PROJECT DOCUMENTATION

FEASIBILITY BUSINESS CASE

Peterchurch Primary - Replacement School

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Feasibility Business Case History

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Stage 0 Business Case

1. Purpose of Document

This Feasibility Business Case contains information that describes the justification for continuing the development of a detailed Business Case for a replacement primary school at Peterchurch. The Business Case is to be submitted to the Children & Families Capital Programme Board and if accepted, a more detailed Business Case will be developed.

2. Objectives

If the Business Case is approved then the project can move into the implementation phase and deliver the following:

- Ensure the council's estate is well maintained, safe and fit for purpose
- Reduce schools' revenue expenditure though more efficient buildings
- Extend the life cycle of the council's assets and protect / enhance their value
- Ensure that sufficient pupil places in suitable accommodation are available to meet demand in schools

The business case sets out the work required to replace the current primary school building at Peterchurch with new permanent build accommodation.

3. Background

Herefordshire Council is responsible for maintaining all community and voluntary controlled schools located within Herefordshire. This equates to 44 establishments on 45 sites. Optimisation of the schools estate is the subject of the schools capital investment strategy which seeks to ensure that there are sufficient high quality learning environments, in good condition, permanent structure buildings that are of the size set out in the Government building specifications. This project supports the Corporate Plan priorities of 'Keeping children safe and giving them a great start in life' and 'To secure better services, quality of life and value for money'.

Peterchurch Primary School is a small community primary school maintained by Herefordshire Council in the village of Peterchurch, in the centre of the Golden Valley west of Hereford towards the Black Mountains and Welsh border. The village is the largest settlement in the valley and has a number of amenities including the primary and secondary schools, village hall, fire /police station, shop, and two pubs.

The school is located on the main road (B4348) and comprises various ages and types of buildings. These include the original Victorian school and headmaster's house; a conversion of a former village hall, some under-sized modern accommodation and some modular buildings.

The current school accommodation is not fit for purpose both in regard to its suitability as set out in DfE Building Bulletin 103 "Area Guidelines for Schools" and the condition of the buildings.

The condition issues include problematic roofs of both the Victorian building (loose slates) and the former village hall (asbestos), erratic and inefficient heating, and a range of other problems.

It is now subject to reactive repairs pending the confirmation of a suitable long term solution.

3.1. Project Drivers and High Level Issues

The main 20th century school hall has an asbestos roof with multiple leaks and is a notably unattractive building. The condition of the pupil toilets are poor. Most of the spaces in the school are below the recommended area as set out on BB103 Area Guidelines for Schools. The modular classroom is perhaps the best of the current accommodation.

The swimming pool itself is a good facility, but its plastic roof is not in good condition. The school values the swimming pool very highly, and it is used by a number of other primary schools in the area.

An independent day nursery/preschool operates from the site. It owns its own modular building (which is in good condition). It works closely with the school.

Overall the impression of the school buildings is of a mis-match of different buildings, many of poor quality.

The developed area of the site – i.e. the buildings and hard surfaces is at the front. The school field is behind the school building. This is a pleasant area of green space, however the overhead power cables are a less attractive feature and limit the activities which can take place on the field to some extent.

The case for improving or replacing the building has been accepted for some time, however there has been discussion about the best way of doing this.

The main options for Peterchurch were:

- To do nothing (always a potential option)
- To acquire a new site adjacent to Fairfield High School and rebuild there
- To rebuild on the existing site

These options led to the commissioning of a report by BBLP on the highways and environmental implications of the proposals.

More recently the District Valuer was commissioned to provide valuations of the various piece of land involved in the options, whether land which would need to be purchased, or land which could be sold.

Options for replacing the Peterchurch buildings were investigated because the cost of repairs would be very high (>£1 million for the asbestos roof on the main building alone plus a further large sum to address other deficiencies) and would still leave the school with unsuitable premises in terms of room size and arrangement.

The attraction of the Fairfield relocation was that it would create a campus enabling some services to be shared between the two schools, and for the deficiency of playing field space at Fairfield to be addressed. There are attractions to campus arrangements where schools work more closely together. There were some environmental benefits which could be addressed if funding could be found to improve the poor access to Fairfield along narrow lanes, prone to flooding.

If Peterchurch Primary School were relocated to an adjacent site, then Fairfield might benefit from the environmental works that would have to be done as part of that project. This could include better traffic management around the nearby lanes, and works to reduce the impact of potential flooding. However this would entail substantial costs which would have to come from council funds – and could be supported by a capital receipt from the potential sale of the current Peterchurch school site. There was no strong support for this option from local stakeholders, and possibly active opposition from those who wish to retain the primary school “at the heart of the village”.

The option to rebuild on the current site would not create a primary secondary campus. There may be some technical challenges around managing a construction project on the site of a working school which might require decanting into temporary accommodation. We know from the experience at Colwall that this can be extremely expensive and consume considerable resources for which there is little to show at the end of the project. The presence of electrical power lines over the playing field constrains how the site might be reorganised. Notwithstanding these challenges, a rebuild on the current site is likely to be the simpler, less expensive project. It is reported that it is the preference of the parish council, who wish to see the school located in the centre of the village.

Doing “nothing” does not seem a prudent approach. Whilst the major condition issues could be addressed through maintenance interventions, these would still be expensive, and would leave the school with unsuitable accommodation, in which many rooms were below the recommended area, and the overall aesthetic of the school was unattractive. Some of the environmental issues might be addressed, but costs would quickly mount up to the point where they were not far short of a complete rebuild. Unless decision makers were determined to keep costs as low as possible, only addressing condition issues, with no attention to suitability this does not seem a good use of resources.

A feasibility study has recently been conducted by Hayhurst & Co who were appointed following a competitive tendering process, to identify possible options for the school in Peterchurch. These options included the minimalist of works to the school (renew and repair), significant refurbishment works (remodel and extend), and a new build. High level indicative and estimated costs of each of the options were provided. The costs were based on a mixture of lowest, mean average and highest rates derived from benchmark projects of a similar nature. As data obtained from benchmark projects is likely to represent the lowest priced competitive tender, 5% was added to allow budgets to reflect a realistic competitive tendering environment. These costs are based on a construction period from 2021 to 2022.

