

# Brighton & Hove City Council

## Strategy Finance & City Regeneration Committee

## Agenda Item 114

**Subject:** Education Capital Resources and Capital Investment Programme 2024/2025

**Date of meeting:** CFS 29 February 2024  
SF&CR 14 March 2024

**Report of:** Executive Director of Families, Children & Learning

**Contact Officer:** Name: Richard Barker, Head of School Organisation  
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**Ward(s) affected:** All

**For general release**

### **1. Purpose of the report and policy context**

- 1.1 In order to determine an overall Capital Programme for Brighton & Hove City Council, each service is asked to consider its capital investment requirements, within the level of allocated resources for 2024/25.
- 1.2 The purpose of the report is to inform the Committee of the level of available capital resources allocated to support education buildings and to recommend a capital programme for 2024/25 in respect of School Condition Allocation (SCA), Basic Need and High Needs Provision Capital Allocation (HNPCA) funding.

### **2. Recommendations**

#### **That Children Families & Schools Committee**

- 2.1 That the level of available capital resources totalling £4.200m for investment relating to education buildings financed from capital grant be noted.
- 2.2 That Committee agree the allocation of funding as shown in Appendices 1 and 2 and recommend this to Strategy Finance & City Regeneration Committee on 14 March 2024 for inclusion within the Council's Capital Investment Programme 2024/25.
- 2.3 That Committee agree to recommend to Strategy Finance & City Regeneration Committee that they grant delegated authority to the Assistant Director of Property & Design to procure the capital maintenance and basic need works and enter into contracts within these budgets, as required, in accordance with Contract Standing Orders in respect of the entire Education Capital Programme.

## **That Strategy, Finance & City Regeneration Committee**

- 2.1 That the level of available capital resources totalling £4.200m for investment relating to education buildings financed from capital grant be noted.
- 2.2 That Strategy Finance & City Regeneration Committee agree the allocation of funding as shown in Appendices 1 and 2 for inclusion within the Council's Capital Investment Programme 2024/25.
- 2.3 That Strategy Finance & City Regeneration Committee agree to grant delegated authority to the Assistant Director of Property & Design to procure the capital maintenance and basic need works and enter into contracts within these budgets, as required, in accordance with Contract Standing Orders in respect of the entire Education Capital Programme.

### **3. Context and background information**

- 3.1 The Education Capital Programme forms part of the Council's full Capital Investment Programme which was presented to Budget Strategy, Finance & City Regeneration Committee on 8 February 2024 and Budget Council on 22 February 2024.
- 3.2 The capital finance settlement from central government includes Basic Need, School Condition Allocation (SCA), High Needs Provision Capital Allocation (HNPCA) and Devolved Formula Capital for community schools.
- 3.3 Capital finance for Voluntary Aided Schools, academies and free schools does not form part of the funding allocated to Local Authorities as they have access to the separate Condition Improvement Fund administered by the Department for Education (DfE).
- 3.4 The table below shows the allocations of capital grant funding announced for 2024/25 only and does not include 2023/24 grant forecast to be re-profiled into 2024/25 including those approvals in the Targeted Budget Management 2023/24 Month 9 report to Strategy Finance and City Regeneration Committee on 8 February 2024.

	<b>2024/25 Settlement million</b>
School Condition Allocation (SCA)	£3.700 *
Basic Need Funding	£0
High Needs Provision Capital Allocation	£0
Devolved Formula Capital Grant (Passported entirely to schools)	£0.500 *
Sub Total	£4.200*

\* To be confirmed. Estimate based on 2023/24 allocation.

