

## APPENDIX 2

PROJECT DEFINITION DOCUMENT (PDD)			
1. General Information			
<b>Directorate</b>	Education & Skills	<b>Portfolio / Committee</b>	Education & Early Years
<b>Project Title</b>	School Condition Programme –School Condition Allocation 2020-21 + FUTURE YEARS	<b>Project Code</b>	CA-02073-02
<b>Project Description</b>	<p>Department for Education (DfE) annual School Condition Allocation grant funding is awarded to the Local Authority (LA) for the purposes of addressing maintenance issues across the LA maintained school's estate only. Voluntary Aided schools receive their maintenance funding through a different grant funding scheme and Academies are funded directly by the Education Funding Agency (EFA).</p> <p>The Local Authority are expected to receive an annual School Condition Allocation of circa £9.000m by DfE for the year 2020 /21. This grant is not ring fenced or time bound, however we are required to verify this funding has been spent on capital projects through the Section 151 officer's return.</p> <p>Over the next two years (2020/21 and 2021/22) we intend to increase the allocation for Structural Failures and will also be funding major compliance and Health &amp; Safety related works. For this project Corporate Resources of £4.000m for 2020/21 and £4.000m for 2021/22 have been allocated.</p> <p>The School Condition Programme aims to address key priority condition items across all Local Authority Maintained schools by allocating the available School Condition grant funding to address highest priority condition need.</p> <p>This report sets out the proposed School Condition Grant spend for 2020-21. The key criterion for prioritisation of planned and unscheduled maintenance projects is to ensure continuity of education in a safe environment. This criterion also applies to projects considered under the dual funding initiative. In essence we will prioritise:</p> <ul style="list-style-type: none"> <li>i) Condition issues that are most likely to lead to school closures</li> <li>ii) Condition issues that pose Health and Safety risks</li> <li>iii) Condition issues that must be addressed in order to fulfil statutory compliance obligations.</li> </ul> <p>In addition to a direct School Condition Grant to the Local Authority, the EFA allocates individual devolved formula capital funds to every school. The Local Authority cannot control how this funding is spent.</p> <p>However, the dual funding initiative provides schools with the opportunity to apply for additional funding to address key building related priorities. Following the successful programme delivered between 2013 and 2019, it is proposed that the initiative is continued in 2020-21. This will encourage schools to direct the spending of their devolved formula capital to address condition priorities and will thereby increase the level of investment into the condition of our school buildings.</p> <p>There will also be a continued emphasis on maximising schools' contributions to planned and emergency capital maintenance works, particularly where schools are holding surplus balances or where the ongoing burden on the</p>		

	<p>school of 'patch and repair' can be reduced by a jointly funded project to address the root cause of the condition issue.</p> <p>The key work streams in the School Condition Programme, described in more detail in the project deliverables can be summarised as:</p> <ol style="list-style-type: none"> <li>1. Centrally Managed Planned School Condition Programme (condition issues most likely to lead to school closure) – £5.000m</li> <li>2. Emergency unscheduled repairs to prevent school closures – £1.000m</li> <li>3. Dual Funding initiative – £1.500m</li> <li>4. Structural failures — £4.000m</li> <li>5. Compliance Issues - £1.500m</li> </ol>
<b>Links to Service and Corporate Outcomes</b>	<p>Projects have been developed and delivered to maximise alignment with local priorities, in particular to impact on developing skills, employment opportunities, public health and community cohesion. Works will contribute to the Council Business Plan and Budget 2020+, particularly 'A Prosperous City', by ensuring the provision of school places enabling children to benefit from education through investment at a neighbourhood school. All contractors selected to deliver City-wide school condition projects (including school led programmes over £1.000m) will be required to sign up to the principles of the Birmingham Business Charter for Social Responsibility (BBC4SR) prior to works orders being placed.</p>
<b>Project Benefits</b>	<p>The benefits of the programme will be: -</p> <ol style="list-style-type: none"> <li>i) reduction in school closures linked to asset failure</li> <li>ii) minimal disruption to educational continuity by scheduling works during school holidays</li> <li>iii) increased amount of investment into the backlog maintenance and priority condition need by leveraging greater investment from schools in dual funded projects</li> <li>iv) fair and transparent allocation of maintenance funding according to need</li> </ol> <p>The Programme will:</p> <ul style="list-style-type: none"> <li>▪ address backlog maintenance and condition issues across the Local Authority maintained schools estate.</li> <li>▪ enable the Council to respond to unscheduled building emergencies to minimise health and safety risks and prevent school closures.</li> </ul>