Council approved funding of £1m towards improvement works or new build at Peterchurch in December 2014 followed by a further £4.5m in December 2015 making a total of £5.5m available in the capital programme for a new build at Peterchurch. This funding was considered in line with new school building projects at the time. With inflation costs at approximately 6% per year, this would make this value the equivalent of approximately £8.5m in 2019 based on a construction period in 2021/2022.

3.2. High Level Metrics

- Revenue cost savings per year for the school
- Reduced maintenance costs per year

4. Scope

4.1. Included in Scope

A replacement primary school for Peterchurch including all teaching and support spaces, including playground and playing field, necessary for it to function as a full one form entry school but with the provision of five classes initially. The facility will include for the provision of a nursery to accommodate the one currently on site and may include some work to the swimming pool to enable its continued use.

4.2. Not included in Scope

- The re-provision or upgrading of the swimming pool facilities on site.
- Additional highways improvement works other than those required to enable access to and egress from the re-designed site.

5. Stakeholders

- Headteacher of Peterchurch Primary School
- Chair of Governors at Peterchurch Primary School
- Parents/guardians of children at Peterchurch Primary School
- Peterchurch community
- Ward Councillors
- Children & Families Directorate
- Property Services
- Procurement
- Finance
- Health & Safety
- Legal

6. Dependencies

6.1. Initiatives which depend on this project are:

None

6.2. This project depends on:

- Appropriate levels of resource and expertise
- Contractor availability
- The required level of engagement from stakeholders

7. Benefits

The anticipated benefits of the proposed project are listed below:

7.1. Quantifiable

- Potential for reduced revenue costs to schools
- Fit for purpose teaching accommodation and associated infrastructure
- Reduction in reactive maintenance costs
- Improved Display Energy Certificate (DEC) rating for schools
- Compliance with government guidelines

7.2. Non-quantifiable

- Provision of new classrooms designed and built to modern standards and offering a high quality learning environment for children
- Provision of a playing field free from the risks of the overhead power cable, if this is to be re-routed underground
- Safer entry routes to and from the school building
- No potential to exposure from asbestos
- Risk mitigation

8. Contribution to Strategic Objectives

- To secure better services, quality of life and value for money

  Through minimising property costs and reducing the risk of service failure

- Keep children and young people safe and give them a great start in life

  Create permanent build accommodation that meets the governments building specifications

9. Potential Costs and Options for Project

- Do nothing – Whilst the major condition issues could be addressed through maintenance interventions, these would still be expensive, and would leave the school with unsuitable accommodation, in which many rooms were below the recommended area, and the overall aesthetic of the school was unattractive. Some of the environmental issues might be addressed, but costs would quickly mount up to the point where they were not far short of a complete rebuild. Unless decision makers were determined to keep costs as low as possible, only addressing condition issues, with no attention to suitability this does not seem a good use of resources.

- Option 1 – Refurbish (renew and repair) the existing buildings. This option puts forward the lightest touch approach possible retaining as much of the existing school as possible whilst providing the required teaching and support spaces. Only the poorest quality spaces are demolished and the remaining existing building is repaired and refurbished. Existing traffic issues are addressed as far as possible without demolition of the school house and hall buildings. Whilst this option would improve the quality of the school accommodation and provide adequate teaching space to the majority of the building, it will not resolve all the existing building issues identified. The suitability of the school hall and the safeguarding issues associated with traffic will not be addressed. This option may be the cheapest to deliver however it would still require a high level of on-going maintenance and day-to-day operational costs.

- Option 2 – Renew (remodel and extend) the existing buildings. All the existing building issues would be addressed to some extent via this route but it is unlikely that they will all be resolved. It retains the parts of the school that are suitable for re-use and / or have been highlighted by planning as worthy of retaining. All other buildings will be demolished and a new extension constructed to house the required spaces. Additional parking and an improved drop-off and pedestrian access would be provided to the front of site. This option will not however resolve all the existing safeguarding issues associated with traffic to the front of site. It reuses some of the existing building although proposes extensive work to it which will incur a long construction programme, be costly and very disruptive to the school.

- Option 3 – Replace (rebuild) the existing building with a new build. This option puts forward a brand new school building to the rear of the site, demolishing the existing school in its entirety. It fully addresses the issues associated with on-site parking and drop off areas and is able to be constructed with the least disruption to the school. This will also provide the lowest on-going maintenance costs of the three options into the future.

10. Costs and Timescales to Develop the Full Business Case

The full business case will be developed from existing staff resource in the Children & Families Education & Development team with support from other stakeholders. This will be developed prior to the project commencing at the start of the 2020/21 financial year.

11. Risks of not doing the Project

Risks are potential threats that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

11.1. The key risks of not doing the project are:

- Impact on service delivery
- Increased cost of maintenance
- Further deterioration of the buildings
- Potential for serious physical injury
- Potential for illness caused from environmental conditions imposed by buildings
- Children may have to be accommodated elsewhere or not be educated. There would be an increase in transport costs to accommodate children elsewhere
- Reputational risk

11.2. The key project risks are:

- Insufficient budget
- Insufficient resource
- Planning permission not obtained
- Disruption to school
- Contractor availability

12. Appendices

Appendix 1 – Finance Template

Capital cost of project	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
Design	1,169				1,169
Build	750	6,991			7,741
Fees	400	491			891
Contingency	350	702			1,052
TOTAL	2,669	8,184			10,853

Funding streams	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
Prudential borrowing		5,353			5,353
Prudential borrowing already secured in capital programme in prior years	2,669	2,831			5,500
TOTAL	2,669	8,184			10,853

Revenue budget implications	2020/21	2021/22	2022/23	Future Years	Total
	£000	£000	£000	£000	£000
Reduction in annual energy costs					
Reduced maintenance costs for school					
TOTAL					

PROJECT DOCUMENTATION

BUSINESS CASE

Brookfield Special School Improvement Project

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Business Case History

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The final version of the document will be found on the council's project management system, Verto, within the Brookfield School listing.

