

## Asset Management and the Maintained Schools Estate

To; Assets and Procurement Committee

Meeting Date: 16<sup>th</sup> January 2024

From: Jonathan Lewis – Service Director Education

Electoral division(s): All

Key decision: No

Forward Plan ref: N/A

Outcome: A better understanding of the current arrangements for the management of the maintained schools' estate and its overall condition.

Arrangements for ensuring schools are compliant with property regulations in the fields of Fire Safety, Asbestos Management, and the testing of building systems.

The current arrangements and limitations on green investment to decarbonise the existing maintained schools' estate.

How the School Organisation Plan and the need to provide a sufficient number of places across Cambridgeshire informs the Council's Land and Property Strategy 2024-29.

Recommendation: The Committee is asked to:

Acknowledge the implications of sufficiency planning and statutory restrictions on the use of the schools' estate for the Council's Land and Property Strategy 2024-29

Officer contact:

Name: Ian Trafford

Post: Strategic Education Capital and Place Planning Manager

Email: [ian.trafford@cambridgeshire.gov.uk](mailto:ian.trafford@cambridgeshire.gov.uk)

Tel: 01223 699803

# 1. Creating a greener, fairer and more caring Cambridgeshire

## 1.1 This report relates to the Council's following ambitions:

Ambition 1: Net zero carbon emissions for Cambridgeshire by 2045, and our communities and natural environment are supported to adapt and thrive as the climate changes through the management of our schools estate.

Ambition 7: Children and young people have opportunities to thrive through the provision of good education facilities.

Ambition 6: Places and communities prosper because the education facilities ensure they have a resilient and inclusive economy, access to good quality public services and social justice is prioritised

# 2. Background

## 2.1 The report was requested by this Committee at a previous meeting. Officers have identified the following as the key issues for this report:

- The structural condition and maintenance programme for our maintained schools
- The devolved arrangements for routine maintenance and property compliance
- Decarbonisation of the schools' estate
- The relationship between the School Organisation Plan and the Council's Land and Property Strategy

## 2.2 The Council has 112 remaining maintained schools. These are exclusively in the primary sector except for 2 area special schools. Current Government policy envisages that all schools will either be academies by 2030 or made significant progress towards academisation by that date. The number of schools maintained by the Council is, therefore, expected to decline over this 6-year period but there is uncertainty about how quickly. This is a significant issue when considering any proposals regarding the provision of services to support maintained schools and how we invest capital resources in them.

## 2.3 Academy schools and their sponsoring Trust become the responsible body for maintaining the sites and buildings they occupy under a 125-year (standard) academy lease. The lease is a full repairing lease. The Academy or Trust receive direct from Department for Education (DfE) capital funding to maintain their buildings. No similar allocation is made to the Council to maintain academy schools. The Council's school condition capital grant allocation is expressly for use on maintained schools and this is stated in the conditions attached to the grant award. These arrangements were confirmed again recently on the high profile Reinforced Autoclaved Aerated Concrete (RAAC) issue where the DfE identified academies and Trusts, and not local authorities, as the responsible body for the buildings that they occupied.

## 2.4 The Council retains the freehold for academy school sites and buildings under the terms of the 125-year academy lease. Therefore, some residual responsibilities are retained by the Council. Whilst the 125 year lease stipulates that the Academy Trust as tenant is

responsible for the upkeep of the school site which includes repairs to prevent deterioration of the property. The Council as landlord has a vested interest in ensuring that the property is maintained for number of reasons including ensuring compliance and health and safety. The Council can serve a repair notice on the Trust and where they fail to complete the works without good reason step in to rectify the problem. Equally if the Council does not monitor the condition of the property then if they are handed back there may be large cost implications to bring the property up to the required condition. The Council also remains responsible for placing children in schools and ensuring there are adequate numbers of places around the County.

- 2.5 The focus for the Council and the capital programme is the provision of a sufficient number of places, with limited funding to do much beyond that in terms of capital funding to support school reorganisations, area reviews and remodelling or modernisation of schools that go beyond maintaining them in a good state of repair. The provision of additional places is likely to have less of an impact in terms of land acquisition in the future than it has in the more recent past.
- 2.6 The outcomes of this report will be:
- A more accurate picture of the impact of the CCC condition and maintenance programme on the schools estate.
  - Identification of some steps towards a more direct management role and providing greater certainty on effective use of devolved funds and statutory compliance.
  - an understanding of academisation and how that might impact resource allocation.
  - how future sufficiency is considered as part of the CCC land and buildings strategy and the limitations that apply to the use of school/education assets.

