

Our Ref: SSDS/EPS/MK
Date: 7th March 2000

TO: All Head Teachers of Community and Voluntary Controlled Schools

Dear Colleague

SCHOOL-FUNDED MINOR CAPITAL IMPROVEMENTS

Schools regularly contact Education Property Services for advice regarding carrying out minor building projects and environmental site improvements. We are happy to provide that advice and I hope that the enclosed notes of guidance and checklist, which update previous circulations, will be of benefit to you. With the on-set of Devolved Capital to schools wef 1st April 2000 all schools should be in a position to complement the work already being done to enhance building fabric/ facilities through other sources of funding.

Key points are:

- the LEA retains ownership of the site and buildings and should be consulted if changes are proposed, in order to give landlord approval;
- all City Council standing orders and financial regulations must be observed;
- all statutory approvals (e.g. planning, building, and health/safety regulations) must be observed;
- all expenditure of £10,000 or more must be recorded by the City Council via Education Property Services.
- the LEA can seek VAT exemption in appropriate cases prior to work taking place, to achieve project cost savings.
- There is a presumption that any works carried out will address items logged on the schools Asset Management Plan.

If you have any specific queries please contact me on 303 2493.

Yours sincerely

Mark Kennedy
Area Team Administrator – Education Property Services

NOTES OF GUIDANCE
FUNDING OF MINOR BUILDING/CONVERSION WORK

1. A 'capital project' is normally a scheme to construct, extend or improve a building/site. These notes of guidance apply to all schemes as even the smallest building project or landscape improvements may have significant health/safety or repair/maintenance implications.
2. Even the most minor projects often require some knowledge of the safety implications and numerous regulations that exist. The implications of using a builder without professional oversight are significant and the Local Authority strongly recommends that you appoint an appropriate consultant.
3. Before any work is undertaken it is recommended that the proposal be discussed with an appropriate professional e.g.: -

Buildings

Birmingham Design Services (Architects)	David Cauldwell	303 6878
Property Maintenance Management (Economic Development Department)	Jim Ball	303 6484
	Principal Surveyor	
	Alan Cooper	303 7072
	Principal Surveyor	
	Mike Miller	303 6393
	Principal Surveyor	

School Grounds

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|----------------------------------------------------------|------------------|----------|
| Birmingham Design Services
(Landscape Practice Group) | Jonathan Webster | 303 3380 |
|----------------------------------------------------------|------------------|----------|
4. If recommended by them, it is further suggested that a feasibility study be done to arrive at an estimated cost for the project. The cost of this feasibility would fall on the school.
 5. If a project is run, on behalf of the school, by Birmingham Design Services or Property Maintenance Management, the school can assume that all appropriate standing orders and financial regulations will be fulfilled, that all statutory approvals such as planning, building regulations and fire officer certificates are obtained, that health and safety legislation is observed (CDM Regulations) and that officers in these departments will liaise with Education Property Services.

6. A school alternatively may choose to go to qualified consultants outside the City Council to provide estimates directly and operate contracts. In this case it is the school's responsibility to ensure that all appropriate standing orders, financial regulations and statutory obligations will be fulfilled, as referred to in the 'Schools Financial Procedures Manual'. You must also ensure that the consultant carries appropriate Professional Indemnity Insurance.
7. If the project is run by a qualified consultant outside the City Council it is the school's responsibility to submit the plan to Education Property Services with cost, prior to the entering of contracts. A contract cannot be entered into until Education Property Services, on behalf of the LEA, has approved the plan. In this way the LEA can exercise its responsibility for health and safety of pupils and staff. **It is also the school's responsibility to seek and obtain any necessary planning and building regulations approval.** It should be noted that the granting of landlord approval by the LEA does **NOT** infer that either planning approval or building regulations approval will be granted automatically. Conversely neither does the granting of either planning approval or building regulations approval infer that the granting of landlord approval by the LEA is automatic.
8. Several school-funded schemes over the past year have been started without building regulations approval with the subsequent threat of legal action being made - it is essential that **all** necessary approvals be obtained. In addition a completion certificate will be required from Building Consultancy, a copy of which should be forwarded to Education Property Services. For specific advice on building regulations please contact Building Consultancy as follows:

