

CAPITAL INVESTMENT BUSINESS CASE

Schools Condition Works Programme



EXECUTIVE SUMMARY

The Executive Summary is a short summary of the Business Case and should be the last section you complete, this will enable you to extract or only the key facts from relevant sections i.e. 'project on a page'. The summary is a 'snapshot' of the business case which will need to tell the story and sell the proposal.

key notes

Plymouth City Council receives a Central Government Capital Grant allocation each year from the Department for Education, to support Major Works to the school estate, although this funding has to be strategically targeted at the worst elements of the School Estate.

Plymouth City Council have legacy and future elements within the wider estate that are in need of repair and/or replacement, although this is accurately prioritised/rated and will, going forward, form part of an annual Condition programme funded by the Capital Condition Grant.

Plymouth City Council actively reviews the overall condition of the school estate and monitor triggers/thresholds that could lead to a refurbishment or replacement of a specific element of a school, or in an extreme case, the school in its entirety. However this will also be linked to suitability issues, as well as condition and viability elements. All Condition Works identified then form elements of a package of works/programme.

There are elements of the Estate in need of major works, replacement and/or outside of their life expectancy/obsolete. However PCC ensures that in these instances that there are no Health and Safety, Safeguarding, Wind and Watertight issues. This ensures that there are no buildings with issues that would reasonably be expected to be unsafe, at risk of collapse, or present an imminent danger to the users or public.

Local Authority schools are responsible for minor works and the general day to day maintenance of their estate, although PCC do offer ongoing support and guidance to these schools as required.

Currently there are 18 maintained schools remaining, however some of these are currently undergoing, or investigating, an academisation options for themselves.

Where Condition Works are deemed necessary, Education, Participation & Skills (EPS) will assist the schools in obtaining the necessary quotes, evaluate the quotations received and the appointment of the contractor. EPS will monitor and evaluate the ongoing works as required and will sign off the works on completion. We will then reimburse 90% of the costs to the school.

Approval is now sought for funding to carry out urgent Health and Safety/condition works on the following schools:

Establishment Number	Establishment Name	Type Of Establishment (name)	School Capacity	Number Of Pupils	Administrative Ward (name)
7063	Cann Bridge School	Community special school	108	95	Moor View
2638	College Road Primary School	Foundation school	210	204	Devonport

1008	Ham Drive Nursery School	Nursery school		78	Ham
7069	Mill Ford Special School	Community special school	108	121	Honicknowle
7062	Woodlands Special School	Heating & Ventilation	85	85	Budshead

This Business Case will concentrate on the following schools, all of which have costly condition works which need to be resolved in order to maintain the schools as operational.

School	Condition Business Case 2024	Indicative Costs	11.5% Contingency	Total
Cann Bridge	Fence & Bank	£10,500.00	£1,207.50	£11,707.50
Ham Drive	Boiler	£32,208.37	£3,703.96	£35,912.33
Mill Ford	Survey Suite – Pre works	26,883.00	£3,091.55	£29,974.55
Woodlands	Heating & Ventilation	£60,000.00	£6,900.00	£66,900.00
Total		£129,591.37	£14,903.01	£144,494.38

key risks

The residual risks are:-

- Partial/full closure of a school premises, if no actions are taken.
- Potential claims due to accidents or ill health, if no actions are taken.
- Timing, the programme of works needs to be carried out where possible during the major school closure periods to avoid major disruption and health and safety issues.
- Failure to achieve the above could leave pupils without a safe or adequate learning environment.
- Time is required to obtain quotations and award works to various contractors during their major busy period on various sites.
- We are still feeling the impacts of Covid on manufacturing along with cost inflation and uncertainties associated to the economy. Due to the markets, there is cost uncertainty and only when orders are placed will the final outturn costs be fully confirmed.
- No schools currently included in the programme have indicating they intend to transfer to academy.

