

CABINET
11 JANUARY 2022

MAINTAINED SCHOOLS CAPITAL PROGRAMME – SUMMER 2022 AND SECTION 106 FUNDING

**Responsible Cabinet Member -
Councillor Jon Clarke, Children and Young People Portfolio**

**Responsible Director -
James Stroyan, Group Director of People**

SUMMARY REPORT

Purpose of the Report

1. To seek Members' agreement to:
 - (a) Release the capital funding for the schools' summer works programme 2022.
 - (b) Release the devolved formula capital to the maintained schools.
 - (c) Release S106 funding for Heighington Primary, Hurworth Primary and Hurworth Secondary School capital works.

Summary

2. This report seeks Cabinet approval for the release of the School Condition Allocation (SCA) funding of £169,396 to undertake a programme of works across the maintained schools in Darlington during summer 2022. All works items have been identified as a priority for completion as part of a survey of the schools concerned. The surveys covered condition, electrical and mechanical.
3. The report also seeks the release of the 2021/22 Devolved Formula Capital (DFC) of £43,141. This funding is a formula-based grant provided to all maintained schools to help support their ongoing capital needs.
4. Finally the report seeks the release of Section 106 funding as follows:
 - (a) £156,515 from Bellway Homes and £133,533 from Kew Land Limited to improve the education provision in the village of Heighington.
 - (b) £106,666 from Bellway Homes and £193,985 from Miller Homes to enhance educational facilities in Hurworth schools.
5. All projects will be managed in line with the Corporate Capital Process procedures.

Recommendations

6. It is recommended that Members :-
- (a) Agree to formally release the School Condition Allocation of £169,396 to support the 2022 maintained schools' summer works programme, with the Group Director of People having delegated responsibility for approving individual schemes.
 - (b) Agree to formally release the 2021/22 Devolved Formula Capital (DFC) of £43,141.
 - (c) Agree to formally release Section 106 funding of £156,515 from Bellway Homes and £133,533 from Kew Land Limited to improve the education provision in the village of Heighington.
 - (d) Agree to formally release Section 106 funding of £106,666 from Bellway Homes and £193,985 from Miller Homes to enhance educational facilities in Hurworth schools.

Reasons

7. The recommendations are supported by the following reasons :-
- (a) Release of the funds will enable capital investment to be undertaken in the areas identified with the greatest need, in terms of asset management priorities; and
 - (b) Detailed planning to identify priorities has been undertaken which ensures effective use of all investment.

James Stroyan
Group Director of People

Background Papers

No background papers were used in the preparation of this report.

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S17 Crime and Disorder	Capital investment to improve facilities and provide better building maintenance will contribute to the reduction of crime and disorder.
Health and Wellbeing	The capital strategy outlined in this report will continue the Council's drive to provide buildings that enhance children's life chances and opportunities to thrive.
Carbon Impact and Climate Change	All work undertaken will be designed and constructed with sustainability in mind and aim to reduce the carbon footprint, and re-use energy and environmental resources.
Diversity	This proposal projects have no specific impact on protected groups.
Wards Affected	Schools located in: Hurworth, Park East, Pierremont, North Road, Red Hall & Lingfield and Whinfield.
Groups Affected	Children and young people of school age (3-16) in Darlington.
Budget and Policy Framework	This report does not recommend a change to the budget and policy framework.
Key Decision	This is a key decision due to the amount of funding Members are requested to release.
Urgent Decision	For the purpose of the 'call-in' procedure this does not represent an urgent matter.
Council Plan	The Capital Programme is consistent with the Council Plan providing high quality facilities that support modern approaches to education in schools and for lifelong learning.
Efficiency	Defective materials and plant will be replaced with more efficient products e.g. increasing 'u' value on windows, insulation and modern highly efficiency boilers.
Impact on Looked After Children and Care Leavers	The proposed projects have no specific impact on Looked After Children or Care Leavers.

MAIN REPORT

Information and Analysis

8. The Authority funds the capital maintenance and improvement of maintained schools from a variety of sources including capital allocations received from the Department for Education (DfE), bid based submissions for Central Government funding programmes (compiled and submitted by Officers or individual schools) and Section 106 agreements.

School Condition Allocation (SCA)

9. The Department for Education (DfE) has allocated the local authority £169,396 of School Condition funding for 2021/22 to address capital maintenance needs across the borough's five maintained schools. The Education and Inclusion Service within the People Group is responsible for ensuring all funding is targeted to meet strategic priorities and the highest priority needs across maintained schools and nurseries.
10. Once a school has converted to an Academy it is no longer eligible to be considered for capital maintenance funding allocated to the LA but can apply direct to the Education & Skills Funding Agency (ESFA) for funding as required. No remaining maintained schools (for which the LA has building condition responsibility) are currently progressing to conversion.
11. The annual summer works programme is compiled using the information from local authority commissioned surveys covering building condition and electrical and mechanical services. A list of the highest priority works that fits within the available funding envelope is developed in conjunction with Building Services. That list is then subject to consultation with the maintained schools.

Asset Management Costs

12. An amount equivalent to 27.5% of the SCA is set aside to cover survey and design fees as part of the asset management process. This will be monitored as the projects progress and, if possible, funding released for other schemes.

Contingency / Urgent Works

13. The summer works programme retains a 13.5% contingency within the estimated value of the works. This is used to cover any unexpected costs or emergency works. This will be monitored as the projects progress and, if possible, funding released for other schemes. Members are asked to delegate responsibility for approving the allocation of this funding to the Group Director People.

Devolved Formula Capital (DFC)

14. The Department for Education (DfE) has allocated £43,141 to Darlington maintained schools for 2020/21 on a formula led basis. Local authorities are required to distribute DFC to their schools in accordance with the DfE published allocations. Schools will be encouraged to manage spend in line with agreed priorities.

Section 106 Funding

15. The Council has received Section 106 contributions as follows:

- (a) A second payment of £101,666 in relation to the Bellway Homes development (16/00886) towards enhancing the education infrastructure at Hurworth Primary.
- (b) Two payments totalling £193,985 in relation to the Miller Homes development (17/01194) towards enhancing the education infrastructure at Hurworth Primary and Hurworth Secondary.
- (c) £156,515 in relation to the Bellway Homes development in Heighington (18/00035) to improve the education provision in the village of Heighington.
- (d) £133,533 in relation to the Kew Land Limited development (16/00820) for the provision of education in Heighington.

16. The Section 106 funding from the Miller Homes development (17/01194) will be split between the two schools based on a proportion of their respective pupil numbers. The Hurworth Secondary share will be £145,869.77 and Hurworth Primary's £48,115.25.

Financial Implications

- 17. The School Condition Allocation and the Devolved Formula Capital are both grants from the Department for Education (DfE). The Section 106 contributions are from housing developments. There is no impact on Council funds.
- 18. All funds must be spent in accordance with the DfE's 'Condition grants spend guidance', the latest edition being from April 2021.

Consultation

- 19. Any capital works will be undertaken in consultation with the schools concerned and in line with the priorities identified as part of the school's surveys.