### 3. Main Issues

#### 3.1 School Condition and Maintenance Programme

- 3.1.1 Maintenance funding for our maintained schools is split between the school and CCC. The school receive a revenue budget and a small level of capital grant from the DfE (Devolved Formula Capital – DFC). Schools also undertake a number of capital improvements from their revenue funding. Between the revenue and capital funding which the school receives, they are to directly manage the annual servicing and maintenance of plant, fixtures, and fittings and to plan for cyclical replacement of low-cost items e.g., decoration, floor coverings etc. using the DFC funding. It is expected by the DfE that schools should buy in professional support to assist them with this management arrangement by the appointment of a property advisor.
- 3.1.2 The Council also receives a yearly grant from the DfE which is called the Schools Condition Allocation (SCA). This grant is based upon the number of maintained schools and is received around the start of April each year. The DfE make public the grant allocation in February/March of each year, and this is then finalised in April/May.
- 3.1.3 The Education Capital and Place Planning Team manage this budget and utilise it to undertake higher value condition and maintenance schemes across the maintained estate.

The basic premise is to ensure schools remain “warm, safe and dry” but also to avoid any school closures and lost teaching days due to maintenance issues e.g. leaking roofs, flooding, and boiler plant failures.

- 3.1.4 Condition is primarily assessed via condition surveys, using national guidance around condition ratings. The Council commissioned and funded its own surveys in 2019/20. Due to COVID, this process took longer than expected, and surveys were completed by early 2021. These surveys are the basis for the maintained schools condition programme, as it is using the data collected over the same period by the same professional surveying company. It is expected that this data will be used until at least 2026.
- 3.1.5 The DfE are also running a programme of condition surveys called the “condition data collection programme”. They are now in phase 2 of this programme, phase 1 having been undertaken nationally between 2017-19. The data from the DfE surveys, are in our opinion, not as detailed as the CCC commissioned surveys, being more high level, but they are sent to schools, and schools should utilise these to help them manage the condition of their schools.
- 3.1.6 In general terms, the current state of the LA’s maintained school estate could be assessed as good. There are no major issues deemed to exist in CCC’s schools and the Education Capital Team have striven to put forward a planned maintenance programme of works utilising the SCA grant it receives to keep schools in a decent state of repair for the past decade. There is a continued responsibility to keep doing this, even as the pace of academisation increases up to 2030.
- 3.1.7 This is borne out when trying to access DfE centrally run Priority School Building Programme which aims to replace 500 schools in the worst condition over a period of 10 years (50 schools per year). The Council has put schemes forward for inclusion in the programme, but without success as they do not meet the criteria for buildings being life expired, redundant or a significant health and safety risk. In addition, when the DfE allocates its condition SCA funding to local authorities, it does so by rating the condition need of our schools and places them in bands. The DfE rates 60.5% of our schools in the condition bands covering good to average. It rates only 11% of our schools in a condition category where an enhanced funding rate is applied and then reflected in our overall SCA condition allocation. Officer will use the information in future SCA allocation rounds to assess how the maintenance programme impacts on the overall condition of the estate.

## 4.2 Devolved Maintenance and Statutory Compliance

- 4.2.1 There are, however, issues and concerns around how schools manage their own sites under the current “devolved maintenance” responsibilities. Some concerns come down to the fact that the level of funding schools receive is small, and arguably does not keep up with inflationary pressures around maintaining a building. The costs of undertaking repairs and planning small scale improvements have increased over the past 5 years, and, since COVID, costs in construction have increased by around 30%.
- 4.2.2 Schools are advised to engage with a professional property advisor to help them maintain their schools (as mentioned previously). Some schools do, others choose not to, primarily due to budgetary pressures. It might cost a school between £2,000-£4,000/year to utilise an advisor, some schools see this as a cost they cannot afford, and thus manage the servicing

and maintenance themselves. With this knowledge that schools choose to do this (and under devolved budgets which they manage, they can make that decision) there are concerns that some schools do not have as robust a system in place as they could have. Council officers advise schools on best practice, and signpost schools to national guidance. The DfE for example have over the past few years developed a guide for schools called GEMS – Good Estate Management for Schools. When training governors, GEMS is signposted in the training events, but there is an argument for the Council to have stronger oversight, and a potentially more interventionist role in the servicing/maintenance and compliance issues in schools. This was confirmed by schools themselves in a maintenance and compliance survey undertaken by the Council in 2021.