North Area	-	Mike Santy	303 6066
Central Area	-	Paul Brown	303 3066
South Area	-	Derek Giles	303 4818
9. Where minor alterations are subsequently made to proposals that have been granted landlord approval, copies of plans "as built" should be supplied to Education Property Services. Where major alterations are made proposals should be resubmitted to Education Property Services for approval prior to implementation.
10. If the project is run by a qualified consultant outside the City Council it is also the school's responsibility to ensure adequate on-site supervision, appropriate test certificates are provided, and that a qualified architect/engineer signs a completion note at the end of the project, a copy of which should be forwarded to Education Property Services.

11. It may be possible for a scheme to be classified as VAT exempt and make significant savings as a result. In order to pursue this it is vital for the school to discuss proposals with Education Property Services at an early stage as exemption can only be contemplated by the Customs and Excise Office if the City Council makes an early application well before work is scheduled to start.

12. The following Glamis codes must be used:

- a. Where expenditure on an individual building scheme or item of equipment is expected to cost £10,000 and above, the following codes must be used to record the expenditure:

	cost centre	subjective	3 rd Element
Building Works	*	JO5	A0

Note: *appropriate School code

In all other cases, the normal revenue codes should be used.

- b. Where income is received from outside sources (e.g. School Fund) to fully or part fund any of the above expenditure, then the income (provided the criteria in (a) is met should be coded to:

	cost centre	subjective	3 rd Element
External Contributions to Capital Expenditure	*	VV0	A0

Note: *appropriate School code

It is essential that the above codes are used in the circumstance described in order that all capital expenditure not funded by the City's Capital Programme can be reported to the Education and Lifelong Learning Advisory Team and to the Department for Education and Employment in accordance with current requirements.

12. Information and advice regarding specific aspects of a building project are available as follows:

Access	Judith Gibbons	476 9478
Furniture/Fittings	Allan Aston	333 3030
General Advice	Relevant Area Team	
Health/Safety	Frank Sparkes	303 4897
Sustainability	Joyce Nicholls	303 2784
Telephony	Chris Green	303 8485

FUNDING/LEASING OF EQUIPMENT/VEHICLES

14. Information and advice regarding possible leasing of vehicles and major equipment is available from Education Finance:

Graham Arrand - 303 2788

15. Any income from outside sources is treated as in para 11b above.

SCHOOL FUNDED CAPITAL PROJECTS

CHECK LIST

1. VAT exemption is required:
 - a) if funding is from any source other than delegated budget.
 - b) if project is over 50k and is funded from delegated budget.
2. Who is the client? The governors of the school.
3. Who manages the project? The supervising agent.
4. Who is the supervising agent? Usually who ever the school employ to design/implement the scheme; i.e. a City Council Department or an outside consultant.
5. When is landlord approval required? On all capital improvement schemes.
6. Regulation 3 approval.
(i.e. permission of the LEA to seek planning approval) Required from Education Property Services before planning application submitted.
7. Who submits the planning application and building regulations approval? Supervising agent.
8. City Council procedures. There should be full compliance with financial regulations and standing orders as laid down in the 'Schools Financial Procedures Manual'.
9. Preparation and acceptance of contract.
 - a) The responsibility of the Head Teacher and governors if the cost is under 20k.
 - b) If the cost of the project is over 20k must be prepared with the City Solicitor.
10. Who certifies claims? Head Teacher.
11. Who supervises on site? Supervising agent.
12. Who actions payment to contractor?
 - a) Governors if delegated/ devolved budget
 - b) Through Education Finance if non-delegated/ devolved budget.
13. Who accepts handover? The school on the advice of the supervising agent.

NB: Education Property Services should be notified when handover is arranged.
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