<b>Project Deliverables</b>	<p><b>Work stream 1: Centrally Managed Planned School Condition Programme – £5.000m (based on funds remaining after allocation to work streams 2,3,4&amp;5). Elements leading to school closure such as boilers, windows and roof replacement will be prioritised.</b></p> <p>This will be a planned programme of maintenance projects addressing priority condition need centrally managed by EdI.</p> <p>Priority condition need across the education estate outweighs the funding available to address the maintenance issues. Projects will therefore be prioritised where the condition need has the greatest risk of leading to school closure; this translates into projects which for the most part will address roofing, heating, electrical, windows and structural conditions. There will be an emphasis on influencing schools to allocate their devolved formula capital and school surplus budgets to support addressing priority condition need in order to meet the affordability gap on maintaining the schools' estate.</p>
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Works will be prioritised according to severity and likelihood of school closure / health and safety risk. This will be evaluated by the EdI team with technical support from Acivico.

Individual schools are not identified at this stage as they are in various stage of development. A schedule of works that are essential for 2020/21 based on recent Asset Surveys and school visits will be drawn up.

The decision maker will be dependent upon value. As the majority of these works are below £0.200m they will be approved under Head of Service or Chief Officer delegation. Where necessary, projects will be developed to Full Business Case stage. We are currently aware of the following projects that will be higher than £0.200m in 2020/21.

School	Works	Forecasted spend 2020/21 £m
Ladypool JI	Distribution Systems	0.237
Longwill Special	Distribution Systems	0.423
Whithouse Common JI	Boilers	0.327
Mayfield Special	Roofing	0.663
Welford Primary	Roofing	0.487

Procurement:

The identified works under the Centrally Managed School Condition Programme will be carried out using approved contractor framework partners who will be project managed by Acivico. Project implementation will be fully compliant with planning approval and building regulations as required. Officers from the EdI team and Acivico will oversee the delivery to ensure that schemes are programmed with minimum disruption to schools.

Programme:

Where possible, all major works are planned to be carried out during school holidays (half terms and end of terms). It is anticipated that projects identified for the 2020/21 programme will in large part be completed by March 2021. However, in some cases, works may be delayed every effort will be made for these to be completed as soon as practically possible.

**Work stream 2: Emergency Unscheduled Repairs – £1.000m (based on previous years' expenditure and projected forecast based on condition of the estate and inclement weather conditions)**

Annually, the EdI Team responds to a significant number of incidents that are unscheduled emergency repairs, for example the extreme weather conditions in 2018 leading to flooding, frozen pipes, boiler failure etc. leading to school closures due to major asset failure.

Due to extreme weather conditions in the recent years, it is becoming increasingly difficult to estimate the volume of unscheduled repairs that will be required. In case there are insufficient funds to cover the unscheduled repairs, the planned maintenance programme will be adjusted to cover the shortfall. Likewise, any emergency monies not allocated by March 2021 will be re-directed to priority condition need identified on a reserve list of

condition projects to be carried out in 2021/22.

**Work stream 3: Dual Funded Programme – £1.500m (based on applications received in previous years with additional sum for managing asbestos in schools – funding allocation on first come first served basis )**

Schools that demonstrate experience and capacity in delivering their own capital schemes, and agree to part fund the works as part of the dual funding arrangement approved by Cabinet in March 2014, will be able to submit a dual funding application.

The criteria for qualifying projects is aligned with centrally managed projects and will focus on issues which are likely to lead to school closure if not addressed. The dual funding programme will also consider projects which will address major health and safety, safeguarding or compliance related issues with a particular focus on managing asbestos in line with schools' Asbestos Management Plans (AMPs).

All projects will be further developed to Full Business Case stage. The decision maker will be dependent upon value. As the majority of these works are below £0.200m they will be approved under Head of Service or Chief Officer delegation.

Schools will be required to sign up Conditions of Grant Aid (CoGA) and for schemes over £1.000m their appointed contractor to sign up to the Birmingham Business Charter for Social Responsibility (BBC4SR).

**Work stream 4: Replacement of Structurally Failed Buildings - £4.000m (projection for 2020/21 based on our knowledge and condition of our estate)**

Structural investigations have identified school buildings with major structural issues that are beyond economic repair and in order to mitigate any potential health and safety risks the buildings need to be vacated and demolished. For 2020/21, this funding will be allocated to the relocation of Skilts School. This project was approved by cabinet in 2019/20.