- 3.5 At the present time the government has not announced the maintenance funding allocations for 2024/25. For the purposes of this report, we are working on the assumption that there will be no appreciable difference to the allocation for the 2023/24 financial year and therefore we assume that the SCA will be £3.700m and the Devolved Formula Capital (DFC) allocation will be £0.500m. This is considered to be a cautious assumption; we have compiled a reserve list of works in case the actual settlement is higher than anticipated.
- 3.6 In March 2022 the Government updated their allocation figures for Basic Need capital funding for 2024/25. There was no allocation for Brighton and Hove City Council for this period.
- 3.7 HNPCA funding for the 2024/25 financial year is contingent on the outcomes of future Spending Reviews. HNPCA for this period cannot be guaranteed, consequently this is included in the table as a zero allocation.
- 3.8 DFC grants are passed directly to schools and therefore are not available for the Local Authority to spend.
- 3.9 In addition to the funding from central Government there is a Services to Schools buy back option for the council's strategic property function providing schools with a full condition survey, statutory compliance contracts and access to advice and support on all property matters. It is anticipated that this will generate £0.600m for the 2024/25 financial year. We are forecasting a drop in income this year as a result of the anticipated academisation of the Orchard Schools Partnership and the proposed closure of two one form entry primary schools.
- 3.10 This service buy back resulted from a change in the rules around the ways in which schools are funded in 2017/18. Before this date Schools Forum agreed to the use of £0.900m for building maintenance. As a result of this we set up a buy back scheme for schools. Since the change all community schools have purchased the service, Voluntary Aided schools buy a partial service (in recognition of their different status with the council when it comes to property) and the free schools and academies do not buy the service at all due to their direct relationship with the DfE. It is for this reason that the total buy back amount is less than the original amount of £0.900m.
- 3.11 The table below shows the level of new resources available for the Local Authority to spend in the 2024/25 financial year.

	Million
Capital Finance settlement	£3.700
Services to Schools Income	£0.600
High Needs Provision Capital Allocation	£0.00
Total	£4.300

- 3.12 Additional grant funding may be made available throughout the forthcoming financial year and will be reported separately if necessary.

- 3.13 Capital reprofiles and slippage arising from the 2023/2024 Capital Programme will be incorporated into the 2024/2025 programme when the capital accounts are closed on 31 March 2024.

### **Capital Commitments**

- 3.14 An overall summary of expenditure for 2024/25 is attached at **Appendix 1** and a more detailed explanation of each item is shown below.

### **Condition Related Works**

- 3.15 The capital maintenance funding will be used to address the most urgent and important items highlighted by the condition surveys of school buildings as well as a number of programmes to address specific safety and improvement priorities as set out in paragraphs 3.16 – 3.26 below. In doing this the council will consider how best to do so in a responsible and sustainable way.
- 3.16 It is recommended that £3.700m from SCA plus £0.600m from Services to Schools is allocated to carry out maintenance and legislative works to the school estate in the 2024/25 financial year.
- 3.17 A copy of the proposed structural maintenance programme is attached at **Appendix 2** to this report. This shows the estimated total cost of each programme of work (such as roof replacements, mechanical and electrical works etc.) but not the estimates for each individual element. This is because at the present time the amounts are pre-tender estimates and it would not make commercial sense to reveal these prior to going out to tender.
- 3.18 The extent of the work at each school will be determined by the condition survey and detailed investigation and scoping of the problem to be addressed. There will also be discussion with each school on the timing and scope of the works.
- 3.19 Projects within the planned programme are procured using the building maintenance frameworks put in place in 2020/21. The successful contractors had to demonstrate that they would minimise waste, meet targets for reductions in waste to landfill and optimise the recovery, reuse and recycling of waste.
- 3.20 In addition to this they had to describe the steps they will take to minimise the use of resources (water, fuel, energy from fossil fuels) and improve sustainable sourcing and this was all taken into account when scoring the applicants. The framework contracts include performance indicators in respect of sustainability and environmental management that are to be monitored on a quarterly basis.
- 3.21 We look at the sustainability of projects at the outset to ensure the best outcomes for the building and its users. The building works we undertake

will improve the thermal performance of the building overall. This can include items such as repointing, replacing curtain walling with aluminium systems which have better lifecycle costs, recyclability and energy efficiency.

3.22 When replacing or refurbishing roofs we look to exceed Approved Document L requirements in terms of energy efficiency. The insulation we install when undertaking roofing works are rated A+ (the highest) in the BRE Green Specification Guide. We are now also considering the use of aluminium rainwater goods (gutters and pipes) in some cases, but there are significant cost implications to this.

3.23 In terms of mechanical plant, we install efficient condensing boilers and water heaters, make use of heat recovery on ventilation and heat pumps with improved coefficients of performance. Pipework is insulated and building management systems include zoning and automatic adjustments with the seasons to reduce waste. We use LED and PIR controlled lighting, low energy extract fans, non-concussive taps and water flow restrictors all of which reduce waste and improve efficiency.

3.24 By allocating the School Condition Allocation for 2024/25 (£3.700m), and £0.500 million from the services to schools funding (the remaining £0.100m will be used to support the increasing costs of the Term Maintenance and inspection contracts we have in place for our school buildings) will be able to invest £4.200m in improving the condition of the school estate. Of this, £3.600m will be allocated to the most urgent projects detailed in **Appendix 2**.

