulative pupil numbers for the relevant categories of schools based on the January 2023 census:

	Maintained C, VC & Foundation	Maintained VA	Academies, free schools and UTC	Total Pupils
Primary	20440	1764	19182	41386
Secondary	9697	825	26601	37123
Special & PRU	885		490	1375
Total Pupils	31022	2589	46273	79884

4.0 CAPITAL PLAN 2022/23

- 4.1 The capital programme historically includes an amount of general contingency which has been utilised to meet costs arising from high tenders, and to respond to emerging condition issues. The general contingency in the 2023/24 programme has been partially utilised to meet additional costs that have arisen from individual schemes and overspends from previous programmes. Carry forwards from individual programme budgets are shown at Appendix A. This includes £254,000 from the planned maintenance programme relating to schemes that have not yet been completed.

5.0 PRIORITIES FOR INVESTMENT

- 5.1 On 19 April 2022 the former NYCC Executive approved the School Estate Strategy following consultation with councillors and North Yorkshire schools. The strategy documents are aligned to the DfE recommended approach known as Good Estate Management for Schools (GEMS) [Good estate management for schools - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/good-estate-management-for-schools). The approved strategy replaced earlier Council statements on priorities that pre-dated the GEMS guidance.
- 5.2 The 2024/25 capital programme will be based on the priorities contained within the 2022 School Estate Management strategy document which are:
- Maintain school place sufficiency – provide additional school places as the need arises
 - Ensure the safety and security of all school estate users – supporting schools with their delegated responsibility for health and safety
 - Maintain the school estate - invest in capital maintenance to ensure that facilities remain fit-for-purpose
 - Modernise and improve school estate facilities - help young people achieve by ensuring their accommodation is to modern standards
 - Improve SEND provision - addressing the needs identified in the SEND Strategic Plan
 - Sustain and improve schools through re-organisation of provision where appropriate
 - Improve Accessibility where appropriate – support investment in facilities to enable access by children with medical or mobility needs
 - Contribute to the Council’s target of achieving net carbon neutrality by 2030, or as near to that date as possible.

6.0 CARBON REDUCTION

- 6.1 The size of the school estate means that it is an important factor in the Council’s overall carbon reduction plan. In developing and delivering schemes every opportunity will be explored to provide a solution that assists with carbon reduction. However, given the current size of the maintenance backlog, and the limited funding available it is unlikely that schemes will be prioritised for inclusion in future programmes solely on the basis of carbon reduction. A Climate Change Impact Assessment has been developed in support of a Schools Condition Capital Programme, and this is attached as Appendix C.
- 6.2 All works undertaken are done so in accordance with Building Regulations, and with regard to the November 2022 DfE School Output Specification on sustainability, which provide for high standards in respect of energy efficiency. As a result, much of the work via the planned maintenance programme (e.g. roof, window and boiler replacements) will have a positive impact upon carbon emissions, in addition to addressing essential backlog maintenance.

7.0 PROPOSED SCHOOLS CONDITION CAPITAL PROGRAMME 2024/25

- 7.1 Appendix A provides a proposed Capital Programme for 2024/25. The following sections of the report provide the rationale for each element of the

programme. For reasons of commercial sensitivity individual project budgets are not published.

General Compliance and Health and Safety issues

- 7.2 The Council continues to help schools with issues around the health, safety and welfare of pupils, including boundary and internal security issues that may have an impact upon the safeguarding of children. Schools often have insufficient funding to address these issues themselves and look to the local authority for support. The costs of such adaptations can be significant. A number of such schemes have been successfully undertaken over recent years. It is once again proposed that any further urgent schemes should be supported in-year from compliance sums.
- 7.3 It is proposed that an allocation of £200k should be included within the programme for compliance and health and safety related projects in 2024/25.

Capital Planned Maintenance

- 7.4 The total maintenance backlog in schools across the County continues to be significant despite the ongoing programme of planned capital work. It is therefore important that investment continues to be made in maintaining and preventing further deterioration in the fabric of school buildings. The total backlog is estimated at c. £22.3m.
- 7.5 This figure is a conservative estimate and is being reviewed in light of current cost inflation. In addition, the estimate only reflects the expected costs for the repair or replacement of individual elements and does not include provision for any associated costs including, for example, asbestos removal or the provision of temporary accommodation during the works. As a consequence of both of these factors it is likely that the actual cost of addressing the identified backlog would be in excess of £22.3m.
- 7.6 In addition to the requirements associated with the maintenance backlog further planned maintenance investment requirements of approximately £73.3 million have been identified as being required to address the condition of school buildings within the next 5 years.
- 7.7 The low value of annually allocated DFC impacts on the level of funding available from schools to contribute towards the Capital Planned Maintenance Programme which addresses structural issues such as roof and window replacements, mechanical and electrical upgrades etc. With the previous agreement of the Schools Forum, projects are now only to be included in the programme on the understanding that schools will contribute all of their available DFC in that financial year. In some cases, this means that schools will be asked to fully fund maintenance projects that have been identified through condition surveys as a high priority rather than other projects. On this basis, an assumption has been made that £150k will be contributed by schools to the Capital Planned Maintenance budget in 2024/25.
- 7.8 A Capital Planned Maintenance budget of £6.5m (including fees and contingency) is proposed for schools in 2024/25. This is made up of an element of the current allocation, contingency sums remaining from previous capital programmes and an assumed contribution of £150,000 from schools' DFC.

