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To: Resources and Infrastructure Children, Families & Education Policy Overview & Scrutiny Committee

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Subject: Capital Maintenance Budget

Classification: Unrestricted

Summary: This report provides information on school building maintenance, the arrangements that exist for the prioritisation of projects for inclusion within the capital programme and funding needs.

Introduction

1. (1) The latest capital monitoring forecasts 2010-11 capital spend on the maintenance of school buildings at £14.08m as against an initial allocation provided for within the Budget Book of £8.744m, subsequently increased to £10.488m by inclusion of funding rolled forward from 2009-10. The funding has been brought forward from future years.

(2) The money set aside within the budget is used to fund a programme of planned major maintenance work, reactive work to address urgent health and safety issues and to avoid school closure, planned maintenance inspections, condition surveys and a small programme of accessibility projects. Over the years the balance between planned and reactive work has shifted with more now responding to urgent requirements.

(3) The County Council undertakes condition surveys of all schools over a three year cycle; the surveys record school condition in a range of categories A- D with D being the worse and priorities 1-4 with 1 being the most urgent. For the purposes of assessing backlog we monitor maintenance identified in the categories D1, D2, C1 and C2, this is currently recorded as £97.881m of which £17.018m is D1.

(4) In addition to funding retained centrally schools have access to Devolved Formula Capital (DFC) to be used on asset management priorities and ICT. Schools allocation for DFC for the current financial year totals £23.089m. At the end of the 2009/10 financial year the schools had £37.7m in revenue and £13.9m in capital reserves.

Maintenance Backlog and Programme Details

2. (1) The last four years have seen a significant reduction in the recorded maintenance backlog from £146.6m in 2006-07 to the current figure of £97.8m. Whilst this has been in part due to the delivery of past maintenance programmes the greatest impact has been a result of the significant programme of investment in the refurbishment, modernisation and replacement of the school estate including the Kent Six Schools PFI programme, the delivery of the Modernisation Programme, Special School Review Programme and the delivery of the first BSF projects. In addition the taking out of use of accommodation through school reorganisation as part of the implementation of the Kent Primary Strategy 2006 has removed backlog. The backlog of maintenance at schools moving to Academy status has also been removed from our records of backlog. For schools that have moved to Academy status up to 31 October 2010 this totalled £15.5m.

From the total backlog of £97.8m the following significant areas are identified:

Roofing	£21.9m
Mechanical Services including boilers and heating	£24.5m
Electrics	£13m
External doors, window walling	£18.3m

2. (2) Appendix 1 details the programmes, inspections and surveys supported by the budget spending line “annual planned maintenance programme”

(i) **Major Maintenance**-the overarching aim of the planned programme of major maintenance is to keep schools safe, dry and watertight. Projects are identified having regard to work that is recorded as D1 within school condition surveys. As this is greater than the funds available this is further informed by maintenance history, eg boiler failures, roof leaks, planned maintenance inspections and school premises development visits.

(ii) **Reactive Maintenance**-money is set aside for reactive work. Projects funded are those to address urgent health and safety issues and to avoid school closure. Looking at spend so far committed this year, £937K is for

boilers and heating, £720K for roofing and £411K for fire safety work either recommended or the subject of an enforcement order. With regard to the latter fire safety legislation is retrospective. In 2009/10 some 30% of the total maintenance spend was on reactive work.

(iii) **Planned Maintenance Agreements**-These are a range of maintenance inspections required by law and include for such things as 5 year full electrical tests, lift inspections, boiler inspections, gas pressure testing and fire alarm inspections

(iv) **Asbestos and Legionella Surveys**-the County Council is required by law to have adequate processes in place for the control and management of asbestos and risk of legionella. National guidance is provided by approved codes of practice which set out recommendations for regularity of surveys and management and control actions. Asbestos surveys are undertaken every three years and legionella surveys every two years. The funding set aside provides for the surveys and in the case of asbestos immediate remedial work which may be identified such as the removal or sealing of asbestos. In addition to the County arranged and funded surveys schools have responsibility for ongoing monitoring and inspection arrangements. The County Council provides training and awareness raising to enable schools to carry out their responsibilities.

(v) **Schools Access Work**-this programme has been used to fund work to support projects to improve access to schools, primarily to enable disabled pupils to have access to all areas of the curriculum. For the last 3 years the Government has provided supported borrowing to fund the latter

(vi) **Conditions Surveys**-the County Council undertakes condition surveys of all school premises. The current arrangements have been in place since 1999-2000 and were originally required by Government and were a requirement to enable the release of grant and supported borrowing. The County Council has retained the process; the data gathered is used to inform spending decisions, support bids for funding and to monitor progress.

(3) **Governance**

The Asset Management Plan has not been revisited for some years but its priorities remain, that is the need to ensure that facilities meet health and Safety requirements, that premises are safe dry and watertight and the delivery of 190 days education to every pupil.

Whilst final responsibility rests with Members the School Capital Group a sub group to the School Funding Forum has specific responsibilities to advise on priorities and criteria for programmes of school building maintenance and improvement work.

(4) **Reasons for forecast overspend**

Given that spending on planned maintenance, asbestos and legionella surveys is to a great extent a fixed sum, when looking at the need to make budgets savings

these have to be made from the funding set aside for proactive and reactive maintenance. We have sought to reduce our proactive planned programme to maximise funding for reactive work but this has still been insufficient to contain spend within the original budget. In looking at the latest forecast spending as shown in Appendix 1, of the 7 headings identified all are within budget other than that for reactive maintenance

Future needs

3. There has been considerable success over the last few years in reducing the size of the maintenance backlog. Schools moving to academy status will also take their maintenance backlog with them
However reduction in future levels of capital investment will reduce the number of whole school replacement and modernisation projects that can be undertaken and with them our ability to continue to make further significant reductions of the maintenance backlog over the medium term plan. It is therefore likely that pressures will remain at existing levels for the life of the next medium term plan.

Next Steps

4. The current forecast overspend on maintenance will be met from within the capital budget. Planning is now underway for the coming medium term plan; this will need to have regard to future funding requirements including those for school building maintenance. Much is dependent on government announcements over the size and arrangements for future capital allocations.

Recommendations:

5. (1) Members are asked to: Note the information provided about maintenance spending and that pressures on this budget are likely to continue for the life of the MTP.
- (2) The forthcoming announcements on the size of and arrangements for future capital funding together with the transfer of schools to academy status will have implications for this budget and the position will need to be reviewed.

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