- 4.2.3 The main factor to consider in that debate though is academisation. It could take some time to bring schools into the Councils sphere of operation. One mechanism, for example, could be that schools buy in to the Councils corporate helpdesk provision, run and managed by Property Services/FM. However, this might require that team taking on additional staff to cope with the increased numbers of properties, and this might only be for a short period depending on when schools academise. This would be a financial risk to the Council and one which is not funded from other sources. This system however could replace the need for schools to buy in external property advisors (for cyclical servicing and maintenance) and could arguably reduce the cost to individual schools due to economies of scale. The Council would then have direct control around annual servicing and compliance issues, and where improvements are required which outstrip the school's annual revenue budget (or DFC) then the process that currently happens would kick in, in that the Education Capital Team would look to pick up a project to improve condition utilising the SCA capital budget. The Council will continue to explore this option but it will ultimately depend on the funding provided by schools buying into this service.
- 4.2.4 It should also be noted that corporate staff within Property Services do have a current role in overseeing and advising schools when it comes to asbestos management and training, fire awareness and advice and legionella. It is not proposed to change this, but the above approach could have the potential to strengthen that role due to the close working relationships already in existence between corporate property and the H&S compliance team.
- 4.2.5 In terms of statutory compliance, while this function is devolved to individual schools with the budget, the responsibility in maintained schools ultimately sits with the Council to ensure statutory requirements are met. This includes Fire Safety, Legionella and Contractor Control and some areas of maintenance. The Property Compliance Team had an audit KPI of 5% of the maintained school property portfolio this has now been increased to 75% after inspections and surveys suggested an in-consistent approach to property management. Along with a higher audit percentage, training is being provided to Governors, Head teachers and Site Staff on property management and property health and safety.
- 4.2.6 Asbestos management falls under the Authority and is managed direct by the Property Compliance Team as per the current Asbestos Management Policy which maintained schools are required to follow. The reduction of risk would entail that Fire Safety and Legionella management is treated the same as Asbestos Management plus Contractor Control and come under the direct control of the authority who have legal responsibility.

### 4.3 Investment in Decarbonisation of the Schools Estate

- 4.3.1 In terms of decarbonisation projects, there is a national funding pot, managed by Salix on behalf of the Government – the Public Sector Decarbonisation Scheme – PSDS. All public bodies (including academy trusts) can apply/bid to this fund to assist them in undertaking heating decarbonisation schemes. To be eligible for PSDS grant funding, projects must include replacement of end-of-life boilers with low carbon heating (typically Air Source Heat Pumps). Funding is limited, heavily over-subscribed and allocated on a first come, first served basis. Under PSDS, the Council would, as a minimum, be responsible for funding the relevant cost of replacing old, inefficient boilers for new boilers (the like-for-like replacement costs in other words). In principle the PSDS grant can cover the additional costs that one would face when installing heat pumps (installing Solar PV and LED lighting to help offset electrical demand from the heat pumps, increasing electrical capacity to the site, radiator upgrades etc.) However, PSDS grants are capped in terms of grant per tonne of carbon saving projected and, in practice, the cap limits PSDS funding to around 40% of the total capital cost (on average).
- 4.3.2 Funding arrangements for decarbonisation (of heating) projects were agreed by the Environment & Green Investment Committee in July 2021. After grant funding and SCA funding for boiler like for like costs, the balance of funding for projects comes from the Council's Decarbonisation Fund and (a smaller contribution from) loan funding to the schools. The decision on whether to proceed with projects sits with the schools and they enter into contract for the works, with support from the Council's Climate Change & Environment Services team. Projects are designed to generate annual bill savings to enable repayment of the loan funding and generate a small net cashflow benefit to the school.
- 4.3.3 Nine school decarbonisation projects have been delivered with PSDS funding to date at a total capital cost of £2.7m. The funding package for these consisted of £1.2m of PSDS grant funding, £339k of SCA (boiler like for like cost) funding, £719k from the Decarbonisation Fund and £429k of loans to the schools. Grant funding has been secured for a further 13 schools next year (six Diocese of Ely and seven Council maintained). Estimated capital cost for the seven Council maintained schools is £3.0m and the funding breakdown for these is £1.2m of PSDS grant funding, £1.3m capital contribution from SCA and Decarbonisation Funds and £451k loan funding. Grant applications have been submitted (outcomes awaited) for a further 5 schools for implementation in 2025.
- 4.3.4 Academisation is also a factor in how the Council looks to address the lowering of greenhouse gas emissions across its estate in the future and whether schools will continue to be assessed for decarbonisation projects. Due to how these schemes are currently funded with a mix of funding which is both grant funding and Council borrowing, further consideration is needed by the Council about whether it continues to put funding into schools to decarbonise the heating systems when there is a potential/likelihood that schools will be academies by 2030. The opportunity to consider this issue will come forward in the next business planning round as part of the corporate workstream on meeting the Council's net zero carbon targets for 2030 and 2045. Funding has been used to prepare Heat Decarbonisation Plans (HDPs) for our maintained schools and will indicate the overall levels of investment required to decarbonise the schools' estate and provide the basis for future bids for any available government funding streams.

