



SUPPORT FOR CHURCH SCHOOL BUILDING PROJECTS

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Management of School Site Development Projects (*flowchart*)

B

Board Approved Consultants

PD 2	Board Principles
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PD 2.1	Scope
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PD 2.1.1 Board Responsibility

These notes have been prepared for the Headteachers and Governors of all our **Aided, Controlled** and **Foundation** Schools. They are designed to explain the means by which the Diocese in general, and the Board of Education and its Officers in particular, will support the work of its Church Schools by providing services to assist them in the

- a) repair, maintenance and improvement of school premises;
- b) development and implementation of appropriate Asset Management Plans;
- c) development, management and funding of capital projects.

PD 2.1.2 Diocesan Support

The Diocese will offer its support in the form of:

- a) in-house staff to offer free professional advice to schools contemplating projects.
- b) in-house staff to compile and complete applications for project approval and claims.
- c) the provision of a list of accredited project consultants to manage approved school building projects. Such consultants can be expected to charge fees for their services. A list, correct at the time of printing, is attached as Appendix B. Further additions may be made to this. Copies of the up-to-date list are available from the Diocesan Education Office at Bouverie Court and, in due course, will also be available on the Education website.
- d) the provision of a list of accredited contractors. This will be available from the Diocesan Education Office at Bouverie Court, and will also be available on the Education website.
- e) grants, in appropriate circumstances. Application should be made in writing to the Diocesan Director of Education (Schools).
- f) the provision of a banking service, by which the Diocese will pay or manage all building improvement/capital project invoices on behalf of the school, reclaim grant, and only recharge schools those costs which are the Governors' own or LMS liabilities, thus significantly assisting schools in the management of budgets and cash-flow.

PD 2.1.3 Responsibilities

The Board, as landlord, needs to ensure that its Church School stock as an asset is fully maintained and any development works carried out meet current building regulations.

- **Structural alterations or additions should not be made to any church school without obtaining the prior approval of the Board of Education** as managing landlord. Such approval will not unreasonably be withheld, but must not be presumed, as the Board has a duty to preserve the state of the Trust assets. Approval does not automatically indicate that the Board will be able to offer grants.

See Appendix A: Management of School Site Development Projects.

PD 2.1.4 Asset Management Plans

The Board wishes to support school development but it is imperative that Board resources are not over stretched both in the short term and long term. The long term development of schools will be dependent on the quality of the Asset Management Plans and it will be necessary to ensure that these are monitored on a regular basis.

The LEA has a local policy statement which determines priorities for funding. The Board of Education broadly adheres to this policy, and aims to produce its own local policy statement in due course.

PD 2.2 Diocesan Grant Support for Aided Schools

PD 2.2.1

The Board has limited resources from which to support an increasingly wide range of development opportunities. The new funding arrangements, quite rightly, put greater control for school site development in the hands of individual governing bodies. The Board wishes to support school development but also does not wish to raise unrealistic expectations of its ability to support all school projects and is therefore in the process of developing a strategic development plan for denominational school provision across the diocese. It is important that all schools formally discuss with the Director of Education (Schools) their individual long-term development plans to ensure that funding support will be available both in the long and short terms.

PD 2.2.2

Because of the constraints on its resources the Diocesan Synod resolution of June 2000 gave the Board the flexibility over the allocation funds.

When deciding particular school allocations the Board will give consideration to these issues amongst others:

- the Asset Management of the school;
- the nature of the site development;
- the impact on delivery of the National Curriculum, the Agreed Syllabus in RE and Collective Worship;
- the place of this development in the overall provision for denominational education across the diocese;
- the ability of the school to raise funds locally;
- previous allocations of grants to the school over recent years.

PD 2.2.3

The Board will contribute towards the 10% Governors' contribution on Capital Repair projects where the Governing Body delegates the responsibility for Capital Repairs to the Board and pools ('clusters') Formula Capital monies.

PD 2.2.4 Site Development Plans

In order to enable the Board to be able to forecast the necessary spending profile all schools wishing to receive grants from the Board will be asked to provide a **five year School Site Development Plan** for consideration by the Board on an annual basis.