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13. Purpose of Document

On 6th December 2018, the procurement of a business case (phase 1 feasibility study) was approved, and recorded as an officer decision by the Director of Children and Families, its purpose being to explore options for the modification and improvement of the site and buildings at The Brookfield Special School.

Phase 1 of the project looked at feasibility for the site in two key areas:

1. To improve the compliance (and therefore the suitability) of the school with Government Building Bulleting 104, which describes the schedule of accommodation that is required for the provision of education for special needs pupils with social emotional and mental health needs.
2. To develop suitable accommodation on the main school site to enable the education of those pupils currently educated in a split site temporary building on Symonds Street.

This document provides an update on the results of phase 1 of the project. Based upon the outcome of phase 1, it also sets out the rationale for a capital funding request to council, in order to meet the funding gap apparent between the funds currently available, and the identified capital costs (including contractor costs, and client costs) associated with the next steps of the project.

14. Objectives

1. To present the outcome of the phase 1 feasibility study to inform future decision making.
2. Based upon the above, to seek initial agreement for the overarching capital costs associated with the next steps of the project.

15. Background

The Brookfield Special School educates pupils between 7 and 16 years old, with social emotional, mental health needs. It is the only school in Herefordshire with this designation. It is situated on a site running alongside Grandstand Road, and adjacent to the Hereford Racecourse.

Brookfield was a Herefordshire Council maintained school, but is now an academy school. The 1996 Education Act allows for the spending of council funds to effect improvements to academy schools.

The imperative to improve the suitability of the school site and buildings was recognised in 2015. At that time, no detailed work was completed in order to establish the feasibility of the proposed improvements, or the high level costs that may be incurred. Agreement was gained to place an indicative sum into the council capital programme, which would be serviced mainly by prudential borrowing, but also by a small element of anticipated grant funding. This total sum, minus the grant funding anticipated, has been carried forward, or ‘re-profiled’ to the present time.

In order to take forward the intention to future proof this key special school provision, it was recognised that a robust feasibility study was needed in order to examine the options available to achieve the required improvements, and to provide a rigorous rationale in the production of indicative high level costs for such options.

15.1. Project Drivers and High Level Issues

- The Brookfield School currently serves the needs of some 80 pupils. These pupils all have an education health care plan (EHCP) describing their needs, and how these needs should be met. This is the only Herefordshire school designated to meet those social, emotional, mental health (SEMH) needs. If this school does not meet basic requirements, higher costs for education may need to be incurred by allocating spaces at settings outside Herefordshire.
- The current premises were built to accommodate approximately half this number of pupils, although the council has provided an extra primary phase classroom recently, to partially alleviate the unsuitability of the accommodation. The buildings are still not compliant with government guidance, and as a result, a cohort of pupils is currently 'housed' in a temporary classroom on Symonds Street, which is in very poor condition, and is inefficient to operate, as it is some way away from the main school site.
- None of the classrooms in the main school secondary phase building are compliant in size, and there are no dedicated spaces for the delivery of physical education, which is a statutory requirement, or therapy. In addition, there are no facilities for girls' hygiene. This year for the first time, the school has a girl on roll, and there may be more in the future.
- Capacity to meet the demand for SEMH pupil placements in Herefordshire is pressured, but by future proofing the Brookfield setting with a well thought through improvement programme, the council will ensure that in future SEN pupils with SEMH are accommodated in a high quality physical environment.

16. Phase One Outcomes

The local authority undertook a procurement exercise to commission expert consultant advisors who would;

a) Provide a range of feasible options to achieve the desired improvements to the school buildings, and
b) Provide a breakdown of costs for each option.

16.1. Architecture and design consultancy support – outcome of feasibility

The architectural design company appointed to conduct the feasibility study was Haverstock Associates.

The resulting report provides guidance in terms of the range of options possible on the Brookfield site, along with indicative costs for each element. The option that will achieve the priority improvements for the school, includes the following elements selected from the options presented;

1) An on-site new build small workshop with wet room and external horticulture area for the pupils currently accommodated off site in a temporary classroom on Symonds Street.
2) A small sports hall situated between the primary and secondary school buildings that will serve both phases.
3) The provision of two extra DfE compliant classrooms for the secondary age phase, by the creation of a mezzanine floor to the secondary phase dining room
4) The creation of girls toilet and hygiene facilities within the secondary block

5) The creation of an external fire escape from the first floor of the secondary block, and the upgrading of the two internal staircases to fire protected status.

Other options described within the report demonstrate that a complete new build school on the site would not be cost effective, and that the necessary improvements are achievable by a mixture of remodelling the current secondary building, and creating two new build components, one for sport and one for vocational education.

The works proposed in numbers 1 – 5 above, present the least costly option of those prepared by the feasibility study, but will still not be achievable within the budget currently available of £2.744m

The estimate for construction costs is based on various GIFA for all options. Costs are current day fixed price at 1st Quarter 2019 pricing levels. The costs include a design and construction contingency of 15%, and an inflation, professional fees and surveys contingency of 12.5%

The feasibility contractor has assumed a period of 12 months in order to develop the design, ready for tender in 1Q2020 and a mid-point of construction at 1Q21. Subject to the issue of a more detailed programme these values and subsequent costs will be revised. Due to the need to secure extra funding, the timeline assumed by Haverstock may be compromised.