#### 4.4 School Organisation Plan and the Council's Land and Property Strategy

- 4.4.1 In a rapidly growing area such as Cambridgeshire the focus is on providing sufficient school places to meet the rising demand. The detail of how this is to be achieved is set out in Cambridgeshire's Education Organisation Plan 0-25 for 2023/4 and which is updated annually.
- 4.4.2 Cambridgeshire is facing a period of significant new housing development, with the prospect of around 48,000 new homes in total across its five districts between 2021 and 2031. The largest developments include Northstowe, a new town to the north of Cambridge, and Waterbeach New Town, with a total of 10,000 and 11,000 homes respectively when they are complete. Alconbury Weald will eventually provide 6,500 new homes. The district councils' development plans include many other sites with over 600 homes, including urban extensions to Cambridge City and many of the County's market towns (e.g., St Neots, Huntingdon, Ely, March, Littleport and Wisbech)
- 4.4.3 The size of these developments and the associated school aged populations, new developments tend to attract younger people and families, does mean that most of these developments will require their own new schools and early years and childcare facilities.
- 4.4.4 The Council seeks to secure through a negotiated section 106 agreement both the land and the capital costs of construction for the new education infrastructure in line with national planning guidance which expects major development to mitigate its impacts. The land secured in this way transfers to the Council under the terms of the s106 agreement for the period of construction and then to the Trust sponsor of the new school on opening under the standard terms of a 125-year academy lease (all new schools are Free Schools or Academies).
- 4.4.5 This type of concentrated growth pattern is unlikely to have a significant impact upon the Council's Land and Property Strategy, particularly as the 125 academy lease places full responsibility for repair and maintenance of the site and buildings with the sponsoring Trust for which it receives allocations of capital and maintenance funding direct from the DfE to enable full discharge of this responsibility.
- 4.4.6 In line with the underlying national trend, there has been a general decrease in birth rates (the number of live births per 1,000 population of all ages) across Cambridgeshire since 2016. There were almost 6,400 total births in 2021, compared to the peak of 7,700 births in 2012. There is clear evidence that in some areas of Cambridgeshire there will be increasing surplus capacity/places in some schools, albeit not of the scale or in the right location to meet the needs of the growing school aged populations in new developments. There is unlikely to be the same pressure to open new schools and expand existing schools to meet the needs of mature communities in Cambridgeshire as there has been in the recent past. This will remove some pressure from the Council where it has had to acquire land (at a cost) to expand sites or identify its own assets, such as land forming part of the County Farms Estate, to provide for some of the new or expanded schools.
- 4.4.7 In a situation of falling rolls and surplus capacity it might be expected that this would present an opportunity to generate capital receipts and use the Council's estate to support the Council's under pressure revenue and capital budgets by reducing borrowing. However, education/school assets have a high level of statutory protection afforded by the School

Standards and Framework Act 1998 where any local authority application for disposal or change of use requires the consent of the Secretary of State for Education. There is a very strong policy presumption against the disposal of school playing field land.

- 4.4.8 The disposal of school playing fields is subject to section 77 of the Act with the term playing field being a broadly based definition when applied to school sites as being “land in the open air which is provided for the purposes of physical education or recreation, other than any prescribed description of land”. This will include substantial areas of any school site other than the buildings such as grass pitches and artificial surfaces, habitat areas, playgrounds and other hard-court surfaces and informal recreation and social spaces. Therefore, a substantial part of any school site.
- 4.4.9 It is also possible under s77 to apply for a change of use for playing fields rather than disposal. The application process remains onerous, but approvals are more often given if the land is required for another education use (school expansions, early years, SEND and other specialist provision) or the funds or value of any land disposed or appropriated are reinvested in alternative sports provision which also benefit from community use (a sports hall, swimming pool, all-weather pitch). This can be to the benefit of the individual project but not the Council’s overall financial position.
- 4.5. The use of available capacity in schools will benefit the Council if that capacity is aligned with the areas where there is a need to expand early years provision in response to the national expansion of the early years offer to parents or expand SEND provision in response to this urgent need. If new provision is made in this way less capital spend/borrowing will be required on new sites and buildings.