There is an ongoing investigation of system build (Clasp and Vic Hellam) school buildings which are presenting potential structural issues. Any structural failures will have to be repaired in order to prevent school closure.

The works will be carried out using approved contractor framework partners; project managed by Acivico and will be fully compliant with planning and building regulation approval. Officers from EdI and Acivico will oversee the delivery to ensure that schemes are programmed with minimum disruption to schools.

**Work stream 5: Compliance Issues - £1.500m Asbestos Management and Health & Safety Works**

The EdI portfolio is diverse in that not only does it cover a wide range of building types and uses, it also encompasses a variety of ownership and tenancy arrangements including fully owned and occupied, landlord role only, tenant role, shared, mixed use etc. The Asset Strategy needs to be flexible enough to accommodate all situations but also clearly capture the

responsibilities for EdI in each case.

As such we need to ensure we have full visibility of the current state and performance of our assets to enable us to fully understand and prioritise investment needs across the portfolio.

This includes:

- Understanding the general condition of the buildings and components
- Understanding and managing compliance levels across the estate (statutory & mandatory)
- Understanding any key infrastructure risks such as asbestos, legionella control etc
- Providing reliable estimates for the costs of repairs and maintenance needs
- Providing a method for prioritising investment requirements
- Assisting with the efficient planning and management of repairs and maintenance projects
- Ensuring appropriate planned preventative maintenance programmes are in place and being delivered across the estate
- Ensuring reactive maintenance needs are being addressed as efficiently and cost effectively as possible

The principal benefit is to ensure that we have a robust and reliable set of performance metrics for the portfolio that can then be used to drive future management priorities and investment plans. These metrics will include for example:

- Comprehensive condition gradings by site, building, block and element
- Comprehensive remedial priority ratings and accurate costings
- Repair and Maintenance investment needs by priority
- Annual planned and reactive maintenance expenditure
- Asbestos Risk grading by site, building and block
- ALL Risks gradings / costings based on issues escalated to the site risk register

The above metrics will allow Whole Life costings to be evaluated for each property and allow decision making in the future to be more strategic and less reactive.

At present the holistic information for the portfolio does not exist as our condition surveys, asbestos management surveys and plans need updating. In order to provide comprehensive grading and priority listings to direct future investment this information has to be completed in a timely manner. The current resource within BCC does not have capacity to undertake this level of surveying within a required timeframe and therefore it is proposed that tenders should be presented to the market to source this resource as a one-off to be able to understand the portfolio needs and allow decision making to be strategic.

#### Future Governance and reporting back

An annual report will be presented to Cabinet updating on progress / delivery / outcomes and to seek approval for future spend.

Key Project Milestones	Planned Delivery Dates
Cabinet Approval for the PDD	21 <sup>st</sup> April 2020
Spend Approvals	1 <sup>st</sup> May 2020 onwards
Project works order to be issued	1 <sup>st</sup> May 2020 onwards
Works to commence on site	From May 2020
Programme completion	Throughout 2020/21

<b>Dependencies on other projects or activities</b>	<ul style="list-style-type: none"> <li>• Condition Surveys</li> <li>• Statutory compliance requirements</li> <li>• Emergency repairs identified by Acivico surveyors</li> <li>• Placing orders with contractors</li> <li>• Supply chain activities i.e. manufacture and ordering e.g. boilers, windows, etc., including batching of projects to achieve economies of scale.</li> <li>• School term time activities and the imperative to preserve educational continuity</li> <li>• Planning and Building Regulation approval, where applicable</li> </ul>
<b>Achievability</b>	<ul style="list-style-type: none"> <li>• Scope of programme is identified</li> <li>• Programme and costs have been developed where possible</li> <li>• Funding strategy is in place</li> <li>• Client liaison between EdI and Acivico is taking place weekly to ensure work is instructed, monitored and delivered to cost and on time</li> <li>• Project officers from the EdI team will oversee the delivery of the projects in consultation with key stakeholders i.e. Acivico, contractors, schools, surveyors and other property professionals. The team is extremely experienced in managing school based condition projects.</li> </ul>
<b>Project Manager</b>	Zahid Mahmood, Capital Programme Manager 0121 464 9855, <a href="mailto:zahid.mahmood@birmingham.gov.uk">zahid.mahmood@birmingham.gov.uk</a>
<b>Project Accountant</b>	Jaspal Madahar, Finance & Resources Manager – Education Infrastructure 0121 303 3251, <a href="mailto:jaspal.madahar@birmingham.gov.uk">jaspal.madahar@birmingham.gov.uk</a>
<b>Project Sponsor</b>	Jaswinder Didially, Head of Education Infrastructure 0121 675 0228, <a href="mailto:jaswinder.didially@birmingham.gov.uk">jaswinder.didially@birmingham.gov.uk</a>
<b>Proposed Project Board Members</b>	Jaswinder Didially, Head of Education Infrastructure 0121 675 0228, <a href="mailto:jaswinder.didially@birmingham.gov.uk">jaswinder.didially@birmingham.gov.uk</a> Zahid Mahmood, Capital Programme Manager 0121 464 9855, <a href="mailto:zahid.mahmood@birmingham.gov.uk">zahid.mahmood@birmingham.gov.uk</a> Paul Stevenson, Finance Business Partner, Education & Skills 0121 675 0049, <a href="mailto:paul.x.stevenson@birmingham.gov.uk">paul.x.stevenson@birmingham.gov.uk</a>

