

Agenda Item: 7

Meeting: Schools Forum

Date: 28th June 2009

Subject: Schools Asset Management

Report of: Edwina Grant, Deputy Chief Executive / Director of Children's Services

Summary: The report provides an update on the development of the Schools Asset Management Plan (AMP) which will form the basis for strategic decision making on the prioritisation of future schools capital programmes. It also provides an update on the 2010/11 Schools Capital Programme. The report proposes the establishment of a schools Asset Management Planning sub group of the Schools Forum to oversee the further development of the AMP, and the development and delivery of a Schools Carbon Reduction Plan.

Contact Officer: Sylvia Gibson, Assistant Director, Learning & Strategic Commissioning

Public/Exempt: Public

Wards Affected: All

Function of: Schools Forum

RECOMMENDATIONS:

1. that the Schools Forum note the progress made in developing a School Asset Management Plan (AMP) for Central Bedfordshire.
2. That the Schools Forum note the update provided on the 2010/11 Schools Capital programme. (Appendix A)
3. that the Schools Forum note the Carbon Reduction challenge facing the Council and schools in Central Bedfordshire.
4. that the School Forum:
 - (a) Establish a Schools Asset Management Planning sub group to oversee the further development of the AMP, the future prioritisation of various school capital programmes, and to take ownership for the development and delivery of a Schools Carbon Reduction Action Plan.
 - (b) Nominate membership to that sub group and agree the draft Terms of Reference (Appendix C).

Schools Asset Management Plan

1. On the 8th March 2010, the Schools Forum received a presentation which provided advice on the Council's development of its Asset Management Plan and outlined the need for a plan to be developed to focus specifically at the school estate as a robust evidence base against which strategic decisions could be made on prioritised capital investment.
2. Progress has been made in gathering together the core evidence base of data relating to school suitability, condition and sufficiency although processing this information has proved slower than expected.
3. Work has also commenced on the draft statement of priorities for Children's Services to ensure that the criteria used to prioritise investment is reflective of the Council's aims and priorities and the every child matters agenda through Central Bedfordshire's Children and Young People's Plan.
4. The Schools Forum is now invited to establish an Asset Management Planning sub group' to develop the Schools Asset Management Plan into its final draft with officers, bringing transparency to the process, ensuring that subsequent decisions arising from the Plan are seen as fair and objective.

2010/11 Schools Capital programme

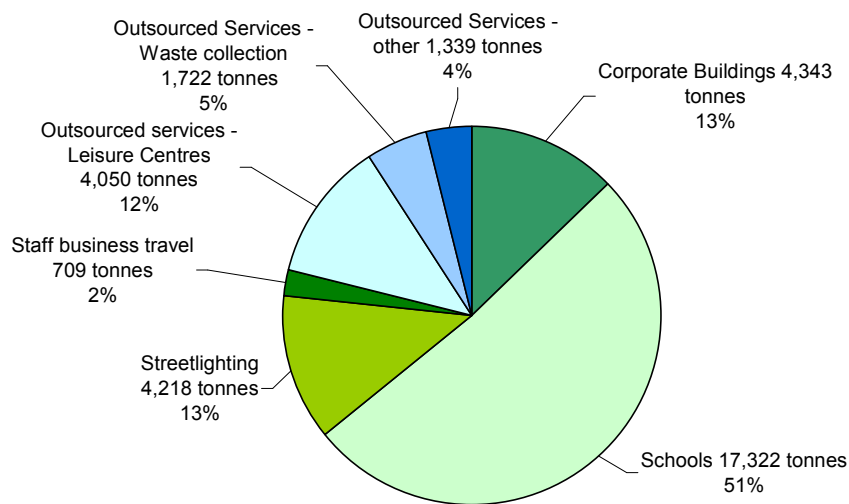
5. Attached at Appendix A is a letter that has been despatched recently to all non voluntary aided schools to provide a brief update on the progress of the 2010/11 schools capital programme.
6. Further work is underway to publish all of Central Bedfordshire's schools capital programmes on the schools website.
7. It is intended, when established, that the AMP sub group of the Schools Forum is involved in future prioritisation of school capital programmes to ensure absolute transparency and to influence schools in the use of their own devolved capital.