PD 2.2.5 Early application essential

The Board will consider grant aid for school projects on an individual basis provided they form part of the agreed five year School Site Development Plan submitted to the Board. If a school is seeking support towards the governors' 10% liability from the Board, a representation needs to be made via the Director of Education (Schools) during the initial planning stage of the project.

See Appendix A: Management of School Site Development Projects.

PD 2.3 Diocesan Support for Controlled School Projects

PD 2.3.1

The funding arrangements for schools are constantly changing. The DfES has schemes to promote local responsibility for projects and has a number of new grant aid arrangements.

PD 2.3.2

Whereas Diocesan funds were used in the past solely to support Governors' contributions to Aided School projects, increasingly, where the governing bodies of Controlled Schools have raised significant funds locally with limited support from the LEA, the Board, in wishing to affirm its support for Controlled schools as Church Schools, has now agreed that it may be approached to make a contribution. Preliminary discussions with the Director of Education (Schools) should be requested as far in advance as possible. Several such grants were made to Controlled Schools during 2001-2.

PD 2.4 Diocesan Support for Foundation School Projects
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PD 2.4.1

Foundation Schools may also ask the Board of Education to consider whether it can support a project under similar conditions. Preliminary discussions with the Director of Education (Schools) should be requested as far in advance as possible.

PD 3 Liabilities

PD 3.1

With effect from April 2002 VA Governing bodies are liable for:

- The existing buildings (internal and external);
- Those buildings previously known as ‘excepted’ (i.e. kitchens, dining areas, medical/dental rooms, swimming pools, caretaker’s dwelling houses; (See Note PD 3.4 below)
- Perimeter walls and fences, even if they are around the playing fields;
- Playgrounds;
- Furniture, fixtures and fittings – but not, normally, ICT equipment;
- Other capital items (which can include boiler replacements and replacement of services).

PD 3.2

With effect from April 2002 LEAs are liable for:

- Playing fields;
- Buildings on those fields and related to their use.

PD 3.3 These liabilities are not specifically related to ownership.

For example, governing bodies of former grant-maintained schools may now own the playing fields and associated buildings, but the LEA will be responsible for any work to them.

PD 3.4 Work on LEA-owned “excepted” buildings.

Where the LEA owns former “excepted” buildings such as a caretaker’s house, the VA governing body is now responsible for any capital work to them, including the governor’s 10% contribution. In order to protect its investment (in the event of the building being sold at some future point) the school must notify the LEA of any related capital expenditure. An independent valuation will take place at the time of disposal and the proceeds will be shared appropriately between the LEA, DfES and governing body. The Secretary of State will intervene if agreement cannot be reached.

PD 3.4.1 Insurance of “excepted” buildings

Schools should ensure they take out appropriate insurance cover on former “excepted” buildings transferred to them.

PD 3.5 Teachers’ Houses.

These remain the liability of the Trustees.

PD 3.6 Risk and Insurance

a) Governing bodies should only employ appropriately qualified building professionals as consultants. The Diocese provides a list of those it considers appropriate. The consultants will be responsible for ensuring that projects comply with current *School Premises Regulations, the DfES*

constructional standards, Building Regulations and all other relevant legislation. Consultants will be required to sign the project application form to signify compliance.

b) **The governing body has a legal responsibility for any building work carried out at the school.**

- If it does not employ a professional consultant it will be required to sign the certificate of compliance referred to in (a), **AND,**

- **Under the Construction (Design & Management) Regulations 1994 it must appoint a competent Planning Supervisor** on almost all building projects. This is to ensure that all issues relating to health and safety in construction at work are covered.

c) Governing bodies undertaking repair or capital work should only use contractors who have appropriate liability insurance (for a minimum of £2 million);

d) Contractors should provide their own insurance for the loss of or damage to plant, temporary huts and tools whilst on the school site;

e) Materials stored in compounds should remain the contractors' liability until incorporated into the school, at which point they will become the school's liability;

f) Schools should undertake an appropriate risk assessment before a project commences, to include safety of children, siting and security of contractors' compounds and their contents; vehicular access, etc.

g) Schools should notify their insurers when work other than minor repair work is undertaken as this can affect their cover and may require additional cover or variation to existing cover. Roof repairs or capital work which temporarily compromises the integrity of the building may affect cover for storm damage or theft.

h) Schools should inform their insurers when extension work is complete so that the property can be revalued.