SECTION I: PROJECT DETAIL			
Project Value (indicate capital or revenue)	£339,280.88	Contingency (show as £ and % of project value)	£14,903.01 (11.5%)
Programme	Condition Works Programme at identified Schools	Directorate	Childrens Services
Portfolio Holder	Cllr Sally Cresswell	Service Director	Lisa Linscott
Senior Responsible Officer (client)	Amanda Paddison	Project Manager	Ian Baker
Address and Post Code	Various	Ward	Citywide

Current Situation: *(Provide a brief, concise paragraph outlining the current situation and explain the current business need, problem, opportunity or change of circumstances that needs to be resolved)*

It is proposed, in order to deal with the condition issues at the maintained schools identified, that a programme is utilised in order to facilitate the undertaking and completion of the various works at multiple locations, together with any associated works, in order to remove the most serious condition elements.

Education, Participation & Skills will oversee the programme of works as the Client, monitoring the quality and cost during the lifetime of the various school projects and overseeing the delivery of the projects to the expected standards contained within the programme of works.

The schools will raise the necessary orders and will only be reimbursed, in full, following full and satisfactory completion of the works, which will be approved by EPS on completion. The schools will be responsible for providing all financial information requests throughout the project and any subsequent queries that may arise post contract.

The schools for the proposed programme of works currently are:-

School	Condition Business Case 2024/25
Cann Bridge	Fence & Bank
Ham Drive Nursery	Boiler
Mill Ford	Suite of Surveys – Structural, Condition, M&E
Woodlands	Heating / Ventilation

The cost of not doing anything to reduce the poor condition elements of the estate could potentially lead to partial, or whole school closure(s), due to Health and Safety or Safeguarding issues.

Condition works:

It is proposed that the individual school projects identified above are carried out as part of a phased Programme of Works, making full use of the long school breaks to accomplish the works whilst minimising the disruption to the operation of the schools.

Proposal: *(Provide a brief, concise paragraph outlining your scheme and explain how the business proposal will address the current situation above or take advantage of the business opportunity) and (What would happen if we didn't proceed with this scheme?)*

The proposal addresses the 2024/2025 School Condition Work(s) related elements.

The proposed Programme of Works would provide the basic minimum standard expected for the safe and effective operation of the schools.

The schools will all need to function alongside building works on the site, making the programme of works being carried out during the holiday breaks the most suitable solution. The Client and PCC, will work closely with the Senior Management Team of the schools to ensure that all works and operations are managed and supervised accordingly. The day to day running of the school would not be adversely affected and the project team(s) would make full use of holiday periods to carry out the majority of the works required.

The approval of this Business Case will allow the Condition works to be completed as a Programme of Works for the aforementioned projects, during the 2024/25 holiday periods.

It is further proposed that we include a top up of the reserved sum of £200k, for 'Reactive Maintenance'. The top up required would be £194,786.50. This will allow EPS to react to critical

incidents without the delay, for instance a boiler failure, damaged roof, collapsed sewer, flood, alarm or services failure etc. to resolve/mitigate the issue in a timely manner.

Condition Surveys have been carried out on the various sites to identify the extent of the issue. Surveyors, and PCC representatives and contractors have visited the sites to complete evaluations of the works required and to provide technical guidance and quotations for the works.

Option 1

Do Nothing. This option was discounted for all sites because of the Health and Safety issues or the potential closure of parts or all of a school building.

Option 2

Close the school or part of the school and transport children to other schools. This option was discounted because of the increased transport cost and the disruption in education this would cause for all pupils.

Option 3,

(Preferred Option).

Carry out the proposed Programme of Summer Condition Works, removing / reducing the H & S issues to increase the life expectancy of the school building by reducing condition damage and making the schools watertight.

If the Planned projects are carried out or commenced during the school holidays, this eliminates/reduces disruption to pupils and parents whilst enabling the various contractors to have full site access to carry out works, ensuring materials could be delivered and stored safely on the school grounds whilst also minimising the impact on the local community.