A number of assumptions have been made in the costings which include the following:

- That there is no asbestos present within the building
- That there will be no overly restrictive planning conditions imposed upon the development
- That the project will be procured as a single stage tender and competitively tendered
- That some walls and facilities are retained within our 'Minor Remodelling - Level 1' allowances
- That the current building is in sound structural condition and that no major structural repairs will be required.
- That the tender inflation and mid-point inflation allowances are based upon RLF's assumptions for the project programme

In addition there are a number of exclusions identified within the report including:

- Removal of any unknown contaminated material, including asbestos
- Works in connection with abnormal ground or drainage conditions
- Land acquisitions costs and fees
- Services diversions or upgrades
- Unexploded ordinance survey
- Legal fees and funding costs
- Loose furniture and fittings
- Planning fees and charges
- Archaeological fees
- Value Added Tax
- Professional fees over and above the 12.5% allowance.
- Decant and move management fees
- Marketing costs or advertisement fees
- Rights of Light charges
- S106 fees

16.2. Financial modelling

The total estimated cost of the construction work is based upon a start time for the project, of Q12020. This timeline may not be achievable, so a percentage increase for inflation has been added to the feasibility construction cost. In addition, in order to respond to the exclusions present in the feasibility report, percentage costs have been added to cover client contingency, furniture and ICT, fees (property services, project lead), legal fixed sum, and corporate project management fees. This brings forward a total estimated cost of £3,939,000. The above assumed costs have been discussed with council property services and finance officers, and agreed at children and families capital programme board 23.09.19.

Detailed costs - In order to provide a more detailed estimate it is recommended by the feasibility study that the design brief for this school is further developed by the design team, the council and the school.

Procurement and commissioning of an external consultant to provide a costing review. (Blueschool recommendation 4). This cost check has been completed by Herefordshire council property services.

17. Scope

17.1. Included in Scope

- The project will include completing a detailed business case to determine the final approval (or otherwise) for the project.
- Design and build including an allowance for fixtures and fittings

17.2. Not included in Scope

- Full cost of movable furniture and ICT, which will be met by the academy school

18. Stakeholders

Project Sponsor –Director Children and Families

Lead Member –Lead Member Children and Families

Project Assurance – Senior Project Manager Corporate Services

Project Lead –Schools Capital Investment Advisor Children and Families

Finance Lead – Strategic Capital Finance Manager Corporate Services

Procurement Lead – Procurement Officer Corporate Services

Property Lead – Project Manager and Coordinator Economy and Place

Legal Lead – Tba

Brookfield School Head teacher

DfE contact reef Brookfield Academy

19. Dependencies

- Agreed lease changes between Herefordshire Council and both the Brookfield School, and their co-tenants occupying the other half of the council building
- The agreement to a capital funding request that would cover the funding gap apparent between funds already in place (£2.744m) and the overall anticipated high level cost (£3.939m). Capital funding request of £1.195m (see Appendix 1 capital funding request Brookfield).

20. Benefits

The anticipated benefits of the proposed project are listed below:

- Ensuring greater compliance with the DfE building bulletins describing schedules of accommodation suitable for SEN children and young people
- Providing facilities for physical education, a key curriculum component that is severely restricted currently.
- Providing hygiene facilities and toilets for female pupils
- Enabling the school to operate on a single site, and decommissioning the use of a temporary mobile classroom currently sited on council land situated on Symonds Street.
- Provision of high quality vocational facilities for horticulture
- Controlling the costs of placements for pupils with an education health care plan for social emotional, mental health needs, by future proofing the Brookfield School as an 80 placement school in high quality buildings
- Revenue savings for the academy school by use of more energy efficient and ecologically sound materials.
- Future capital cost avoidance for both the school and Herefordshire Council
- Improving outcomes for children and young people with special educational needs

21. Contribution to Strategic Objectives

The council's corporate plan has four priorities. The improvement to Brookfield School supports two of these:

- Keep children and young people safe and give them a great start in life
- Secure better services, quality of life and value for money

The children and young people's directorate schools capital investment strategy itemises 10 principles. The Brookfield improvement project would align with principles 1, 2, 7, 8, 10 and 11.
https://www.herefordshire.gov.uk/download/downloads/id/2934/schools_capital_investment_strategy.pdf

22. Potential Costs and Options for Project

- Capital Costs
    - Estimated costs of remodel and new build improvements- £3.939m
      This could be financed through current prudential borrowing listed in the council capital programme of £1.895m, with the addition of the special provision government fund for SEN capital improvements of £0.849m (governance already in place to spend on Brookfield School), and the addition of a proposed capital funding request for £1.195m. See costs table below.

- One-off Revenue Costs
    - Professional fees for feasibility Study (£25k already met from cost centre C03495)
    - Additional Revenue Costs if project proceeds after feasibility study (included in the above capital total)

Capital cost of project	**2020/21**	**2021/22**	**2022/23**	**Future Years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Design & Build Costs	**1,659**	**1,000**			**2,659**
Fees	**351**	**89**			**440**
Furniture & IT	**0**	**150**			**150**
Contingency	**450**	**240**			**690**
TOTAL	**2,500**	**1,439**			**3,939**

Funding streams	**2020/21**	**2021/22**	**2022/23**	**Future Years**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**
Special Provision Capital Fund	**849**				**849**
Prudential borrowing in capital programme	**1,651**	**244**			**1,895**
Further request for Council funding		**1,195**			**1,195**
TOTAL	**2,500**	**1,439**			**3,939**

23. Risks of not doing the Project

23.1. The key risks of not doing the project are:

- Losing the opportunity to future proof the only Herefordshire school accommodating children and young people with an EHCP for SEMH, and by doing so ensure high quality accommodation.
- Planning permission on the split site element of the school on Symonds Street will lapse.
- Failure to release the site on Symonds Street for alternative council use.
- Incurring further capital costs in a piecemeal way, as accommodation pressures escalate
- Inability of the school to operate the full curriculum requirement
- Difficulty in sourcing placements may occur, in particular for girls with SEMH. This may lead to increased commissioning costs for Herefordshire and increased pressure on the high needs block (budget for placement of SEN pupils).
-

The key project risks are:

Risk	Mitigation
If lease changes are not negotiated by Herefordshire Council, only a much scaled down improvement will be possible that doesn't meet the key project priorities.	Legal advice to be sought, the project and redesign will not commence until this has been confirmed and will be monitored through the project board.
The indicative high level costs from the feasibility study, with the percentage uplift for client costs and other costs identified in the table of costs (appendix 1) exceed the current available budget.	To be confirmed by the procurement and commissioning of an external consultant to provide a costing review. (Blueschool recommendation 4)
The failure to secure a capital funding request that will meet the identified funding gap of £1.195m for the refurbishment costs and other identified costs, would result in a much scaled down improvement project that doesn't meet the key project priorities	The detailed business plan will not be put forward to cabinet until a prior council decision is made to approve funding identified as necessary in order to meet the project priorities.

