

## Children and Young People Overview and Scrutiny Panel

Date: 7 October 2019

Agenda item:

Subject: School Maintenance Costs

Lead officer: Rachael Wardell

Lead member: Councillor Eleanor Stringer

Contact officer: Tom Procter, Head of Contracts and School Organisation

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### Recommendation:

For Children and Young People Overview and Scrutiny Panel to comment and note the current position regarding schools' maintenance as outlined in this report.

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## 1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report outlines the arrangements for funding building maintenance in schools, the need identified from condition surveys, the past and future level of spend, and how it is prioritised to allocate to schools.

## 2 DETAILS

- 2.1. The arrangements for funding school maintenance is as follows for state schools:

	Revenue maintenance *	Capital maintenance *
Community and Voluntary Controlled (VC) Schools	Schools delegated budget	Council, but annual formulaic grant provided by ESFA (Education and Skills Funding Agency)
Voluntary Aided Schools	Schools delegated budget	The ESFA fund a 'Locally Co-ordinated Voluntary Aided Programme' From 2020/21 this will be provided at Diocesan Board level rather than by local authority
Academies	Schools delegated budget	Condition Improvement Fund provided by ESFA. Smaller Academy Trusts bid at project level, larger Academy Trusts receive a formulaic allocation to prioritise among the Trust's schools
PFI Schools	As for capital	Under the PFI contract the revenue and capital maintenance of buildings in the contract is the responsibility of the PFI Contractor (NewSchools Merton Ltd.)  (Note – 6 <sup>th</sup> form buildings built in 2010 are not within the PFI contract, and there are also some excusing clauses)

\* Revenue maintenance is day to day maintenance, and capital is long term renewal e.g. replacement of some roof tiles or boiler repair is revenue, but full renewal of roof covering or replacement boiler is

capital. Full breakdown is in the Council's Scheme for Financing Schools (see link in background papers).

Schools are also provided with a limited Devolved Formula capital sum and the council policy is to only fund items above £20,000 and for a school contribution of up to £10k depending on the project value

- 2.2. The council therefore only has capital maintenance responsibility for its 34 Community/VC Schools (27 primary, 3 secondary, 3 special and 1 PRU), and this is the focus of this report.

### **Capital Maintenance need**

- 2.3. In 2017 the council commissioned Kier to undertake condition surveys for all its community/VC schools. This showed a substantial backlog of capital maintenance, with the required expenditure over the 6 years from 2017 to 2022 identified as follows:

<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
£832,578	£4,779,485	£1,067,460	£1,405,559	£277,189	£1,633,928	<b>£9,996,199</b>

- 2.4. It should be noted that this was a relatively high level report and there is a need to consider items in more detail before they are programmed. It was also only a visual inspection and so it is inevitable that additional needs are later identified e.g. some urgent boiler replacement works were undertaken in 2018 to keep schools open even though they were not identified as an urgent priority in the Kier survey.

### **Spending levels**

- 2.5. The council spend over the past 5 years and budget for 2019/20 on specific capital maintenance work, including contributions from schools, has been as follows:

<b>Year</b>	<b>Total spend including school contributions</b>	<b>Comments</b>
2014/15	£596,392	Works undertaken at 15 schools and includes £113k on boilers, £78k on rainwater goods, £57k on roof replacement and £36k on asbestos removal
2015/16	£715,039	Works undertaken at 15 schools and includes £256k on boilers, £161k on fencing & security, £125k on asbestos removal and £72k on roof replacement
2016/17	£767,767	Works undertaken at 16 schools and includes £259k on roof replacement, £154k on boilers and £110k on electrical & lighting replacement
2017/18	£715,203	Works undertaken at 19 schools and includes £134k on boilers, £84k on toilet replacement, £73k on rainwater goods and

		£61k on roof replacement
2018/19	£1,013,265	Works undertaken at 18 schools and includes £267k on boilers, £175k on asbestos removal and £145k on roof replacement
2019/20	£2,158,790 (budget)	Works programmed at 25 schools and includes £370k on boilers, £268 on electrical & lighting, £220k on roof replacement and £130k on toilet replacement

- 2.6. It should be noted that prior to 2019/20 expenditure was below the ESFA (non-ringed) grant. However, substantial sums were spent on primary school expansion and this has included improving the maintenance of the schools at the same time though not recorded separately i.e. most school expansions had an element of refurbishment to their existing school.
- 2.7. The completion of the primary school expansion programme, and the need identified in the Kier survey in 2018 led to Council in March 2019 agreeing an annual programme of £1.9 million per annum (i.e. at the ESFA grant level) from 2019/20 excluding contributions from schools.

#### **Method for allocating funding**

- 2.8. The annual programme is agreed by considering the highest priorities from the Kier survey and an invitation to schools to identify needs from their perspective e.g. where poor condition may have accelerated or the Kier survey didn't identify the full extent of the issue.
- 2.9. Children Schools and Families officers then commission the council's Corporate Facilities team to undertake annual school visits for a further sift of prioritisation, using the following priority criteria:
- Priority 1 – Serious risk of school closure or immediate health and safety risk or serious water penetration if we do not complete the works this summer (e.g. good chance the heating will fail or building will not be water tight)
  - Priority 2- As above but slightly less serious; work required this year to prevent more expensive deterioration
  - Priority 3 – Works could wait another year without serious deterioration to the fabric/serious risk of school closure/no immediate health and safety issue.
- 2.10. The annual programme is then agreed in the spring from the available resources, so that the school summer holiday window can be used for works.
- 2.11. The budget is also used for works to improve the accessibility of schools to enable inclusion e.g. if a toilet needs to be adapted for a disabled child.

### **3 ALTERNATIVE OPTIONS**

- 3.1. Not applicable – report not for decision

#### **4 CONSULTATION UNDERTAKEN OR PROPOSED**

4.1. Not applicable – report not for decision

#### **5 TIMETABLE**

5.1. Not applicable

#### **6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS**

6.1. As described in the table in paragraph 2.1, schools are responsible for revenue maintenance which is provided as part of their delegated budget in the Schools Block Dedicated Schools Grant. Schools also receive a devolved capital allocation, which is £6,500 to £11,700 for primary schools, and £21,400 to £27,200 for secondary schools, depending on their roll.

6.2. The Capital Maintenance budget is agreed by Council, but is funded by a formulaic budget of circa £1.9 million per annum from the ESFA. The grant is correspondingly reduced if a school becomes Academy. The grant is not technically ring-fenced but the council is required to provide an annual submission to the ESFA on how it is spent

6.3. The Table below compares the actual spend and proposed budget against the backlog repairs from the Keir Survey.

<b>Narrative</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
	<b>£</b>						
<b>Kier Survey Backlog</b>	832,578	4,779,485	1,067,460	1,405,559	277,189	1,633,928	<b>9,996,199</b>
<b>Actual/Budget</b>	715,203	1,013,265	2,158,790	*1,900,000	*1,900,000	*1,900,000	<b>9,587,258</b>

\* will match the EFSA Grant and excludes any schools contributions, which are expected under the current scheme

#### **7 LEGAL AND STATUTORY IMPLICATIONS**

7.1. No specific implications

#### **8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**

8.1. No specific implications

#### **9 CRIME AND DISORDER IMPLICATIONS**

9.1. No specific implications

#### **10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**

10.1. No specific implications

#### **11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**

- None

#### **12 BACKGROUND PAPERS**

12.1. The Scheme for Financing Schools referred to under the table in paragraph 2.1 is on the council website <https://www.merton.gov.uk/council-and-local-democracy/finance/scheme-for-financing-schools>