Milestones and Date:		
Contract Award Date	Start On Site Date	Completion Date
Order's to be raised as soon as possible to secure work slots with various contractors	Mid December 2024	Initially Phased for December 2024 to Easter 2025 (programme)

SECTION 2: PROJECT RISK, OUTCOMES AND BENEFITS

Risk Register: *The Risk Register/Risk Log is a master document created during the early stages of a project. It includes information about each identified risk, level of risk, who owns it and what measures are in place to mitigate the risks (cut and paste more boxes if required).*

Potential Risks Identified		Likelihood	Impact	Overall Rating
Risk	Failure to provide safe teaching and learning environment.	High	High	High
Mitigation	Undertake programme of works as described.	Low	Low	Low
Calculated risk value in £ (Extent of financial risk)	£ Unlimited			An accident, injury or Occupational Health claim, associated to a Health & Safety incident, can be unlimited. Loss of reputation within the City.

Outcomes and Benefits

List the outcomes and benefits expected from this project.

(An **outcome** is the result of the change derived from using the project's deliverables. This section should describe the anticipated outcome)

(A **benefit** is the measurable improvement resulting from an outcome that is perceived as an advantage. Benefits are the expected value to be delivered by the project, measurable whenever possible)

Financial outcomes and benefits:	Non-financial outcomes and benefits:
<ul style="list-style-type: none"> • Schools remain operational (and Fit for Purpose), without the school or PCC incurring any negative publicity or incurring costs for temporary accommodation due to partial or full school closures for health and safety / safeguarding issues. • Assets are maintained to a good standard, benefiting staff, pupils and the local community. • These works can prevent further issues from developing by maintaining buildings in good condition reducing the likelihood of future building works, avoiding costs on other building works. • Reduces reactive maintenance costs for the schools. 	<ul style="list-style-type: none"> • Schools remain operational without the school or PCC incurring any negative publicity due to Health and Safety and or safeguarding issues. • The condition of the school is improved, providing better working and learning environments. • Poorly maintained schools are not popular with pupils, parents or teachers and can affect Health, Safeguarding and Wellbeing, thus pupil numbers. • Prevent further building deterioration caused by water ingress and causing internal damage. • Prevent school closure due to health and safety risks identified above if inspected by a Health & Safety Officer (HSO).

Low Carbon	
What is the anticipated impact of the proposal on carbon emissions	Compliance with all Building Regulations and ACOPS. It is an environmentally friendly solution as well maintained buildings reduce the overall carbon emissions and reduces overall energy consumption.
How does it contribute to the Council becoming Carbon neutral by 2030	<p>If sustainability and environmental elements are added to units, this promotes further carbon savings and works towards carbon neutrality.</p> <p>Carrying out condition works on schools will improve the overall energy efficiency of the existing buildings by replacing old systems with more energy-efficient ones, such as better boilers.</p> <p>Responsible condition works also means that occupants will use less energy day-to-day, but it also means more embodied carbon as more material is added to the building and older dilapidated and inefficient systems are updated. These improvements can extend the lifespan of the building and so they help avoid the embodied carbon needed to replace an old building with a new one.</p>
Have you engaged with Procurement Service?	
Procurement route options considered for goods, services or works	N/A
Procurements Recommended route.	N/A
Who is your Procurement Lead?	N/A
Is this business case a purchase of a commercial property	
If yes then provide evidence to show that it is not 'primarily for yield'	N/A

Which Members have you engaged with and how have they been consulted (<i>including the Leader, Portfolio Holders and Ward Members</i>)	Lisa Linscott (Service Director for Education, Participation & skills), Amanda Paddison (Head of Access to Learning) and SEND have consulted with Sally Cresswell (Portfolio Holder for Education)
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SECTION 4: FINANCIAL ASSESSMENT