<b>Finance Business Partner – Education &amp; Skills</b>	Paul X Stevenson	<b>Date of Finance Business Partner – Education &amp; Skills Approval</b>	13/03/2020
<b>Other Mandatory Information</b>			
• <b>Has project budget been set up on Voyager?</b>			Yes
• <b>Issues and Risks updated</b> (Please attach a copy to the PDD and on Voyager)			Yes



## 2. Options Appraisal Records

<b>Option 1</b>	Limiting any school condition spend to emergency repairs only and delivering no planned priority condition need maintenance programme
<b>Information Considered</b>	<ul style="list-style-type: none"> <li>• Condition surveys</li> <li>• Structural reports</li> <li>• Statutory compliance reports</li> <li>• Reported issues by schools</li> <li>• Asset Management and Capital Maintenance strategy</li> <li>• BCC and Children &amp; Young People's directorate business and service priorities</li> <li>• Available budget - DfE allocation for funding, carry forward</li> <li>• Basic need requirements</li> </ul>
<b>Pros and Cons of Option</b>	<p>What were the advantages / positive aspects of this option? It could be argued that only the very bare minimum should be spent on maintenance of school buildings in order to mitigate the risk of a future shortfall in funding.</p> <p>What are the Disadvantages / negative aspects of this option?</p> <ul style="list-style-type: none"> <li>▪ By limiting all repairs to emergencies only, the backlog maintenance issues would escalate across the estate. Not taking actions to address priority condition items has the potential of serious health and safety risks for staff and pupils in schools.</li> <li>▪ There is an increasing gap between those schools that have received major capital investment (Building Schools for the future, the 2 major PFI programmes and the Priority School Building Programme) and those that are struggling with inadequate facilities and deteriorating buildings.</li> <li>▪ Increasing sums are spent on relentless 'patch and repair' due to lack of funding to rectify condition issues and this does not deliver value for money from the public purse.</li> <li>▪ Increasing numbers of young people are exposed to unsafe and unsuitable learning environments with the associated impact on their achievement and engagement in education.</li> <li>▪ Adopting an approach based on emergency repairs only will mean that less value is achieved from the maintenance funds available and schools will continue to feel let down in addressing fundamental condition issues that they are encountering.</li> <li>▪ There will be an increasing risk of school closure / health and safety issues resulting from asset failure.</li> <li>▪ Many Local Authority Maintained Schools will face increasing challenges coping with inadequate buildings while endeavouring to deliver outstanding education outcomes for all young people.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ In the context of direct funding for Academies to address maintenance issues, there will be an increased incentive for schools to convert to Academy status to access funding for condition priorities.</li> </ul>
<b>People Consulted</b>	Schools, surveyors and other property professionals / Acivico
<b>Recommendation</b>	<b>REJECT</b>
<b>Principal Reason for Decision</b>	An emergency repairs only strategy is inadequate for the Local Authority to fulfil its duty to maintain our schools and provide a safe learning environment for all our pupils and staff.
<b>Option 2</b>	<b>Take action as set out in this report and its supporting project schedules</b>
<b>Information Considered</b>	<p>What information was considered in making the decision:</p> <ul style="list-style-type: none"> <li>• Condition surveys</li> <li>• Structural reports</li> <li>• Statutory compliance reports</li> <li>• Reported issues by schools</li> <li>• Asset Management and Capital Maintenance strategy</li> <li>• BCC and People's directorate business and service priorities</li> <li>• Available budget - DfE allocation for funding and carry forward</li> </ul>
<b>Pros and Cons of Option</b>	<p>What were the advantages / positive aspects of this option?</p> <ul style="list-style-type: none"> <li>• Meeting the councils statutory duty to maintain its schools</li> <li>• Keeping schools open</li> <li>• Reducing health and safety risks and potential injuries</li> <li>• Meeting statutory compliance requirements</li> <li>• Addressing key condition priorities i.e. essential building repair and maintenance</li> <li>• Provides a balanced approach to planned and emergency repairs</li> <li>• Reducing the number of unplanned / emergency repair requirements</li> </ul> <p>What are the Disadvantages / negative aspects of this option?</p> <ul style="list-style-type: none"> <li>• None identified</li> </ul>
<b>People Consulted</b>	Schools, surveyors and other property professionals / Acivico
<b>Recommendation</b>	<b>Proceed</b>
<b>Principal Reason for Decision</b>	To maximise the impact of the Local Authority in delivering our statutory duty to maintain our schools and provide a safe learning environment for our pupils and staff