**For all of the above the Diocese offers advice via its
School Buildings Officer, Caroline Hall, on 01733 887028.**

PD 4 Capital Projects

PD 4.1 Definition of Capital

The DfES has changed its definition of capital to bring it in line with that used by the Chartered Institute of Public Finance and Accountancy to be as follows:

PD 4.1.1 **"Expenditure"** means expenditure on:

- (a) the acquisition, reclamation, enhancement or laying out of any land;
 - (b) the acquisition, construction, preparation, enhancement, replacement or demolition of any building or part of a building (including fixtures and fittings affixed to the building), wall, fence, or other structure, or any playground or other hard-standing;
 - (c) the acquisition, installation or replacement of any movable or immovable plant, machinery, apparatus or furniture;
- used or intended to be used for the purposes of the school.

PD 4.1.2 **"Enhancement"**, in relation to assets, means the carrying out of works which are intended:

- (a) to lengthen substantially the useful life of an asset;
- (b) to increase substantially the open market value of the asset;
- (c) to increase substantially the extent to which the asset can or will be used for the purposes of or in connection with the school concerned.

Examples:

- Localised repairs to a school roof (patching or mending) should normally be met from revenue funds (delegated budget) since this would be regarded as normal repair and maintenance, funded at 100% and no VAT.
- If the whole roof or a substantial part of it needed replacement then this could be treated as a capital item. In this case Formula Capital monies could be used, or in the case of large scale work being required an application for an LCVAP (former Minor Works) grant (at 90%) could be made. In both of these cases VAT will be payable and the Governors will need to find 10%. **The minimum LCVAP grant is £2,000.**
- The delegated revenue budget may be used to pay the 10%.
- Governors may apply to the Diocese for a Diocesan Grant towards the 10%.

PD 4.2 NDS Devolved Formula Capital

PD 4.2.1 Allocation

A grant based on a lump sum and per capita allowance is made available to VA schools. VAT is added. 10% deducted. The funds are kept in Darlington and may be drawn down as required.

In 2002-3 grants (exc. VAT) are based on

Lump sum: £7,500 .

Per pupil: Primary: £18.74, Secondary: £28.11, SEN: £56.22

PD 4.2.2 Unspent monies

May be rolled forward for up to three years, commencing afresh from 2002.

PD 4.2.3 Draw down

Governors may apply to draw down one future year's allocation in advance. DfES approval must be obtained before work commences.

PD 4.2.4 Pooling

Allocations may be pooled ("clustered") with other schools to provide assistance when part of a year's allocation is not going to be spent. The Diocesan School Buildings Officer manages this scheme for Aided Schools in Peterborough Diocese. (See 4.3)

PD 4.2.5 Using NDS Formula Capital for Seed Challenge Projects

NDS Formula Capital monies may be used to contribute up to 25% of a Seed Challenge Funding project costs. The project must include work that is the governing body's liability and not less than the Formula Capital money to be used. 75% must be new money.

PD 4.3 Pooling Formula Capital ("Clustering")

The DfES currently permits schools to support one another by pooling their NDS Devolved Formula Capital allocations. (The DfES terms this "clustering".) The fund has been enhanced to compensate for VAT, and schools now receive the full 100% allocation instead of the fund being split with the LEA.

PD 4.3.1 A Diocesan Pool

This has been set up, managed by the Board of Education and its School Buildings Officer (SBO), with the agreement of contributing Governing Bodies. Participating schools not planning to spend the whole (or any) of their allocation in a particular year make it available to other schools in the Diocesan 'family', rather than leave it sitting idly in Darlington. In other years, it allows them to access more than their own annual allocation in order to undertake a larger project in a shorter time.