3.25 In addition to these works we also allocate funding to programmes of work arising from statutory responsibilities. The allocation is as shown below:

Legionella	£0.100 million
Asbestos	£0.100 million
Fire Safety works	£0.100 million
Accessibility adaptations	£0.100 million
Surveys feasibility and advanced design	£0.100 million
<b>TOTAL</b>	<b>£0.500 million</b>

3.26 Legislation on the control of asbestos in buildings has given rise to the need to carry out works on a rolling programme to school buildings to achieve compliance with the legislation. In line with good practice the council does not seek to actively identify and remove dormant asbestos due to the risks of disturbance. Instead, the rolling programme means works are completed alongside larger improvement projects in the school or a standalone removal project when the circumstances require it.

3.27 The above allocations will leave approximately £0.100m of the available resources uncommitted. This is considered prudent until tenders for the current planned work have been received and will enable any urgent priorities which arise later in the financial year to be addressed.

3.28 In 2023/24 we identified 41 individual projects to undertake throughout the year at an estimated cost of £3.999m (Inc. fees). To date we have undertaken 35 of these (some of these are still ongoing) and 6 will continue into 2024/25, the budget to meet the cost of this work has been re-profiled within the TBM9 report. A list of these projects is included in **Appendix 3**.

### **Basic Need Funding**

- 3.29 Basic Need funding is provided to authorities who are experiencing increasing school rolls. The funding is provided to ensure that the Local Authority can meet its statutory obligation to secure a school place for every child that wants one.
- 3.30 Brighton and Hove City Council did not receive an allocation for the 2024/25 financial year because our pupil numbers are falling. We do however have £5.862m of unallocated Basic Need funding from previous years.
- 3.31 Our Basic Need priorities remain implementing the outcomes of the SEND review through remodelling Social Emotional and Mental Health (SEMH) and Alternative Provision (AP) facilities by making adaptations across the school estate over the next few years. As well as responding to the on-going reduction in pupil numbers in the city's schools both in our primary and secondary schools.
- 3.32 The impact of falling pupil numbers in the primary phase is in the process of being managed through the setting of admission arrangements and proposals to close two, one-form entry primary schools. The impact of the falling pupil numbers is beginning to be felt in the city's secondary schools. The Council is considering what mechanisms will be needed to mitigate the negative impact of unfilled places. It is likely that some exploratory work will be required in 2024/25 to pilot how the school estate will need to change in future years. An indicative figure of £0.400m has been included in Appendix 1.
- 3.33 As one of a number of Councils piloting the DfE's SEND and AP reforms the council is developing a three-tiered model of SEMH and AP provision. This seeks to provide targeted support in mainstream schools (Tier1), time limited placements (Tier 2) and transitional placements (Tier 3).
- 3.34 Due to escalating demand for placements, the Local Authority is facing a significant shortage of school places for pupils with Education, Health and Care (EHC) Plans for SEMH at secondary level from September 2024. This shortage of places is exacerbated by the continuing very difficult situation at Homewood College, our small special school for pupils with SEMH, which remains in special measures.
- 3.35 It is expected that work will be undertaken to initiate the development of SEMH places in new locations within the city. Work will commence on identifying suitable locations during 2024/25. An indicative figure of £0.500m for the works that will be required to meet the needs of the learners has been included in Appendix 1.

- 3.36 Hill Park Special School's new provision, The Hive has been considered a significant success since its partial opening. Its substantive location on Lynchet Close requires additional funding to complete the project and an extra £0.500m has been identified for this purpose. This reflects the rising costs of material, delays caused by contractor led factors and adjustments required following its practical launch in September 2023.