Schools Carbon Reduction

8. Like all other local authorities, Central Bedfordshire Council has a key role to play in mitigating climate change – both as a community leader and through the services we provide. The Council, is also a considerable consumer of energy and a direct source of carbon dioxide (CO₂) emissions through our activities and buildings.
9. Aside from the moral and environmental case for taking action to tackle climate change there is a massive opportunity for the Council, and as subsequently schools, to reduce costs and operate more efficiently by embracing this agenda alongside a number of other compelling drivers:
 - considerable scope for efficiency and cost savings;
 - future impact of the increase in energy and fuel prices;
 - requirements of the Climate Change Act (2008), including the Council's compulsory participation in the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) and Display Energy Certificates (DEC's).

Central Bedfordshire Council's carbon footprint

10. Each year the Council compiles and assesses its carbon footprint as part of the current requirements of NI185 *Carbon dioxide (CO₂) emissions from LA operations*, and in preparation for the future requirements of the CRC scheme. This includes energy use data from all Council buildings including, schools and outsourced services (such as Highways and Leisure).
11. The Council's carbon footprint for 2008/09 is 33,700 tonnes of CO₂. This would fill the Council's Priory House offices 107 times and is equivalent to the emissions caused by a plane flying around the Earth's equator 5,860 times. Of this 52% of emissions come from energy use by schools in Central Bedfordshire, as shown in the following diagram which illustrates the Council's carbon footprint in 2008/09.



12. Over the past year the Council has taken part in the Carbon Trust's local authority carbon management programme (LACM). Inclusion in this programme has given the Council access to free technical support and expertise from the Carbon Trust to assist in putting together a Carbon Management Plan (CMP) which identifies opportunities for carbon reduction measures across the Council's estate (including schools) and provides a plan to enable these to be realised.

The impact of increasing energy costs

13. In 2009 Ofgem predicted a 60% price rise for energy by 2016. Based on the Council's and schools current combined energy spend of £3.4 million per year, by 2015 this would represent an increased combined energy bill of up to £4.6million rising as high as £5.4 million by 2016.

14. The work with the Carbon Trust has also allowed the Council to assess the future impact of the predicted increase in energy costs over the next 10 years. This can also be applied to schools, for instance:
- For Lower schools – the average energy spend is currently in the region of £6,000, by 2020 this could be £9,100
 - For Middle schools – the average energy spend is currently £20,000, by 2020 this could be £30,250
 - For Upper schools – the average energy spend is currently £40,000, by 2020 this could be £60,500.

These estimates are based on a conservative estimated price increase of 5% per year.

15. This places a greater imperative to implement carbon and energy reduction measures. It is likely that in the light of these predicted price increases that measures will have to be taken just to maintain energy spend at current levels.

The Carbon Reduction Commitment (CRC Energy Efficiency Scheme)

16. The CRC imposes legal obligations on approximately 6,000 private and public sector organisations throughout the UK, including Local Authorities. It is a mandatory emissions trading scheme that requires qualifying participants, of which the Council is one, to purchase allowances to cover their actual carbon emissions each year.
17. Within the scope of the CRC, local authorities are responsible for the energy use and carbon emissions for most schools in their area. This will include most state-funded schools (including foundation and Trust, Voluntary Aided, Voluntary Controlled, City Technology Colleges and Academies). This will apply even if the school buys its own energy and has opted out of the energy supply contracts arranged by the Council's Procurement team.
18. Central Bedfordshire's schools that are operated under a PFI contract only have a minor part of their energy bill covered by the contract itself and have to pay for any amount over that allowance on an annual basis as a recharge. As the PFI operator is the counterparty to the energy supply contract it is responsible for these schools under the CRC.
19. From April 2011, annually the Council will be required to purchase of allowances which will cost the Council approx. £350k p.a. The proportion of this that relates directly to schools emissions is in the region of £210k.
20. Each year the Council will receive a recycling payment. This is based on the amount paid out in allowances to cover emissions plus or minus a reward or penalty element. Therefore if the Council performs well it is likely to receive additional income, whereas if it performs badly it will make a loss.
21. The regulations that bring CRC into force define schools as 'Associated Persons'. This means that schools have a statutory duty to provide reasonable assistance and gather all data which relates to their energy use and provide this annually to the Council. The measures that support this are detailed in Appendix B.
22. Under the rules of the scheme the Council is not allowed to charge schools for the allowances it has to purchase to cover their (the schools) emissions. However, if it chooses, it will be able to charge the schools budget or individual schools for any loss incurred as a result of performance by schools.