PROJECT DOCUMENTATION

FEASIBILITY BUSINESS CASE

School Asbestos Surveys & Remedial Works Programme

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Stage 0 Business Case

24. Purpose of Document

This Feasibility Business Case contains information that describes the justification for continuing the development of a detailed Business Case for a programme of asbestos surveys and associated remedial works for all Herefordshire schools. The Business Case is to be submitted to the Children & Families Capital Programme Board and if accepted, a more detailed Business Case will be developed.

25. Objectives

If the Business Case is approved then the project can move into the implementation phase and deliver the following:

- Ensure the council's estate is well maintained, safe and fit for purpose
- Reduce schools' revenue expenditure though more efficient buildings
- Extend the life cycle of the council's assets and protect / enhance their value
- Ensure that sufficient pupil places in suitable accommodation are available to meet demand in schools

The business case sets out the work required to obtain current up-to-date asbestos surveys for all Herefordshire schools and undertake any remedial works required to ensure the risk of exposure to asbestos in any school building is minimised.

26. Background

Herefordshire Council is responsible for maintaining all community and voluntary controlled schools located within Herefordshire. This equates to 44 establishments on 45 sites for which the council is the employer. There are also a further 55 schools that are categorised as voluntary aided or academy which, although the council does not have direct responsibility for, in terms of the management of asbestos, as landlord, the council is considered to be the duty holder, dependent upon the contents of the lease and the suitability of the previous asbestos management information at the time of conversion to academy status.

Optimisation of the schools estate is the subject of the schools capital investment strategy which seeks to ensure that there are sufficient high quality learning environments, in good condition, permanent structure buildings that are of the size set out in the Government building specifications. This project supports the Corporate Plan priorities of 'Keeping children safe and giving them a great start in life' and 'To secure better services, quality of life and value for money'.

Asbestos can be found in any industrial or residential building built or refurbished before the year 2000. It is in many of the common materials used in the building trade that can be encountered during any work. The duty to manage asbestos is a legal requirement under the Control of Asbestos Regulations 2012 (Regulation 4). It applies to the owners and occupiers of commercial premises (such as shops, offices,

industrial units, schools etc) who have responsibility for maintenance and repair activities. In addition to these responsibilities, they also have a duty to assess the presence and condition of any asbestos-containing materials. If asbestos is present, or is presumed to be present, then it must be managed appropriately. An asbestos survey is an effective way to help manage asbestos in premises by providing accurate information about the location, amount and type of any asbestos-containing materials (ACMs). The person responsible for maintenance of non-domestic premises must either arrange a survey if it is suspected there could be ACMs in the premises or, the duty-holder may instead choose to presume the worst case of widespread asbestos in the premises and would then need to take all appropriate full stringent precautions for any work that takes place. However, it is often less troublesome and more proportionate to have an asbestos survey carried out so it is absolutely clear whether asbestos is present or not and what its condition is.

Asbestos still kills around 5000 workers each year, this is more than the number of people killed on the road. Around 20 tradesman die each week as a result of past exposure. However, asbestos is not just a problem of the past. It can be present today in any building built or refurbished before the year 2000.

When materials that contain asbestos are disturbed or damaged, fibres are released into the air. When these fibres are inhaled they can cause serious diseases. These diseases will not affect anyone immediately; they often take a long time to develop, and while some can be treated or managed once diagnosed, most have no known cure.

Asbestos can cause serious chronic diseases including mesothelioma, asbestos-related lung cancer, asbestosis or pleural thickening; some of which are fatal, or potentially fatal.

26.1. Project Drivers and High Level Issues

The importation, supply and use of all forms of asbestos are banned. However, many buildings, and some plant and equipment, still contain asbestos-containing materials (ACMs). The Control of Asbestos Regulations 2012 came into force on 6 April 2012, updating previous asbestos regulations to take account of the European Commission's view that the UK had not fully implemented the EU Directive on exposure to asbestos (Directive 2009/148/EC). They include:

- If existing asbestos containing materials are in good condition and are not likely to be damaged, they may be left in place; their condition monitored and managed to ensure they are not disturbed.
- If you're responsible for maintenance of non-domestic premises, you have a 'duty to manage' the asbestos in them, to protect anyone using or working in the premises from the risks to health that exposure to asbestos causes.
- If you want to do any building or maintenance work in premises, or on plant or equipment that might contain asbestos, you need to identify where it is and its type and condition; assess the risks, and manage and control these risks.
- In the majority of cases, work with asbestos needs to be done by a licensed contractor. This work includes most asbestos removal, all work with sprayed asbestos coatings and asbestos lagging and most work with asbestos insulation and asbestos insulating board (AIB).
- If you are carrying out non-licensed asbestos work, this still requires effective controls.

- Training is mandatory for anyone liable to be exposed to asbestos fibres at work. This includes maintenance workers and others who may come into contact with or disturb asbestos (eg cable installers), as well as those involved in asbestos removal work.

The HSE guidance on managing asbestos states that the dutyholder is the owner of the non-domestic premises or the person or organisation that has clear responsibility for the maintenance or repair of non-domestic premises, for example through an explicit agreement such as a tenancy agreement or contract.

The extent of the duty will depend on the nature of that agreement. In a building occupied by one leaseholder, the agreement might be for either the owner or leaseholder to take on the full duty for the whole building; or it might be to share the duty. In a multi-occupied building, the agreement might be that the owner takes on the full duty for the whole building. Or it might be that the duty is shared - for example, the owner takes responsibility for the common parts while the leaseholders take responsibility for the parts they occupy. Sometimes, there might be an agreement to pass the responsibilities to a managing agent.