### **High Needs Provision Capital Funding**

- 3.37 Brighton and Hove City Council have been allocated a total of £7,133,594 up to the end of March 2024.
- 3.38 A condition of receiving the grant was that the Council submitted a form outlining our proposed spending plans to the DfE. These responses were successfully submitted in September 2022 and November 2023.
- 3.39 The information the Council submitted was generalised with the exception of the £0.500m for the Hill Park works, an allocation for Downs View School of £1.000m for the expansion of the site to allow for admission of nursery age pupils and £0.400m for works to relocate the primary PRU from Lynchet Close to Connaught Road.
- 3.40 There have been no announcements at the time of drafting this report as to whether there will be any further allocations under this heading. In the event that further allocations are announced during the 2024/25 financial year they will be included in the TBM update reports.
- 3.41 As outlined in 3.31 and 3.32, the work being undertaken by the Council as part of the SEND and AP pilot initiative is to ensure mainstream schools are better enabled to include more pupils and reduce pressures on the Council to fund specialist provision; implementing best practice in line with DfE proposals, fully utilising the Council's available sites to meet need so that outcomes for pupils with SEMH are improved and vulnerable pupils have their SEND needs met.
- 3.42 To complete the work referenced in paragraph 3.38 at Downs View School will require additional funding of £0.250m in 2024/25.
- 3.43 At Homewood College, there is an Academy Order in place but no Academy Trust has been found that is willing to sponsor the school. Despite support to the school, serious issues remain, and consequently the Council proposes that pupils will no longer be placed there from September 2024 and will not be for the foreseeable future. The Council therefore needs to open provision quickly for pupils with EHC plans for SEMH who will not have placements in September 2024 and proposes to re-furbish St George's House in Dyke Road, which was in use by the Pupil Referral Unit until July 2023. This site will offer a blend of tuition and Alternative Provision for older secondary pupils with EHC Plans for SEMH. This is a priority for the Council as there would be significant adverse consequences if this site was not available, not only for pupils, but also in the costs of placing these pupils in the

independent and non-maintained sector, where fees are very much higher than in Council provision.

- 3.44 The last condition report on the building estimated costs at £0.267m and it is likely that further issues may have arisen over the months it has been vacant. The building then needs decoration and some new furnishings and therefore full costs are estimated at £0.400m.
- 3.45 As the Council will not be placing new pupils in our SEMH school at present, there is a need to refurbish provision on the first floor of the Pupil Referral Unit at Connaught Road for Year 7 pupils needing placement in September 2024. This is estimated to cost £0.450m.
- 3.46 When the Central Hub Brighton vacated St George's House, Dyke Road the Council made minor adjustments to the accommodation at Lynchet Close to ensure both key stage 3 and 4 pupils' needs could be met on the site. It is intended to improve the site to further enhance this tier 3 provision. This is estimated at £0.250m.
- 3.47 The Central Hub Brighton's Tilbury House site delivers a bespoke package of support for Key Stage 4 learners. In recent years the profile of learners attending this site has changed and as a result the building requires some further adaptation and work to meet these needs and ensure staff and pupils at this satellite location feel safeguarded and have accommodation to meet their needs. This is estimated at £0.150m.

### **Section 106 Funding**

- 3.48 Section 106 funding is granted to fund the provision, improvement, replacement, operation, or maintenance of a wide range of infrastructure, including education facilities.
- 3.49 Since 2007 the Council has sought education contributions for developments of more than 10 new dwellings in areas where there was a pressure on school places. The calculation of a contribution has always been based on the number of pupils the development is likely to generate and the cost of providing this number of places. We do not seek contributions in areas where there are sufficient school places.
- 3.50 From 2007 until January 2023, the Council had secured approximately £6.042 million of contributions. Since that date we have secured a further £0.466 million from 5 developments. **Appendix 4** shows the contributions received between January 2023 and January 2024.
- 3.51 It is important that any monies accrued are used in accordance with planning legislation and policy objectives as further defined in the Developer Contributions Technical Guidance. The decision on how to use the funding is based on knowledge of the school estate in terms of its capacity and condition. This information is gathered via the condition surveys and the yearly updating of the school plans for the SCAP return.



- 3.52 With uncertainty in relation to future capital grant allocations the Council is seeking to maximise the use of Section 106 funding, in accordance with the prescribed nature of its use, whilst maintaining levels of Basic Need and HNPCF allocations. This is due to the need to ensure the Council has an appropriate level of capital funding available as a contingency to manage any quick changes in circumstances that occur and where adjustment in funding levels from central government may be lagged.
- 3.53 Work is also underway to review previous capital funding decisions regarding education provision to consider if any of this spend should be recouped from Section 106 funding. Any reprofiling of spend across the different aspects of capital funding will be included in the TBM update reports.
- 3.54 In the 2023/24 financial year we have allocated £0.700 million Section 106 funding to be spent on creating additional tier 1 provision in mainstream schools to better meet the changing needs of pupils in our schools so that more targeted support can be provided in mainstream schools.