23. Likewise if the Council performs well and receives a reward payment it is allowed to pass any gain resulting from schools good performance back on to them. It should be noted that no decision has been made by the Council on whether to charge schools for losses or pass on rewards as yet.
24. Schools represent a significant proportion of the Council's carbon footprint (52%) and are also responsible for 60% of the emission that the Council is responsible for under within the Governments CRC scheme.
25. In 2009 Ofgem predicted a 60% price rise for energy by 2016. As schools pay their own energy bills this will have a negative impact upon their budgets.
26. Under the requirements of the CRC scheme, schools have a statutory duty to provide reasonable assistance and gather all data which relates to their energy use and provide this annually to the Council.
27. It is intended, when established, that the AMP sub group of the schools forum is tasked with development of a schools carbon reduction action plan to ensure sustainability is a key criteria in future schools capital programmes and also to influence individual schools use of energy and the teaching of sustainability through the curriculum.

Schools AMP sub group

28. The establishment of a Schools Forum AMP sub group as proposed throughout this report would enable a focus on the development and delivery of:
 - the schools asset management plan
 - future schools capital programmes
 - a schools carbon reduction action plan
 - targeted support and advice to schools on asset management
29. Draft terms of reference and suggested membership for this sub group are attached at Appendix C.

CORPORATE IMPLICATIONS

Council Priorities:

Taking positive and proactive steps to tackle climate change, reduce carbon emissions and protect ourselves from the future increase in energy costs demonstrates leadership and contributes to the delivery of the all the Council's priorities, particularly in relation to managing growth effectively and educating, protecting and providing opportunities for young people.

Financial:

Failure to take action will leave the Council and schools vulnerable to massive costs later, both in inefficiencies in dealing with climate change and in fines.

Based on the Ofgems prediction of a 60% price rise by 2016 will see the Council's and schools current combined energy spend of £3.4 million per year, rising to approx £4.6million in 2015 and possibly as high as £5.4 million by 2016.

The Council will be subject to the Carbon Reduction Commitment (CRC) which will cost the Council approx. £350k p.a. from April 2011 (included in the medium term financial strategy).

Within the Scheme regulations the Council is not allowed to charge schools for the allowances it has to purchase to cover their emissions. However, if it chooses, it will be able to charge the schools budget or individual Schools for any loss incurred as a result of performance by Schools. Likewise if the Council performs well and receives a reward payment it is allowed to pass any gain resulting from schools' performance back on to schools. It should be noted that no decision has been made by the Council on whether to charge schools for losses or pass on rewards.

Legal:

The Climate Change Regulations (2008) place a legal duty on all public authorities to put in place a climate change adaptation plan, to ensure that their areas are resilient and prepared for the impacts of a changing climate.

This act also implements the CRC Energy Efficiency scheme which the Council will be legally required to participate in. This has strict financial penalties for organisations and their nominated representatives who fail to participate or maintain accurate supporting evidence. The Under the scope of this schools are defined as 'Associated Persons'.

This means that schools have a statutory duty to provide reasonable assistance and gather all data which relates to their energy use and provide this annually to the Council.

Risk Management:

Failure to take action on this agenda will also present the Council and schools with financial risks, primarily through the increase in fuel costs and impact of the CRC scheme along with the reputational risk of not dealing with the change.

Staffing (including Trades Unions):

If the Council is to achieve a reduction in its carbon footprint, staff and members will need to be involved and act. Some of the measures to deliver this could involve staff ensuring that they take small no cost measures, such as turning equipment and lights off, which cumulatively make a significant contribution.

Based on best practice from other Local Authorities a robust green awareness campaign could reduce energy use in the Council's buildings by up to 5%, which for the Council overall would equate to an annual saving of £35,000.

Equalities/Human Rights:

Compliance with equality legislation has a direct impact on a Council's ability to deliver against the sustainability agenda, of which climate change is a major element. Issues such as economic development, sustainable communities, quality of life and community cohesion are all factors which can be influenced by an individual's experience of inequality and discrimination.

These factors were highlighted by the findings of the Equality Review (commissioned by the Cabinet Office in 2006/07) which collected and analysed a wide range of evidence on inequality and concluded that the prosperity and cohesion of all communities are affected by differences in identity (for example gender, ethnicity and disability) and other factors such as changes in social mobility, migration and socio-economic conditions.

The actions taken to cut the Council's and school's carbon footprint will need to be carried out in an inclusive manner. From the savings and cost avoidance that they would generate they have the potential to benefit those suffering from inequalities, for example by freeing up budget usually spent on energy for use elsewhere in the school.