In some cases, there may be no tenancy agreement or contract. Or, if there is, it may not specify who has responsibility for the maintenance or repair of non-domestic premises. In these cases, or where the premises are unoccupied, the duty is placed on whoever has control of the premises, or part of the premises. Often this will be the owner.

In public buildings, such as hospitals, schools and similar premises, the identity of the dutyholder will depend on how the responsibility for maintenance of the premises is allocated. For example, for most schools, the dutyholder will be the employer. Who the employer is varies with the type of school. For local authority managed schools, e.g. community schools and voluntary-controlled schools, the employer is the local authority. For voluntary-aided and foundation schools, it will be the school governors, and for academy and Free Schools, the academy trust will be the employer. For independent and fee-paying schools, it may be the proprietor, governors or trustees. Budgets for repair and maintenance of school buildings are sometimes delegated to schools by a local authority. In such cases, the duty to manage asbestos is shared between schools and the local authority.

The asbestos survey can help to provide enough information so that an asbestos register, a risk assessment and a management plan can then be prepared. The survey will usually involve sampling and analysis to determine the presence of asbestos so asbestos surveys should only be carried out by competent surveyors who can clearly demonstrate they have the necessary skills, experience and qualifications.

An asbestos survey will identify:

- the location of any asbestos-containing materials in the building
- the type of asbestos they contain
- the condition these materials are in

Following a survey, the surveyor should produce a survey report which details the findings. This information can help to prepare an asbestos risk register.

The asbestos risk register is a key component of the required plan on how any asbestos found, or presumed to be, in your buildings will be managed. This management plan must contain current information about the presence and condition of any asbestos in the building. The asbestos risk register will therefore need to be updated on a regular basis (at least once a year). This should include:

- regular inspections to check the current condition of asbestos materials
- deletions to the register when any asbestos is removed
- additions to the register when new areas are surveyed and asbestos is located
- changes to the register (at any time asbestos-containing materials are found to have deteriorated)

The risk register can be kept as a paper or electronic record and it is very important that this is kept up to date and easily accessible. Paper copies may be easier to pass on to visiting maintenance workers, who will need them to know the location and condition of any asbestos before they start work. Electronic copies are easier to update and are probably better suited for people responsible for large numbers of properties or bigger premises.

The current Regulations place a legal duty on employers to provide information, instruction and training to any of their employees who are likely to be exposed to asbestos as part of their work. Every employer must make sure that anyone who is liable to disturb asbestos during their normal work, or who supervises those employees, gets the correct level of information, instruction and training so that they can work safely and competently without risk to themselves or others.

Workers and supervisors must be able to recognise asbestos-containing materials (ACMs) and know what to do if they come across them in order to protect themselves and others.

Attending a training course on its own will not make a worker competent. Competence is developed over time by implementing and consolidating skills learnt during training, on-the-job learning, instruction and assessment.

It is important that the level of information, instruction and training is appropriate for the work and the roles undertaken by each worker (and supervisor). Information, instruction and training for asbestos awareness is intended to give workers and supervisors the information they need to avoid work that may disturb asbestos during any normal work which could disturb the fabric of a building, or other item which might contain asbestos. It will not prepare workers, or self-employed contractors, to carry out work with asbestos-containing materials. If a worker is planning to carry out work that will disturb ACMs, further information, instruction and training will be needed.

Information instruction and training on asbestos awareness is merely intended to help workers avoid carrying out work that will disturb asbestos. There is no legal requirement to repeat an entire formal awareness refresher training course every 12 months. However some form of refresher should be given, as necessary, to help ensure knowledge of asbestos awareness is maintained.

All schools have had an asbestos survey conducted in previous years, however the quality and compliance of the surveys has come into question in recent years whilst undertaking routine planned maintenance works and undertaking a compliance audit of schools as part of the new set of condition reports that has been commissioned. The concern predominantly lies in whether the regular inspections to check the condition of the asbestos materials is being completed and the register being subsequently updated as result. It has also thrown into question whether the responsible person in the schools has sufficient knowledge and awareness to complete the necessary checks and maintain the risk register and management plan as required.

In order to address these items a programme of works is required to undertake new surveys at all schools and produce new management plans that the schools will be involved in completing. Schools will be prioritised based on known information relating to the type of build and age of school, complemented by

the condition surveys and any known works being planned. This will create a schedule of works where the schools most likely to be affected by asbestos will be surveyed first. The intention will be to provide some training for the responsible person at the school at the same time that the surveys are produced.

Further investigation will need to be undertaken to identify the position of responsibility in terms of academies and free schools as the dutyholder will depend on the contents of the academy lease and the quality of information handed to the school at the time of conversion. All Herefordshire schools with the exception of three which are freehold schools will therefore need to be included in the programme pending confirmation of dutyholder for academies and free schools. As landlord and / or employer, the duty to produce the surveys falls to the council.

26.2. High Level Metrics

- Reduced risk of reactive asbestos related maintenance costs per year

27. Scope

27.1. Included in Scope

A set of new surveys and any required remedial works to reduce the risk of exposure to asbestos in all Herefordshire schools (with the exception of the three freehold school). These will be commissioned as a programme of works. The number of schools addressed each year will depend on the level of funding available and the amount of remedial works required to make safe.

27.2. Not included in Scope

- The three freehold schools in Herefordshire.