#### **4. Analysis and consideration of alternative options**

- 4.1 The only option available would be to not make use of this funding to improve or extend the education property portfolio. This is not recommended as it would limit our ability to maintain, modernise and improve our school buildings property portfolio and to secure sufficient school places.

#### **5. Community engagement and consultation**

- 5.1 There has been no specific consultation regarding the content of this report. When an individual project is developed the necessary consultation is undertaken and reported to the relevant committee.

#### **6. Conclusion**

- 6.1 The proposed Capital Programme will enable us to continue to ensure that we secure school places in areas of the City where they are required and to improve the condition of our education property portfolio.

#### **7. Financial implications**

- 7.1 The report sets out the allocation of capital resources included in the Capital Investment Programme 2024/25 as approved at SF&CR Committee on 8 February 2024 and Budget Council on 22 February 2024. The capital resources will meet ongoing capital maintenance requirements as well as addressing refurbishments, additional provision and other matters resulting directly from the SEND review.
- 7.2 The report details the resources available for investment into the Education Capital Investment Programme for 2024-25. The report includes estimated Government grant contributions for Education Capital Maintenance (£3.700m) and Devolved Capital Formula (£0.500m) which are subject to

confirmation from the DfE in due course and will be reported in future TBM reports. The capital resources include income estimated at £0.600m for 2024/25 that relates to Services to Schools buy back associated with the strategic property function. This income will assist with maintenance spend identified in this report.

- 7.3 Developer contributions (Section 106 contributions) received and the spend to date is detailed in Appendix 4. The contributions are required to be spent in accordance with planning legislation and policy objectives. These do not form part of the resources included in Appendix 2.

Name of finance officer consulted: Rob Allen Date consulted 15/02/24

## **8. Legal implications**

- 8.1 There are no direct legal implications arising from this report. Particular projects may give rise to specific issues which will be covered by individual reports at future meetings.

Name of lawyer consulted: Serena Kynaston Date consulted: 05.02.2024

## **9. Equalities implications**

- 9.1 Para 3.25 refers to £0.150m being allocated for accessibility adaptations. This funding is used to make adaptations to mainstream schools required by pupils with Special Educational Needs and Disabilities (SEND) who prefer a place at a mainstream school. This could include changes resulting from any type of SEND and ensuring school buildings are compliant with the Equalities Act.

- 9.2 New and refurbished buildings will conform with all relevant regulations and be fully accessible.

## **10. Sustainability implications**

- 10.1 The environmental impacts of individual schemes are reported to Members when the detailed report is submitted to Policy and Resources Committee for final approval. The detailed planning of projects at educational establishments will take account of the implications of Brighton and Hove's policies in relation to sustainability issues generally.
- 10.2 The council will consider how best to undertake the planned programme in a responsible, sustainable way. Projects within the planned programme are procured using the new building maintenance frameworks put in place last year. The successful contractors had to demonstrate that they would minimise waste, meet targets for reductions in waste to landfill and optimise the recovery, reuse and recycling of waste. In addition to this they had to describe the steps they will take to minimise the use of resources (water, fuel, energy from fossil fuels) and improve sustainable sourcing. The framework contracts include Performance Indicators in respect of

sustainability and Environmental Management these will be monitored on a quarterly basis.

- 10.3 We look at the sustainability of projects at the outset to ensure the best outcomes for the building and its users. The building works we undertake will improve the thermal performance of the building overall. This can include items such as repointing, replacing curtain walling with aluminium systems which have better lifecycle costs, recyclability and energy efficiency. When replacing or refurbishing roofs we look to exceed Approved Document L requirements in terms of energy efficiency. The insulation we install when undertaking roofing works are rated A+ (the highest) in the BRE Green Specification Guide.

## **11. Other Implications**

### **Social Value and procurement implications**

- 11.1 Works arising from this report will be procured using the councils framework contracts. These have been evaluated on a number of factors including Social Value.

### **Crime & disorder implications:**

- 11.2 There are no specific crime and disorder implications arising from this report. Which just serves to allocate funding. The detailed planning of projects will take account of security issues. Well maintained buildings are less likely to attract anti-social behaviour.

### **Public health implications:**

- 11.3 There are no public health implications arising from this report.

## **Supporting Documentation**

### **1. Appendices**

1. Overall summary of expenditure
2. Proposed structural maintenance programme for 2024/25
3. Complete projects from 2023/24
4. S106 Contributions received in 2023/24