## 5. Alternative Options Considered

- 5.1 It is proposed to re-prioritise existing staffing resource to provide more direct support to maintained schools where that can generate efficiencies. An alternative would be for the Council to provide a direct service to its maintained schools in the maintenance and compliance fields described in this report. However, the funding required to establish and run such a service would be considerable. It would require all schools to either buy into such a service or CCC top-slicing maintained school budgets that are presently devolved to cover these responsibilities. This approach is not considered appropriate as:
- it is removing a choice or freedom that schools currently have and there are many schools who undertake this responsibility very well and employ professional property advisors to support them
  - school budgets are under significant stress and the removal of funds at school level where schools can decide its own priorities may be unpopular.

## 6. Significant Implications

### 6.1 Resource Implications

- 6.1.1 The report has outlined how the overall condition of the maintained schools’ estate can be



sustained at current levels assuming continued levels of school condition grant funding from the DfE properly invested on priorities identified in condition reports.

- 6.1.2 There are actions being taken at the operational level in terms of officer resource and the better use of existing framework contracts (e.g., the Property Helpdesk function) so that there is more of a direct role in managing and supporting schools with their devolved responsibilities. This is being done by redeploying existing resource within Teams, but ultimately additional staff may be required if a different risk appetite and approach is sought.
- 6.1.3 The issue of investment in the maintained schools sector generally is blighted by national government policy that requires all maintained schools to become academies by 2030. The number of maintained schools can be expected to fall over this period. Members of the Green Investment Committee expressed some reluctance to commit funds from the Council's Environment Fund for school decarbonisation schemes because of this.
- 6.1.4 As part of the corporate programme it is anticipated that in the 2024/25 business planning round a proposal will come forward to fund decarbonisation schemes in schools linked to the current work to prepare Heat Decarbonisation Plans (HDPs) for our maintained schools. The issue of academisation will remain part of the consideration.

## 6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are existing framework contracts in place providing access to the range of professional services and contractors that the Council needs to access to deliver across the areas set out in the report. These have been procured in accordance with the Council's contract procedure rules and in the case of external frameworks (e.g., ESPO) procured under public sector procurement rules. This would also include the FM helpdesk function if this was extended and accessed by schools.

Training and advice to governors and senior leaders in schools covers procurement arrangements and where property advisers are engaged by schools, they can lead this process on their behalf.

## 6.3 Statutory, Legal and Risk Implications

The devolved nature of the routine maintenance and statutory compliance functions to schools does carry some risk which the Council seeks to mitigate as described in section 2.2 of the report.

## 6.4 Equality and Diversity Implications

No significant implications

## 6.5 Engagement and Communications Implications

No significant implications

## 6.6 Localism and Local Member Involvement

No significant implications

## 6.7 Public Health Implications

The maintenance of a warm, dry, and safe environment in our schools will have a positive impact on child health. Decarbonisation of schools and consequent mitigation against climate change will have significant health benefits:

[Climate change: health effects in the UK - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/climate-change-health-effects-in-the-uk)

## 6.8 Climate Change and Environment Implications on Priority Areas

### 6.8.1 Implication 1: Energy efficient, low carbon buildings.

Positive:

Explanation: Progress will be made towards decarbonisation of school buildings, but the pace of progress will be dependent on levels of capital investment.

### 6.8.2 Implication 2: Low carbon transport.

Neutral: Although keeping schools operational will avoid the need to make alternative arrangements that may involve additional travel.

### 6.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Neutral:

Explanation: There are no implications under this heading

### 6.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Negative Status:

Explanation: All construction works produce waste, but every effort is made to mitigate this by reuse and recycling of materials where possible.

### 6.8.5 Implication 5: Water use, availability and management:

Neutral:

Explanation: There are no implications under this heading

### 6.8.6 Implication 6: Air Pollution.

Positive:

Explanation: Decarbonisation of the Estate will be accompanied by the increasing use of non-carbon heating sources over time

### 6.8.7 Implication 7: Resilience of our services and infrastructure and supporting vulnerable people to cope with climate change.

Positive:

Explanation: It is anticipated that design and building control standards will develop over time to ensure greater resilience of buildings to extreme weather events that are occurring more regularly. Future works will be required to adhere to evolving national standards.

## 7. Source documents

### 7.1 Source documents

DfE Non-Statutory Guidance on Disposal of Playing Field Land –  
[Advice template \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/672212/Playing-field-land-disposal-guidance.pdf)

School Condition Report Data – 2021  
School Compliance Survey Data – 2021  
Education Organisation Plan 2023  
Climate-change-and-environment-strategy

## 7.2 Location

Floor 1, New Shire Hall, Alconbury Weald