28. Stakeholders

- Headteachers of all Herefordshire Schools
- Chairs of Governors at Herefordshire Schools
- Parents/guardians of children at Herefordshire Schools
- Community of Herefordshire
- Ward Councillors
- Children & Families Directorate
- Property Services
- Procurement
- Finance
- Health & Safety
- Legal

29. Dependencies

29.1. Initiatives which depend on this project are:

None

29.2. This project depends on:

- Appropriate levels of resource and expertise
- Contractor availability
- The required level of engagement from stakeholders

30. Benefits

The anticipated benefits of the proposed project are listed below:

30.1. Quantifiable

- Reduction in reactive asbestos related maintenance costs
- Compliance with HSE guidelines for managing asbestos

30.2. Non-quantifiable

- Reduced risk to exposure from asbestos
- Risk mitigation

31. Contribution to Strategic Objectives

- To secure better services, quality of life and value for money

  Through minimising reactive asbestos related maintenance works and reducing the risk of exposure to asbestos

- Keep children and young people safe and give them a great start in life

  Reducing the risk of exposure to asbestos

32. Potential Costs and Options for Project

- Do nothing – There is concern that the quality of the asbestos surveys is poor where they have not been kept up to date or where regular inspections have not been undertaken. It is known that the HSE are conducting spot checks as part of their current and future work programmes for asbestos management in schools. If we are unable to demonstrate that we have a process in place for addressing the known issues then we should not be in breach and liable for notice contraventions or fines.

- Option 1 – Undertake all surveys of schools and address any works identified by the contractors. Whilst this would be the ideal scenario, it is difficult to judge the cost of undertaking this work. The likelihood is that the surveys will identify works that are required and would propose removal rather than encapsulation. Removal would be more costly, but encapsulation would be just as effective as it would reduce the risk even if it did not remove it completely.
- Option 2 – Create a programme of works whereby schools are prioritised based on a number of criteria and surveys and remedial works to reduce risk of exposure are undertaken. This is the preferred option and will enable asbestos management in schools to be updated over a number of years in line with the budget available.

33. Costs and Timescales to Develop the Full Business Case

The full business case will be developed from existing staff resource in the Children & Families Education & Development team with support from other stakeholders. This will be developed prior to the project commencing at the start of the 2020/21 financial year.

34. Risks of not doing the Project

Risks are potential threats that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

34.1. The key risks of not doing the project are:

- Increased cost of reactive asbestos related maintenance
- Further deterioration of the buildings
- Potential for prosecution by HSE
- Potential for illness caused from environmental conditions imposed by buildings (exposure to asbestos)
- Children may have to be accommodated elsewhere or not be educated. There would be an increase in transport costs to accommodate children elsewhere
- Reputational risk

34.2. The key project risks are:

- Insufficient budget
- Insufficient resource
- Disruption to school
- Contractor availability

35. Appendices

PROJECT DOCUMENTATION

FEASIBILITY BUSINESS CASE

School Boilers & Associated Heating Works Programme

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Stage 0 Business Case

36. Purpose of Document

This Feasibility Business Case contains information that describes the justification for continuing the development of a detailed Business Case for a programme of boiler replacement and associated heating works for council maintained Herefordshire schools. The Business Case is to be submitted to the Children & Families Capital Programme Board and if accepted, a more detailed Business Case will be developed.

37. Objectives

If the Business Case is approved then the project can move into the implementation phase and deliver the following:

- Ensure the council's estate is well maintained, safe and fit for purpose
- Reduce schools' revenue expenditure though more efficient buildings
- Extend the life cycle of the council's assets and protect / enhance their value
- Ensure that sufficient pupil places in suitable accommodation are available to meet demand in schools

The business case sets out the work required to replace boilers reaching the end of their life expectancy and any associated heating works for all maintained Herefordshire schools.

38. Background

Herefordshire Council is responsible for maintaining all community and voluntary controlled schools located within Herefordshire. This equates to 44 establishments on 45 sites for which the council is the employer. Optimisation of the schools estate is the subject of the schools capital investment strategy which seeks to ensure that there are sufficient high quality learning environments, in good condition, permanent structure buildings that are of the size set out in the Government building specifications. This project supports the Corporate Plan priorities of 'Keeping children safe and giving them a great start in life' and 'To secure better services, quality of life and value for money'.

The Education and Skills Funding Agency (ESFA) provide funding streams to the council for school capital works.

The funding streams are to be used as follows:

- Maintenance grant – to support large scale improvement work in community and voluntary controlled schools. Grant monies not allocated or spent within a financial year can be retained by the council for use in the following years. The council must complete statutory returns which include details of where the funding has been spent.

- Basic need grant – this is to be used to create additional pupil places where there is demand and could be directed to any school including academies. The council must complete statutory returns which include details of where the funding has been spent.

Voluntary aided schools have access to the ESFA's LCVAP (local authority co-ordinated voluntary aided programme) funding to support large scale improvement work. Whilst the council currently has a duty to ensure that grant monies are spent effectively, this funding does not pass through the council's accounts. The council has a role purely in co-ordinating its distribution. Monies allocated must be spent in the same financial year. Schools then apply direct to the ESFA for their agreed allocation.

Academy and free schools have access to the ESFA's condition improvement fund for building works, both maintenance and improvements. They cannot utilise the maintenance grant or LCVAP funding.

The national schools funding formula means all schools receive a relatively small devolved formula capital allocation to support minor maintenance or improvement works. Schools may convert revenue budgets to capital to assist with these works. Bigger maintenance schemes like the replacement of a roof, a new heating system or windows are funded through the central maintenance grant awarded to the council for community and voluntary controlled schools. Denominational schools have use of the LCVAP grant to support these large schemes. It is expected that schools make a contribution to works by utilising their devolved formula capital allocation. Some schools may also be able to contribute funding from their balances. These opportunities will always be explored by council officers in discussion with schools.

The sums allocated to local authorities are determined by the Department for Education and ESFA and published on the government website. The process for locally determining its expenditure is based on the council's schools capital investment strategy. Maintenance work is prioritised on the basis of condition surveys.

There is a backlog of urgent and essential maintenance works at local authority maintained and voluntary controlled schools. There is also insufficient budget to address all the maintenance and condition issues in schools, as indicated in the last set of condition surveys produced. In order to prioritise the expenditure, all maintained school condition surveys are scrutinised to identify the most significant and pressing work that has not previously been addressed or which is likely to have deteriorated since the condition report was produced.