FINANCIAL ASSESSMENT: *In this section the robustness of the proposals should be set out in financial terms. The Project Manager will need to work closely with the capital and revenue finance teams to ensure that these sections demonstrate the affordability of the proposals to the Council as a whole. Exact amounts only throughout the paper - not to be rounded.*

CAPITAL COSTS AND FINANCING

Breakdown of project costs including fees surveys and contingency	Prev. Yr.	23/24	24/25	25/26	8.	71	Future Yrs.	Total
	£	£	£	£			£	£
Capital (DfE Condition Funding Grant.) (90% of indicative costs)			119,320.53					
Schools Contribution (10% of indicative costs)			10,270.84					
Contingency including design, survey and fees (DfE Condition Funding Grant.) (11.5% of total indicative costs)			14,903.01					
Reactive Condition Maintenance			194,786.50					
Total capital spend Capital (DfE Condition Funding Grant.)			339,280.88					

Provide details of proposed funding: *Funding to match with Project Value*

Breakdown of proposed funding	Prev. Yr.	23/24	24/25	25/26	26/27	27/28	Future Yrs.	Total
	£	£	£	£	£	£	£	£
DfE Condition Funding Grant.			329,010.04					
School Contribution			10,270.84					
Total funding			339,280.88					

<p>Which external funding sources been explored</p>	<p>Allocated funding from School Condition Funding Budget to carry out the works.</p> <p>It has been previously approved that schools contribute to the costs of the condition works on a sliding scale, as identified below:</p> <p>The school contributions are based on a sliding scale:-</p> <p>For projects up to £100K Requires a 10% School's contribution up to the £100k threshold. Equals a contribution of £100 per thousand. Making the schools maximum contribution £10K</p> <p>For projects over £100K up to £250K Requires a 10% School's contribution for the initial £100K = £10k (as above) plus an additional 5% contribution of £50 per thousand from £100k to £250k. Making the schools maximum contribution £17.5K</p> <p>For projects in excess of £250k Requires a 10% School's contribution for the initial £100K = £10k plus the additional 5% contribution of £50 per thousand from £100k to £250k = £17.5K (as above) plus a further 2.5% contribution of £25 per thousand over £250K</p> <p>A minimum project value of £10,000 must be exceeded before a project is considered for a condition project and it must be a major component/element failure not decorative or cosmetic. Condition projects are also not for improvement or expansion Only in exceptional cases will lower values be considered and must be approved by the Head of Service and Service Director.</p> <p>The schools contribution is to be recovered post works (deducted from the final payment to the school) and added back into Condition Budget for future years, works programmes.</p> <table border="1" data-bbox="464 1310 1348 1585"> <thead> <tr> <th colspan="2"></th> <th colspan="2">School Contribution</th> </tr> <tr> <th>School</th> <th>Condition Business Case 2024</th> <th colspan="2">10%</th> </tr> </thead> <tbody> <tr> <td>Cann Bridge</td> <td>Fence & Bank</td> <td>£</td> <td>1,050.00</td> </tr> <tr> <td>Ham Drive</td> <td>Boiler</td> <td>£</td> <td>3,220.84</td> </tr> <tr> <td>Mill Ford</td> <td>Survey Suite – Pre works</td> <td>£0</td> <td></td> </tr> <tr> <td>Woodlands</td> <td>Heating & Ventilation</td> <td>£</td> <td>6,000.00</td> </tr> <tr> <td colspan="2">Total</td> <td>£</td> <td>10,270.84</td> </tr> </tbody> </table>			School Contribution		School	Condition Business Case 2024	10%		Cann Bridge	Fence & Bank	£	1,050.00	Ham Drive	Boiler	£	3,220.84	Mill Ford	Survey Suite – Pre works	£0		Woodlands	Heating & Ventilation	£	6,000.00	Total		£	10,270.84
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<p>Are there any bidding constraints and/or any restrictions or conditions attached to your funding</p>	<p>Condition funding is provided annually by the DfE for the maintenance of the maintained school buildings. Academy schools are funded directly by the ESFA for their condition works and therefore are not eligible to be funded by PCC. There are no bidding constraints attached to this funding.</p>																												
<p>Tax and VAT implications</p>	<p><u>VAT Implications</u></p> <p>The project relates to urgent Health and Safety / Condition works on a number of primary and special schools. Since the provision of statutory education is a non-business activity of the Council, the VAT incurred on the project will be fully recoverable and there will be no adverse impact on the Council's partial exemption position.</p>																												