Over a period of years, all participating schools should receive out the same amount as they put in. (*The DfES does not pay interest on unused money.*)

PD 4.3.2 How pooling works

Each year schools inform the Diocese of the projects they wish to undertake. In any given year a number of schools do not require improvement projects (perhaps because they had one in the preceding year) and they make their formula allocations available to "top up" the allocations of other schools needing projects larger than the amount allocated to them. These schools make submissions to the Diocese which then prioritises the projects in order of urgency.

(a) When a project has been agreed, DfES approval received, and the project completed, the DfES grant to pay for it is claimed in the normal way on behalf of the school by the SBO.

(b) The DfES requires us to specify which individual schools' allocations have been used to contribute towards each project. We cannot just put all £180,000 available into a nominal "pot". The pooling must be traceable to its source.

(c) The school at which a project takes place must normally contribute 100% of its grant for that year. The remainder is shared between one or more other schools within the pool. It is best if this number is kept low.

<i>E.g.</i>	<i>School A has a project costing £15,000.</i>
This cost is met by 100% of that school's own allocation:	£ 6,000
Plus a contribution from School B	£ 5,000
School C	<u>£ 4,000</u>
	£15,000

PD 4.3.3 DfES Formula Capital Returns

Periodically the DfES writes to schools to ask them how much of their annual allocation of formula monies they wish to “roll over” into the following year.

If your school is participating in the Pool please DO NOT complete your own Return but sent it to the SBO for completion. She will have the latest balance and know the anticipated commitments and complete the return on behalf of the school.

There are two reasons for this:-

1. If you say in your Return that you do not intend to use the money for a project at your own school and roll it forward, then it will be lost to the Pool. We can only use money that is still allocated to the current year.
2. You may not be aware of how money in the Pool has been shared between schools, and attempt to roll forward money that has already been “spent”. The SBO will always attempt to keep you informed about the use of your allocation, but at certain busy times of the year there may be delays - especially in the January-March period when a large number of projects are being brought to completion and the annual grant claim deadline is imminent.

PD 4.4 Named Projects (over £400,000) (formerly ‘Major Works’)

These are managed on a bid basis, usually take at least a year in planning, and require the agreement of the LEA. **School Asset Management Plans** will be important in obtaining support.

Each year LEAs are invited to bid for DfES funding for major projects. The LEA will collate applications with the Diocese and other stakeholders to produce an order of priority. Approvals are announced in December with funding to commence the following April. The Diocese and LEAs receive guidance annually.

PD 4.4.1 Application

Governing bodies which wish to be considered for major works should consult the Diocesan Director of Education well in advance as such proposals will need significant design work to be put forward and must have the approval in principle of the Board.

PD 4.4.2 Increase in roll – procedures

Schools which wish to increase their roll to the extent where additional accommodation will be required must discuss this with the Diocesan Director of Education before embarking on implementation. Such an enterprise may adversely impact on other schools in their area, and these (and the SOC) may have to be consulted.

PD 4.5 LCVAP Projects (under £400,000) (formerly ‘Minor Works’)

Funding for the LEA Co-ordinated VA Programme (LCVAP) is calculated by reference to the number of VA Schools and pupils in the LEA area, and includes allocations for

NDS Condition funding

NDS Modernisation funding

based on School Asset Management Plans.

PD 4.5.1

The LEA in consultation with the Diocese determines which projects are supported. The Board of Education's Trusts & Development Committee (TDC) determines priorities based on the above criteria and degree of urgency. Agendas for the TDC will be shared on the web site. In due course it is hoped that the Board will approve a summary of TDC meetings.

As with the LEA AMP Steering Committee the Board will be setting strategic priorities for developments. These priorities will be updated in January and published on the web site.

PD 4.6 Seed Challenge Fund

The Seed Challenge Fund is administered by the LEA.

Based on matched funding .

What a school raises the *Seed Challenge Fund* will match.

Schools may raise money by sponsorship, sales, lettings, fund-raising, donations, other grants (e.g. lottery, diocese, *Entrust* (land in-fill tax grant scheme), goods in kind (e.g. building materials).