38.1. Project Drivers and High Level Issues

The council receive a capital maintenance allocation of approximately £1.2m annually. This funding is insufficient to cover all the items of work that are highlighted by condition reports to be addressed in any one financial year and any unforeseen emergency works that arise during the course of the year. This results in a backlog of maintenance as work that cannot be undertaken due to a lack of resources has to be programmed in to future years which then has a knock-on effect to the amount of work that can be addressed in those subsequent years. Work is therefore prioritised according to information provided in condition reports with those items deemed to be in the worst condition undertaken first.

Even with this prioritisation of works, emergency items are coming forward mid-year. Some of these may be new issues that were not included in the condition reports e.g. leaking roofs resulting from excessive bad weather, and others will be items that have deteriorated further than expected in the condition reports and therefore not addressed in a timely enough manner as part of the planned maintenance programme.

Schools may have their own devolved formula capital to cover minor maintenance works in accordance with Annex O (Schedule of Maintenance Responsibility) of The Herefordshire Councils Scheme for Financing Maintained Schools or Local Management of Schools (LMS), however where works are of a greater scale e.g. whole roof or boiler replacements, these works fall to the council to fund.

The back-log of maintenance is not going to reduce without having additional resource added to the programme.

A new set of condition reports has recently been commissioned which will provide a more accurate reflection of the state of the maintained schools. It is expected that these reports will still show that the level of work required in each financial year will exceed the budget available. To enable the council to get to a position where it can be proactive in its maintenance regime, it is considered necessary to undertake additional works above that which can be covered by the ESFA maintenance grant. To enable economies of scale and to secure best value it was deemed most appropriate to proceed with a particular element of work that could be bundled together for multiple schools and tendered.

The element of work that has been identified as the first area to be addressed is boiler replacements and associated heating works. This is considered to be a health and safety item that could create problems in schools. Should the heating fail schools would have to close which would disrupt the education of the children if it became a long-term closure and alternative accommodation in another building or school could not be identified.

Boilers cannot always be replaced in isolation. Where the heating system is old, a new boiler could potentially put added stress on the pipework which could result in burst pipes and therefore an even worse situation at the school than if the boiler failed alone as there would be the additional problem of water damage on top of a cold building.

The new condition reports will be used to identify all boiler and associated heating works required in schools over the next two years. These schools will be prioritised by condition and those with the most need put forward for inclusion in this programme of works up to the value of the funding available.

38.2. High Level Metrics

- Revenue cost savings per year for the school
- Reduced maintenance costs per year

39. Scope

39.1. Included in Scope

All boiler and associated heating systems in council maintained schools.

39.2. Not included in Scope

- Any other maintenance work that does not affect the boilers or heating systems in schools
- Works to boilers or heating systems in academies and free schools

40. Stakeholders

- Headteachers of all Herefordshire Schools
- Chairs of Governors at Herefordshire Schools
- Parents/guardians of children at Herefordshire Schools
- Community of Herefordshire
- Ward Councillors
- Children & Families Directorate
- Property Services
- Procurement
- Finance
- Health & Safety
- Legal

41. Dependencies

41.1. Initiatives which depend on this project are:

None

41.2. This project depends on:

- Appropriate levels of resource and expertise
- Contractor availability
- The required level of engagement from stakeholders

42. Benefits

The anticipated benefits of the proposed project are listed below:

42.1. Quantifiable

- Potential for reduced revenue costs to schools
- Fit for purpose teaching accommodation and associated infrastructure
- Reduction in reactive maintenance costs
- Improved Display Energy Certificate (DEC) rating for schools
- Compliance with government guidelines

42.2. Non-quantifiable

- Risk mitigation

43. Contribution to Strategic Objectives

Using the resources available to the council to ensure that Herefordshire's school buildings are well maintained and fit for purpose supports achievement of the council's corporate plan priorities to 'keep children and young people safe and give them a great start in life' and to 'secure better services, quality of life and value for money'. The proposed works include mitigation of potential health and safety risks, aim to provide well maintained buildings which are more cost effective to run and therefore benefit all pupils, including looked after children and care leavers.

The schemes fit within the schools capital investment strategy which sets out the councils approach to delivering the legal duty to ensure there are enough school places for the children in its area. In Herefordshire this will be done in a way that supports the delivery of high quality education and contributes to the attractiveness of the county as a place to live and work.

The schemes fit within the corporate property strategy whose aims are to support and help deliver integrated public services across the county with the vision to support the efficient integrated delivery of public services across the county by providing modern, fit for purpose buildings, shared by public agencies.

44. Potential Costs and Options for Project

- Do nothing – This is not considered an option. There is already a back-log of maintenance according to the condition surveys conducted at schools and there is insufficient funding from the ESFA to address these items each year. The amount of back-log is therefore only going to rise year on year unless additional funding is secured. By not undertaking any works more children will be attending schools with defects, including those that are considered a health and safety concern.
- Option 1 – Funding could be requested for a different programme of works. The proposed works will be addressing a potential health and safety issue. Whilst there are other health and safety issues that are reported in the condition reports, the proposed elements are considered to be ones with the highest need.
- Option 2 – Undertake the programme of works as proposed. This is the preferred option. Schools will be prioritised according to need indicated in the new condition surveys. Schemes will be delivered up to the value of funding available.

45. Costs and Timescales to Develop the Full Business Case

The full business case will be developed from existing staff resource in the Children & Families Education & Development team with support from other stakeholders. This will be developed prior to the project commencing at the start of the 2020/21 financial year.

46. Risks of not doing the Project

Risks are potential threats that may occur but have not yet happened. Risk management will monitor the identified risks and take any remedial action should the risk happen.

46.1. The key risks of not doing the project are:

- Impact on service delivery
- Increased cost of maintenance
- Further deterioration of the buildings
- Potential for serious physical injury
- Potential for illness caused from environmental conditions imposed by buildings
- Children may have to be accommodated elsewhere or not be educated. There would be an increase in transport costs to accommodate children elsewhere
- Reputational risk

46.2. The key project risks are:

- Insufficient budget
- Insufficient resource
- Disruption to school
- Contractor availability

47. Appendices