

READING BOROUGH COUNCIL

REPORT BY DIRECTOR OF ECONOMIC GROWTH AND NEIGHBOURHOOD SERVICES

TO:	POLICY COMMITTEE		
DATE:	15 JULY 2019		
TITLE:	SCHOOL ESTATE HEATING AND ELECTRICAL PROGRAMME		
LEAD COUNCILLOR:	COUNCILLOR PEARCE	PORTFOLIO:	EDUCATION
SERVICE:	SCHOOLS ASSET MANAGEMENT UNIT	WARDS:	BOROUGHWIDE
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JOB TITLE:	PROJECT PORTFOLIO MANAGER	E-MAIL:	linda.church@reading.gov.uk

1. EXECUTIVE SUMMARY

- 1.1 Surveys carried out across Reading's community schools and nurseries to ascertain the current condition and compliance of their heating and electrical installations identified the need for works of the order of £5.8m.
- 1.2 This report seeks approval for the release of designated capital programme funding to carry out a three year programme of works totalling £2.411m and to delegate authority to the Deputy Director of Assets and Regeneration to enter into the contracts required to deliver the works.
- 1.3 A list of all identified works, shown by school, can be found within Appendix 1.

2. RECOMMENDED ACTION

- 2.1 The Policy Committee approves the release of designated capital programme funding of £2.411m to deliver a three year programme of works across Reading's community schools and nurseries, up to March 31st 2022.
- 2.2 It is requested that Policy Committee also approves the carry forward of £311k, which was originally designated for spend in 18/19.

3. POLICY CONTEXT

- 3.1 At Full Council on 26th February 2019, the Capital Programme, detailing the planned expenditure on Education projects was approved. This included £2.411m of funding for the works set out below.
 - 3.2.1 Heating and Electrical Funding
 - £811k - combined amount of £311k carried forward from 2018/19 and £500k in 2019/20
 - £500k in 2020/21
 - £500k in 2021/22

3.2.2 Fire Risk Assessment Works

- £200k in 2019/20
- £200k in 2020/21
- £200k in 2021/22.

4. THE PROPOSAL

4.1 Hampshire County Council's Mechanical and Electrical Surveyors carried out a borough wide survey of the Reading school estate to establish the condition and compliance of school mechanical and electrical installations.

4.2 The survey identified works totaling approximately £5.8m across all community schools and nurseries. These were categorised into six risk levels:

4.2.1 Category 1 being Strategic Risk - Strategic risk to RBC includes items of system fails, Legionella, lifts, pressure systems etc. particular where written schemes are in place with insurers - Total maintenance liability £90,750.

4.2.2 Category 2 being Statutory Risk - Item puts RBC at Risk of failing in their statutory duty, does not include non-compliance to current standards - value £284,350k, including £155k for a new electricity supply at Manor Primary.

4.2.3 Category 3 - Physical condition of the system has identified a risk of failure or perceived reliability issues - Total maintenance liability £4,816,300.

4.2.4 Category 4 -Age based Risk - Age of system has identified a likelihood of failure or perceived reliability issues- Total maintenance liability £11,500.

4.2.5 Category 5 - Planned Project - Project highlighted as being required in the future - Total maintenance liability £617,350.

4.2.6 Category 6 - Funding available - Funding for the project or works is available from other sources such as Salix - £494,250.

4.3 Projects to be delivered over the next three years were prioritised in terms of:-

- Priority 1 - Statutory Risk Items
- Priority 2 - Strategic Risk items
- Priority 3 - Condition Risk items.

4.4 These were further defined by a 'Priority Score' 'which reflected:

4.4.1 Condition factors such as Life expectancy and obsolescence.

4.4.2 Health and Safety in terms of issues such as likelihood to result in building closure and occupiers at risk due to equipment failure.

4.4.3 Financial factors such as costs effectiveness of carrying out with other works, reduction in maintenance liability.

4.4.4 Other factor - for e.g. it will have environmental benefits (reduce energy etc.).

4.5 A number of items highlighted within the report offer energy saving benefits and therefore qualify for the use of Salix funding. We will work with schools to enable

them to borrow the investment funds from the Council's Salix fund which would be repaid through the annual savings from the school's energy bills. Total maintenance liability £494k. This will allow this programme to fund items where other sources of funding are not available.

4.6 Priority 1 and 2 items will be addressed in 2019/20. Any projects under £2k will be re-billed directly to the schools. From 2020 jobs will be carried out in priority order. Due to the total programme costs and the number of works recommended within Priority 3, it will take several years to complete all the works. To speed up delivery the Council will be asking all schools to budget for priority 3, 4 and 5 works under £5k. This will allow more of the 'major' items to be funded by the Council within this programme.