Maximum grant: Primary Schools : 50% up to £200,000.

Secondary Schools : 33% up to £200,000.

Governors of Aided Schools must still find 10% - DBE grant is by individual agreement.

PD 5 Repairs

PD 5.1 Repairs from within LMS budget

PD 5.1.1

VA schools, in common with VC schools, are now able to claim 100% of the cost of repairs from the LEA via their delegated LMS budgets, and therefore VAT is no longer payable on repair work funded from within this budget. This makes repairs much easier to manage. There is less paperwork, no longer the need to obtain prior approval from the DfES for projects costing over £1000, and there is no governors' contribution on such work.

PD 5.1.2 LEA support for managing repairs.

LEAs now offer the same terms to VA schools as are open to their VC schools to promote statutory repairs. Schools should contact their LEA for details of their scheme.

PD 5.1.3 Repairs and insurance

Most schools are now insured via their LEAs.

Schools should remember that if substantial repairs are necessary, due to vandalism or some other insurable cause, that takes the cost to beyond the policy "excess", the LEA's Insurance Officer should be informed so that a claim can be made and the reimbursed money returned to the school's LMS allocation. There is sometimes a time limit for making such claims. Claims should be made to the LEA.

PD 5.1.4 Grant aidable repairs (small projects)

If repairs are beyond the scope of a school's LMS budget (perhaps because it has been used up) the school should contact the SBO to discuss applying for a small capital grant. The minimum sum is £2,000. In this case VAT and a governors 10% contribution will be payable.

PD 5.1.5 Role of School Buildings Officer

The Diocesan School Buildings Officer (SBO) will be the first point of contact for schools regarding information on general repairs & maintenance, capital alterations or major works to school sites and available funding. The SBO will advise on the current status of building projects, and provide liaison between consultants, LEAs and the DfES. SBO to administer accounting facilities on behalf of schools, provide information to Trust and Development committee (landlords) with regard to requests for capital project work and funding arrangements, and attend joint LEA/Diocesan meetings. A periodic review of the asset management plans will also be undertaken.

The SBO will undertake periodic reviews of Asset Management Plans and suggest to schools the priority of works outstanding. The SBO will also look for groups of contracts on school work that could offer financial advantages to schools. In due course the Board will be preparing a list of approved contractors in all areas of the diocese that can offer direct support to schools.

PD 5.2 Large scale repair works (e.g. re-roofing)

PD 5.2.1

Large repairs are now treated as LCVAP projects, and, as such it is necessary to liase with the LEA via the **School Buildings Officer** in order to establish whether or not there is scope within the available allocation for a financial year, and what level of Diocesan grant may be available. It will be necessary to prioritise projects across all schools in the diocese according to the Board's strategic plan. All schools who

have devolved capital available will be expected to make a contribution to the costs of these priority works unless there is significant backlog of work to be undertaken within a short period of time. The **School Asset Management Plan** will be relevant.

PD 5.3 Emergency Capital Grant
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These projects are limited to those necessary to enable a school to re-open or continue to function after a major disaster such as a fire. Grants will not be made available for such things as a roof leak. Grants are intended to provide for such provisions as emergency classrooms to allow a school to reopen quickly. It is necessary to have considered what other temporary provision can be made using remaining or other nearby accommodation.

Emergency grants do NOT include the rebuilding work. These must be applied for in the normal way.