<b>3. Summary of Options Appraisal – Price / Quality Matrix</b>					
<b>Ratings from 1 (lowest ) – 10 (highest)</b>	<b>Options</b>		<b>Weighting</b>	<b>Weighted Score</b>	
<b>Criteria</b>	<b>1</b>	<b>2</b>		<b>1</b>	<b>2</b>
Total Capital Cost	10	8	25%	250	200
<b>Quality Evaluation Criteria</b>					
1) Programme allows maximum use of school holidays to minimise disruption	1	10	20%	20	200
2) Effectiveness: allows the council to maintain its schools and address the highest priority conditions needs	1	9	25%	25	225
3) Functionality: it meets service delivery and user requirements	1	10	10%	10	100
4) Achievable: compliance with requirement to maintain schools and provide a safe learning environment	1	10	20%	20	200
<b>Total</b>				325	925

<b>4. Option Recommended</b>	<p>Which option, from those listed in the Options Appraisal Records above is recommended and the key reasons for this decision.</p> <p><b>Option 2</b> - this will enable the LA to maximise the impact of the School Condition Programme in improving outcomes for young people and through maintaining our schools and provide a safe learning environment for our pupils and staff.</p>
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<b>5. Capital Costs and Funding</b>	<b>Voyager Code</b>	<b>Financial Year 2020 / 21</b>	<b>Totals</b>
<b><u>Expenditure:</u></b>		£m	£m
Planned Priority School Condition Projects (includes PSBP)		£5.000	£5.000
Unscheduled emergency repairs / school closure prevention		£1.000	£1.000
Dual Funding		£1.500	£1.500
Structural Failures		£4.000	£4.000
Compliance Issues		£1.500	£1.500
<b>Totals</b>		<b>£13.000</b>	<b>£13.000</b>
<b><u>Funding:</u></b>			
Department for Education(DfE) School Condition Allocation		£9.000	£9.000
BCC Corporate Resources		£4.000	£4.000
<b>TOTAL</b>		<b>£13.000</b>	<b>£13.000</b>

**Revenue Consequences**

- 1.1.1 All revenue costs will be met by schools via the formulaic Dedicated Schools Grant.
- 1.1.2 In the case of Academy's, any consequential revenue costs arising including additional staffing, utility costs and any on-going day to day repair and maintenance of the asset will be the responsibility of the Academy and funded from the Academy's General Annual Grant (received by the Academy from the EFA).

<b>6. Project Development Requirements / Information</b>	
<b>Products required to produce Full Business Case</b>	<p>The work includes:</p> <ul style="list-style-type: none"><li>• Detailed surveys, some of which are intrusive;</li><li>• Feasibility work in preparing and agreeing schemes with EdI and the school;</li><li>• Scheme design and specification including where required submitting Planning and Building Regulations applications including payment of their fees;</li><li>• Detailed design and Specification;</li><li>• Project and programme planning; and</li><li>• Procurement to a stage where orders can be placed and the work carried out.</li></ul>
<b>Estimated time to complete project development</b>	Up to 6 weeks to obtain target costs for schemes. Approval will be dependent upon value. As the majority of these works are below £200k they will be approved under Head of Service or Chief Officer delegation.
<b>Estimated cost to complete project development</b>	Any Individual project development costs are contained within the overall indicative capital allocations.
<b>Funding of development costs</b>	DfE School Condition Allocation