4.7 The list of identified works itemised by school, is shown in Appendix 1.

5. OTHER OPTIONS CONSIDERED

The Council has a responsibility as an employer and for the safety of its property portfolio. Many of the items are statutory or strategic risk items, leaving the Council at risk and liable for any health and safety issues which may occur as a result of inadequate building condition. It is therefore not an option to 'do nothing' in this case, where the Council has a responsibility as the building owner to rectify known issues.

6. CONTRIBUTION TO STRATEGIC AIMS

6.1 The Council has a responsibility to provide the best start in life through education, early help and healthy living. The council therefore needs to ensure the buildings we provide to our schools are in good condition, fit for purpose and meeting all statutory requirements.

6.2 By maintaining school buildings the Council is providing safe and comfortable spaces for Reading's children to learn, helping to establish Reading as a learning City and a stimulating and rewarding place to live.

6.3 All children should be able to access buildings fit for purpose to promote equality, social inclusion and a safe and healthy environment for all.

6.4 By improving the energy efficiency of lighting and heating systems the Council will be developing Reading as a Green City with a sustainable environment and economy and supporting the climate emergency drive towards zero carbon.

6.5 Updates in lighting to LED and more efficient heating systems will reduce schools' spend on energy and the Council's carbon footprint.

7. COMMUNITY ENGAGEMENT AND INFORMATION

7.1 No community engagement or consultancy has been carried out. All planned improvements to the schools are internal condition works, which will not affect the wider community.

7. EQUALITY IMPACT ASSESSMENT

7.1 An Equality Impact Assessment has been carried out (see appendix 1). All community schools have been surveyed and the jobs prioritised based on statutory and strategic risk. The prioritisation is purely based on the needs of the building and not on the users of the building and therefore no discrimination to user groups has been made.

7.2 Asset surveys include compliance with the Disability Discrimination Act and the subsequent prioritisation of needs takes the DDA into consideration.

8. LEGAL IMPLICATIONS

8.1 The Council as an employer must, as far as is reasonably practicable, safeguard the health, safety and welfare of its employees under Section 2 of the Health and Safety at Work etc Act 1974, in particular a safe place of work with safe access and egress.

8.2 In addition, the Council has responsibilities for the safety of its property portfolio under the Building Act 1984, under which regulations have been issued concerning asbestos, water management, electrics, wiring, lighting, ventilation, materials, structure testing, resistance to moisture etc.

8.3 The majority of works will be awarded to the council’s current Heating and Electrical maintenance term contractors which were tendered through the council’s INTEND process - Planned and Reactive Maintenance of Mechanical and HVAC Installations for and Water Treatment and Legionella Control. Items of a specialist nature will be tendered through Hampshire Reading Property Partnership and comparative quotes gathered.

8.4 Works will be managed by HCC within the Hampshire Reading Property Partnership and using the Small Works Framework.

9. FINANCIAL IMPLICATIONS

9.1 At Full Council on 26th February 2019, the Capital Programme, detailing the planned expenditure on Education projects was approved, including the heating and electrical programme for £311k in 2018/19, £500k in 2019/20 and £500k in 2020/21 and fire risk assessment works for £200k in 2019/20 and £200k in 2020/21

9.2 The Council will not receive revenue savings directly. The schools will see savings from their revenue accounts, through reduced call outs and lower energy bills, as a result of newer and more efficient systems.

	2019/20 £000	2020/21 £000	2021/22 £000
Employee costs (see note1)			
Other running costs			
Capital financings costs			
Expenditure			
Income from:			
Fees and charges (see note2)			
Grant funding (specify)			
Other income			
Total Income	0	0	0
Net Cost(+)/saving (-)			

9.3 Capital Implications

Capital Programme reference from budget book: page line	2018/19	2019/20 £000	2020/21 £000	2021/22 £000
Proposed Capital Expenditure	311	700	700	700
Funded by Grant (Education Capital Grant)	311 (to be carried forward to 19/20)	700 (500 H&E, 200 Fire)	700 (500 H&E, 200 Fire)	700 (500 H&E, 200 Fire)
Total Funding	311	700	700	700

9.4 Value for money will be delivered via a planned programme of works which prevents the Council addressing service failure on a reactive basis, incurring additional expenditure and potential school closure.

9.5 Works will be carried out using term contractors who have been contracted through the council's INTEND process and have an agreed schedule of rates, ensuring value for money.

10. BACKGROUND PAPERS

10.1 The project is included within the Capital Programme 2019-2022, which was presented to Full Council and approved on 26th February 2019.