Community Safety:

The increase in energy costs will have considerable impacts on our residents with more people falling into fuel poverty, and this will ultimately have the biggest impact on those parts of society that are already vulnerable.

Sustainability:

Taking positive and proactive steps to tackle climate change and reduce the Council's and school's carbon footprint demonstrates leadership and contributes to the delivery of all the Council's priorities, particularly in relation to managing growth effectively.

Appendices:

Appendix A – Letter to Schools re Capital Programme 2010/11

Appendix B – Measures to be taken by Schools to assist with CRC

Appendix C – Draft terms of reference and membership for the School Forum Asset Management Planning Sub Group

Suggested actions to be taken by Schools to assist with CRC

What must a school do?

If your school buys and pays for its own energy supplies, it is suggested you carry out steps 1-5 below. If your Local Authority (or PFI operator) manages your energy contracts, then as the responsible person it will carry out steps 1-3.

Actions needed:

1 Request an annual statement from your energy suppliers

Energy suppliers must provide an Annual Statement when requested. Remember, if you have changed supplier you will need to request statements from both sets of suppliers. You should do this every year before the end of February. The supplier has four months to provide its statement. The Statement should be placed in the schools Evidence Pack.

2 Collate an Evidence Pack

The school should keep all of its energy bills together, noting the number of kWh, litres or tonnes of fuel used. The school should also check that the invoices relate to all of its meter points. (see examples above). This information should be added up to form a total consumption figure each year.

3 Report the data

The school has a statutory duty to provide reasonable assistance. This means the information from at least step 1 must be provided to the responsible person by the end of June each year. However, it is best practice to carry out both steps 1 and 2, also providing a copy of the Evidence Pack to the responsible person.

4 Read meters regularly

Schools are advised to read all of their energy meters monthly. All readings should be recorded in your Evidence Pack. Relevant Health and Safety precautions should be taken. These readings should be provided to the responsible person as part of step 3 above. It is also recommended to read meters every time invoices are received to ensure the correct amount of money is being charged by the supplier. Schools with Automatic Meter Reading (AMR) are unlikely to receive erroneous invoices and will comply with regulations more easily. They will also be able more readily to identify areas of wasted energy and, as a result to lower their energy bills.

5 Save Energy

The purpose of the CRC is to reduce energy consumption and carbon emissions not just to gather data. Therefore schools should develop a plan to reduce energy consumption. This could include simple steps such as switching things off when they are not being used, installing motion or light sensors, ensuring heating is properly controlled and implementing other longer-term investments.

As the responsible person, Local Authorities are likely to make suggestions for energy and carbon saving measures. Other information about saving energy is available from many sources, such as:

Sustainable Schools: www.teachernet.gov.uk/sustainableschools

Carbon Trust: www.carbontrust.co.uk

BRE Sustainable Learning Programme: www.sustainablelearning.info

**Schools Forum Asset Management Planning Sub Group
Draft terms of reference**

- To act as the schools consultative group to the Corporate Asset Management Group of the LA
- To have an overview of the LA’s schools capital programme including specifically the Primary Capital Programme, NDS Modernisation, School Access Initiative, Asbestos/Health & Safety, targeted capital grants and named schemes.
- To advise on priorities and criteria for programmes of school building maintenance and improvement work to best support improving standards of teaching and learning and to ensure best value.
- To consider proposed programmes of work for each year and, where necessary, propose amendments and to ensure best value.
- To act in an arbitration capacity in cases where there may be a dispute between the LA and an individual school in the context of Asset management/school capital.
- To develop and deliver a School Carbon Reduction Action Plan, and oversee the identification of funding sources to support its delivery
- To monitor progress of programmes of building maintenance and improvements targets.
- To develop targeted support and advice to schools on asset management, premises development planning and project management.
- To act as consultative group for the effective dissemination of information to schools related to schools capital programmes and asset management data and to identify areas where there may be a training need for Headteachers or Governors
- To assist in the evaluation of the AMP against its objectives. To consider issues raised by any of the parties to the AMP.

**Schools Forum Asset Management Planning Sub Group
Proposed membership**

Representing	Name	School/Organisation
Nursery		
Special		
Lower		
Middle		
Upper		
Governors		
VA bodies		
Senior Education Officer		

Head of Capital Development - Property		
School Improvement lead - sustainability		
Policy Advisor - Sustainability		
School Organisation & Capital Planning Information Manager		

Frequency of meetings

Every Term, although additional meetings to consider specific items may be arranged as and when/if necessary