



Leicester
City Council

**FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
SCHOOLS FORUM
STRATEGIC RESOURCES GROUP**

**17 JUNE 2004
22 JUNE 2004**

**SCHOOLS ASSET MANAGEMENT PLAN –
ALTERNATIVE PROPOSAL FOR CONSIDERATION**

1. Introduction

1.1 The City Council wishes to consult on options for the use of funds aimed at improving the Council's property portfolio including education. This note sets out the considerations with a view to securing your view on the proposal.

2. Overview

2.1 The City Council is the landlord for all the Council's properties including schools. The respective responsibilities are set out in a Landlord Tenant agreement.

2.2 To address these responsibilities, the Council has a Central Maintenance Fund (CMF). The funds available to the CMF are currently as follows:

		04/05 £000	05/06 £000	06/07 £000	On-going £000
1.	Repair (Re-active)				
	• Urgent	1,500	1,500	1,500	1,500
	• Non-urgent	1,000	1,000	1,500	1,000
	Sub-Total	2,500	2,500	2,500	2,500

2.	Cyclic Works				
	• Statutory	800	800	800	800
	• Non-Statutory	500	500	500	500
		1,300	1,300	1,300	1,300

2.3 In the last two years there has been no planned maintenance from the CMF because of the level of reactive work required. It is anticipated that this will continue for the foreseeable future.

2.4 Recently, Members have agreed to allocate additional funding for addressing the repairs backlog across all its property. This is as follows:

		04/05 £000	05/06 £000	06/07 £000	On-going £000
	Renewal (planned/preventative)	1,500	1,500	1,000	1,000

2.5 In addition to this, there is an injection of 'one-off' funding aimed at addressing condition backlogs.

		04/05 £000	05/06 £000	06/07 £000	On-going £000
	Renewal	1,300	2,500	2,450	-

2.6 The current maintenance backlog for the landlord function is as follows:

		PRIORITY 1 £000	PRIORITY 2 £000	PRIORITY 3 £000	PRIORITY 4 £000	TOTAL £000
1.	Schools	0,489	13,176	7,961	3,469	25,095
2.	Other property (excl. housing)	9,995	23,218	11,793	15,262	60,271

2.7 The figures for the second category above (other property excluding housing) are not generally based on condition surveys.

2.8 The schools repairs backlog can be broken down as follows:

		PRIORITY 1	PRIORITY 2	PRIORITY 3	PRIORITY 4	Total
	Primary	186,000	6,748,000	5,169,000	2,169,000	14,272,000
	Secondary	261,000	5,370,000	2,310,000	878,000	
	Special	42,000	1,058,000	482,000	422,000	
		489,000	13,176,000	7,961,000	3,469,000	

2.9 Definitions of the Priority categories are as follows:

Priority 1	• Immediate Repair
2	• Desirable work – 2 years
3	• Desirable work – 5 years
4	• Not required within 5 years

2.10 The proposed programme for 2004/05 drawing on the above funds, is being formulated for the following categories of work:

1.	Annual Service contracts
2.	Boiler Replacement
3.	Window Replacement
4.	Ceiling Replacement
5.	External Decoration
6.	Lift Replacement
7.	Electrical Re-wiring

2.10 In addition to this funding, the Council receives funding as follows:

LEA	04/05	05/06	06/07
DfES funds	6,300,000	4,890,000	TBE
City Council funds	200,000	200,000	TBE

2.11 The proposed use of these funds for 2004/05 is set out in the next section.

3. Current Position

3.1 The Education Department has previously consulted on the Education Asset Management Plan. This has led to a programme being drawn up for 2004/05 to address agreed priorities. These are:

- School modernisation programme (£921,520) – aimed at significantly improving the teaching environment in our schools with a view to directly assisting the raising of school standards. Priority is for where a school is unable to teach the curriculum, and health and safety.
- Temporary classroom replacement programme (£2,200,000) – the City has a very significant number of pupils who are being taught in sub-standard and inappropriate learning environments. Replacing these is again key to raising standards.
- Primary Amalgamations (1,500,000) – the department is implementing a phased programme of school amalgamations. This is to address a key Best Value / CPA performance indicator (% surplus places in our primary schools) and to raise standards, the Department is considering that the advantages of all through primary schools significantly outweigh any disadvantages.
- Building Schools for the Future – (£0.3 million) – the Department needs to identify £0.5 million for the first phase of BSF, it being proposed that £0.3 million of this is funded from this Education programme. A further £1.5 million needs to be identified for the second phase. (An option is to add this to the final PFI calculation but it is strongly considered that the margins are insufficient to enable these costs to be contained within the PFI bill.)
- Schools Access Initiative (£349,437) – this has to be spent on improvements in line with the Disability Discrimination Act.
- Foundation Stage Improvements (£250,000) – to enable the early year admissions policy to be implemented.
- Pupil Referral Units (£30,000) – modernisation.
- Seed Challenge (£371,146) – available for start up projects with schools own funding
- Minor Works (£200,000) – for the transfer of mobile classrooms to meet needs, and lifelong learning projects, in particular health and safety

3.2 Originally, the plan included a proposed one-off injection of £1 million to contribute to the corporate Central Maintenance Fund (CMF), the landlord budget, to help address the repairs backlog. However, £0.3 million is required

for BSF (see above), and the DfES funds are lower this year than originally notified provisionally. At present, this sum is not therefore included.