- 7.9 An initial programme has been developed taking account of the highest priority condition items, as identified through the annual condition survey and discussions with schools. Additional priority projects will be identified and reviewed, potentially for delivery during 2025/26. The remainder will be utilised as a contingency for urgent unplanned work which emerge during the course of the year, including in respect of compliance.
- 7.10 Appendix B (not for publication) provides a list of the proposed schemes for inclusion in the 2024/25 Programme. Advance planning has been undertaken in respect of this element of the programme to ensure that the work can be commissioned and delivered in a timely fashion.

Condition Surveys and Asbestos Inspections

- 7.11 It has been agreed that in 2024/25 CYPS will continue to be recharged on the basis of a proportionate contribution to internal costs for Building Surveyors in the Property Service undertaking both condition surveys and asbestos inspections the survey work. The financial provision in 2024/25 will be £245k.

Asbestos Management

- 7.12 A large number of the Council's school buildings contain asbestos which is managed in situ. Following 2018 guidance on the management of asbestos in schools it was proposed to undertake some risk-based assessment of asbestos to ensure school asbestos management plans are available. The costs of any further investigations required in 2024/25 will be met through the contingency element of the Capital Planned Maintenance Programme.

Accessibility Related Works

- 7.13 The Council continues to make provision for some accessibility work in the programme to address the needs of individual children and for any significant access related work that emerges from other developments. It is proposed to set aside a sum of £300k from the 2024/25 allocation for such projects.

School Modernisation and Support for Strategic Priorities

- 7.14 Arising from the Executive's decision on 20 June 2023 to cease to maintain Eskdale School with effect from 31 August 2024 officers have been working with the leadership of Caedmon College, Whitby to identify priority works required to accommodate additional pupils at the Scoresby and Normanby sites at the school. It is proposed that £250,000 be allocated to meet the costs of identified works.

Temporary Accommodation

- 7.15 A rolling review of the condition of Prefabricated /Portable Classroom Units is maintained to determine whether there are any that are beyond economic repair or at risk of becoming unsafe. Where the school has no further use for them in the long term they are removed to reduce the school's maintenance liabilities. The local authority will continue to support this wherever possible. As the numbers of poor condition units is reducing, and in the context of less capital availability, it was agreed in 2022/23 not to make a specific block sum

allocation in future programmes. Alternatively individual cases will be considered alongside other schemes in traditional school buildings to determine the relative priority.

- 7.16 Where new or replacement teaching accommodation is required this will be with permanent buildings wherever viable, although in some cases it will be necessary to consider portable or modular solutions for cost or technical reasons. Portable solutions will also be provided where accommodation is genuinely temporary. These would be to a specification which is energy efficient, meets all current building regulations and provides a pleasant environment for teaching and learning. Schools are providing positive feedback about the quality of more recent portable and modular teaching spaces.

Strategic Support for Capital Delivery

- 7.17 The Capital Programme and individual projects within it are commissioned and sponsored by CYPS Strategic Planning staff but, following restructuring of the property function, they are now delivered by staff working within the Council's Property Service. It is proposed to continue funding one post within the Property Service. This post provides support for the delivery of the CYPS Planned Maintenance Programme and other parts of the CYPS Capital Programme. Monitoring arrangements will be in place to record the work undertaken in respect of individual schemes and the support from the Property Service.

General Contingency

- 7.18 It is necessary to retain an element of general contingency within the programme. This is to ensure that funding is available where unforeseen additional costs arise as schemes develop through feasibility and into detailed design and procurement. There is an element of contingency included within the proposed Capital Planned Maintenance Programme to meet unforeseen emergency work which emerges during the year relating to asbestos or other urgent and unplanned infrastructure requirements. The general programme contingency will address any additional costs associated with 2023/24 schemes yet to be completed, as well as those in the proposed 2024/25 programme.
- 7.19 The current value of the proposed contingency for 2024/25 is £1 million. It is considered prudent at this stage to retain this level of contingency given the apparent construction cost inflation, and in light of the anticipated reduction in future allocations.
- 7.20 Further consideration will be given during 2024/25 to the requirement for, and extent of, a general contingency to be maintained within the capital programme.

8.0 RECOMMENDATIONS

It is recommended that Executive:

- 8.1 Approve the proposed Schools Capital Programme for 2024/25 as summarised in Appendix A

- 8.2 Approve the Planned Capital Maintenance Programme for 2024/25 as set out in Appendix B
- 8.3 Agree the continuation of the approach for dealing with any schools that convert to Academy status following the approval of the programme as laid out in paragraph 3.3

Stuart Carlton
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11 June 2024

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Appendix A – Schools Capital Programme 2024/25
Appendix B – Planned Capital Maintenance Programme 2024/25 - **Private**
Appendix C – Climate Change Impact Assessment

Background documents:

Executive report 23/24 Programme – 4 July 2023