Tax and VAT reviewed by	Sarah Scott (Service Accountant, Finance)
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REVENUE COSTS AND IMPLICATIONS

Cost of Developing the Capital Project (To be incurred at risk to Service area)

Total Cost of developing the project	N/A
Revenue cost code for the development costs	N/A
Revenue costs incurred for developing the project are to be included in the capital total, some of the expenditure could be capitalised if it meets the criteria	N/A
Budget Managers Name	Amanda Paddison (Head of Access to Learning, Education, Participation & Skills)

Ongoing Revenue Implications for Service Area

	Prev. Yr. £	23/24 £	24/25 £	25/26 £	26/27 £	27/28 £	Future Yrs. £
Service area revenue cost							
Other (eg: maintenance, utilities, etc)		0	0	0	0	0	0
Loan repayment (terms agreed with Treasury Management)		0	0	0	0	0	0
Total Revenue Cost (A)		0	0	0	0	0	0
Service area revenue benefits/savings							
Annual revenue income (eg: rents, etc)		0	0	0	0	0	0
Total Revenue Income (B)		0	0	0	0	0	0
Service area net (benefit) cost (B-A)		0	0	0	0	0	0
Has the revenue cost been budgeted for or would this make a revenue pressure	N/A						
Which cost centre would the revenue pressure be shown					Has this been reviewed by the budget manager	Y/N	
Name of budget manager	Amanda Paddison (Head of Access to Learning, Education, Participation & Skills)						
Loan value	£0	Interest Rate	%	Term Years		Annual Repayment	£
Revenue code for annual repayments	N/A						
Service area or corporate borrowing	N/A						
Revenue implications reviewed by	Louise Jenkins (Lead Accountancy Manager)						

Version Control: (The version control table must be updated and signed off each time a change is made to the document to provide an audit trail for the revision and update of draft and final versions)

Author of Business Case	Date	Document Version	Reviewed By	Date
Ian Baker (School Investment & Organisational Manager)	2/7/24	0	Anna-Leigh Selvester, Amanda Paddison, Alison Critchfield, Sarah Scott, Jake Metcalfe, Louise Jenkins	2/7/24
Ian Baker (School Investment & Organisational Manager)	15/7/24	1	Anna-Leigh Selvester, Amanda Paddison, Alison Critchfield, Sarah Scott, Jake Metcalfe, Louise Jenkins	1/10/24
Ian Baker (School Investment & Organisational Manager)	01/10/2024	2	Anna-Leigh Selvester, Amanda Paddison, Alison Critchfield, Sarah Scott, Jake Metcalfe, Louise Jenkins	06/01/2025
Ian Baker (School Investment & Organisational Manager)	13/01/2025	3	Anna-Leigh Selvester, Tina Brinkworth, Alison Critchfield, Jake Metcalfe, Louise Jenkins	

SECTION 6: RECOMMENDATION AND ENDORSEMENT

It is recommended that the Leader of the Council

- Approves the Business Case
- To delegate the award of contracts to the Service Director for Education Participation and Skills where they would not otherwise have the authority to do so;
- To allocate £339,280.88 to the Capital Programme, financed by DfE School Condition Grant (90%) and Schools Contributions (10%) (figure includes contingency amount)

Councillor Tudor Evans OBE, Leader

David Haley, Director of Children's services

Either email dated: Date 17/01/2024

Either email dated: Date 31 October 2024

Or signed:

Tudor Evans

Signed:

David Haley