Management of School Site Development Projects Overriding Principles

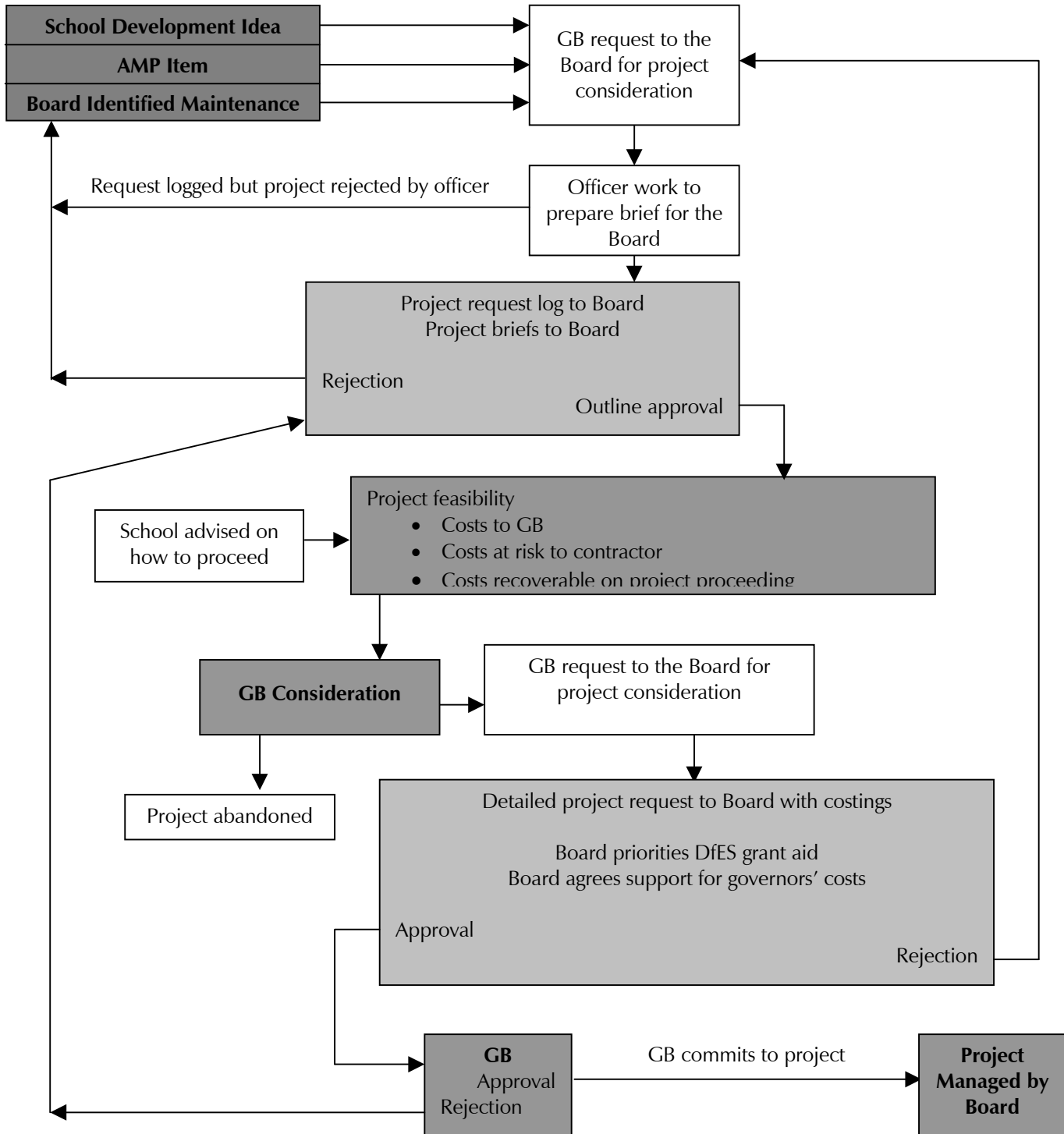
The governing body:

- has the responsibility for school site development
- has the responsibility to meet the needs of the AMP

The Board:

- needs to ensure that its asset is protected
- needs to exercise its control as Landlord's agent
- needs to ensure continued support the site implications of school developments such as increase in pupil numbers.

Starting Points



List of Accredited Consultants

- **Viner Associates of Leamington Spa**
- **Martindales of Huntingdon**
- **Bland, Brown and Cole of Cambridge**
- **Peter Smith Associates of Baston**
- **Stimpson, Walton Bond of Northampton**
- **Ed+ group**
- **Saunders Boston Limited, Cambridge**
- **Stuart Long of Thrapston**
- **Smiths Gore of Peterborough**

For details of these approved consultants, please visit www.peterborough-education.org.uk/sitedev
This document can also be downloaded from the same address

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