3.3 Funds have been and continue to be committed to addressing condition issues from the Education budget allocation:

- When mobile/temporary classrooms are replaced (see above).
- Major (£1 million) glass and glazing replacement programme to address key health and safety liability.
- As part of improvements implemented in the rest of the programme.

Devolved School Funding

3.4 Additionally, schools have sums devolved directly to them, either from the LEA's Schools Block or from the DfES.

Schools	04/05		
Buy-back scheme	866,841		
Devolved capital			
• direct from DfES	3,976,600		

4. Current Proposal

4.1 The City Council wishes to consult on options for the use of the additional CMF funds that Members have agreed for Council properties, as explained in paragraphs 2.3 and 2.4.

Options

1. To allocate the additional ongoing CMF resources (see paragraph 2.4) pro rata to the Priority 1 and Priority 2 backlog

		04/05 £000	05/06 £000	06/07 £000	On-going £000
	Schools 30%	435	435	290	290
	Other Council property 70%	1,065	1,065	710	710
		1,500	1,500	1,500	1,000

2. To prioritise education in the allocation of additional resources with a split as follows:

Schools	60%
Other Council property	40%
	100%

3. To allocate the additional one-off CMF funds (see paragraph 2.5) to the Priority 1 and Priority 2 backlog.

		04/05 £000	05/06 £000	06/07 £000
	Schools 30%	377	725	710
	Other Council	923	1,775	1,740

	property 70%			
		1,300	2,500	2,450

4. To prioritise education in the allocation of additional one-off CMF funds with a split as follows:

Schools	60%
Other	40%

5. To allocate the additional one-off (3 year programme) CMF resources (see paragraph 2.5) pro rata to the Priority 1 and Priority 2 backlog, with a schools/LEA match contribution for part of this additional one-off funding.

		04/05 £000	05/06 £000	06/07 £000
	Council	377	725	710
	LEA/Schools	300	300	300
	Other	677 923	1,025 1,775	1,010 1,740
		1,600	2,800	2,750

Years 2 and 3 subject to review in the light of available resources, and condition data.

6. To allocate all additional CMF funds in the light of agreed corporate prioritisation regardless of department.
7. To use DfES funding of £0.5 million per annum to match fund corporate resources.

OPTION SEVEN	2004 - 2007
Corporate / CMF	1.5m
LEA / DfES	1.5m

8. To use DfES funding of £1.0 million per annum to match fund corporate resources.

OPTION EIGHT	2004 - 2007
LCC Additional Maintenance Funding	3m
LEA / DfES	3m

9. DfES funding to be contributed towards addressing backlog of condition in schools without a match funding contribution from corporate resources, subject to an assessment of the impact on the proposed Education programme.

- 4.2 The proposal to use some DfES funding towards addressing the backlog of school condition has been suggested by the Corporate Director of Resources Access and Diversity in accordance with the provisions of the Single Capital Pot and in particular in the light of the Health and Safety issues, the need to identify additional resources to address the current maintenance priorities and because the DfES, in advising of the 2004/05 modernisation allocations has

stated:

“Exceptionally high levels of formulaic support this year and next will enable authorities to address their priorities of the backlog of condition needs, and turn increasingly to strategic suitability improvements. From 2004-5, modernisation funding includes an element allocated on relative primary school need. Alongside BSF, local authorities should be able to allocate an increasing amount of investment to the improvement of their primary schools.”

- 4.3 The Government is very clear that there should be an increased emphasis on strategic suitability improvements and the current Education Department capital programme reflects this.
- 4.4 It is also an opportunity to maximise the amount being spent on addressing the substantial schools condition backlog. There would be insufficient funding to address this even if all the extra CMF funding was devoted to education. (This would continue to apply if all Education funding was added to the CMF.)

5. Addressing the Current Options

- 5.1 Given the DfES' conditions for a number of the categories of expenditure it is only possible to consider taking money from some categories.
- 5.2 It also needs to be stressed that education funds for next year
- Reduce from £6.3m to £4.8m.
 - BSF phase 2 costs.
- 5.3 The outline programme for next year is as follows:

Programme	Proposed Expenditure2005/06
Minor Works	200,000
Mobile Replacement Programme	2,200,000
Foundation Stage Improvements	250,000
Pupil Referral Units	30,000
Schools Access Initiative	555,947
Sub-Total	3,235,947
Funds to cover other items - Modernisation - Amalgamations	995,839
Total allocation	4,231,786

6. Other Issues

- 6.1 The identified repairs backlog will be lower if the Authority proceeds with BSF.

7. For Consideration

7.1 The options as set out above.

8. Report Author/Officer to contact:

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**ADDENDUM
OPTIONS / IMPLICATIONS FOR CONTRIBUTION**