

<p>SHADOW EXECUTIVE</p>
<p>17 MARCH 2009</p>

SUBJECT	<p>BUILDING SCHOOLS FOR THE FUTURE (BSF) (Central Bedfordshire has received an indicative indication that it will be included in the Building Schools for the Future Programme. The programme could provide substantial government grant so that the whole school building estate for secondary age children can be improved or rebuilt to support the transformation of learning and achievement in Central Bedfordshire schools.</p> <p>This report provides information about Central Bedfordshire’s approach to the Government’s Building Schools for the Future (BSF) initiative and seeks approval for the governance arrangements that will be needed to implement the programme should we be successful. This must include a Local Education Partnership (LEP). This report also sets out proposals for how the preparation work might be funded with a view to a further report at a later date. The further report will include full options appraisal).</p>
REPORT OF	Director of Children, Families and Learning
<i>Contact Officer: Edwina Grant (01462 611229)</i>	

IMPLICATIONS

SUSTAINABILITY	<p>To develop new school buildings which are well designed and maintained during their lifetime and provide optimum efficiency and effectiveness in relation to their use by schools and the wider community</p>
FINANCIAL	<p>The cost of delivering BSF is likely to be significant. Authorities that have already participated in the programme have had to set aside considerable resources. At a meeting of the County Council Executive in January 2007 £1.8 million was set aside to fund the implementation plan for Bedfordshire. This allocation has been disaggregated to Bedford Borough Council, as this was needed for their on-going base budget provision for projects already agreed. There may be a need for a future report on budget provision should intensive work be needed in 2009/10 on BSF preparation. In the meantime current preparatory work is planned within existing resources.</p>

LEGAL	A project of this nature has significant and wide-ranging legal implications for the Council associated with Governance and the establishment of a Local Education Partnership. Once the project is up and running there could be complex contractual arrangements involving £200 - £300 millions worth of building projects. Partnership for Schools has produced standard contractual documentation, which the Council will be expected to adopt if it proceeds with the BSF option.
PERSONNEL/EQUAL OPPORTUNITIES	The BSF team will be integrated into the Schools Capital Planning Team.
COMMUNITY DEVELOPMENT/SAFETY	Improvements in the quality of school buildings and the opportunities for extended services will enhance the opportunities for wider community development and improved community safety.
TRADES UNIONS	In the event of specific work streams impacting on staff, appropriate consultations will be undertaken with trade unions and professional associations
HUMAN RIGHTS	None
KEY ISSUE	Yes
BUDGET/POLICY FRAMEWORK	No – the Shadow Executive is only being asked to consider proceeding with preparatory work in respect of BSF at this stage.

OTHER DOCUMENTS RELEVANT TO REPORT
None

<p>RECOMMENDATION(S):</p> <ol style="list-style-type: none"> 1. That in order to progress with the preparation for the Planning of Building Schools for the Future, Members agree the draft governance and management arrangements as detailed within the report. 2. That Members agree that early preparation work be done within existing budget provision and that a further report be brought to Members when the outcome of the BSF allocations is known and when actual costs of preparation will be easier to estimate.

- 3. That the proposal to establish a Local Education Partnership at the appropriate time to deliver BSF in Central Bedfordshire be endorsed and in the meantime the Learning and Transformation Board undertake the preparatory work.**

<i>Reason for Recommendation:</i>	<i>(i) The Government requires as a condition of its funding that each local authority establishes a Project Board, Project Team and Stakeholder Group.</i>
	<i>(ii) BSF could be the biggest investment programme managed by the local authority and additional resources will inevitably be needed to manage a time limited unprecedented Capital investment programme.</i>
	<i>(iii) The Local Education Partnership will be the single point of contact for the procurement, delivery and integration of all services required. It will organise a supply chain comprising the necessary skills and experience e.g. design teams, builders, ICT providers, facility management companies.</i>

Background

1. Building Schools For The Future (BSF) is a Government funded 15 year programme of investment in secondary schools (includes Middle Schools in Central Bedfordshire). The Department for Children, Schools and Families (DCSF) have set aside £45 Billion to invest in schools in England, that will involve a combination of complete new school builds and refurbishment. This ambitious programme is intended to transform teaching and learning by:-
 - enhancing school diversity and parental choice.
 - increasing the use of schools by the community.
 - seizing opportunities through new technologies.
 - using new thinking and opportunities and being creative in designing for learning.
 - producing places for learning that are exciting, flexible, healthy, safe, secure and are environmentally sustainable.
2. In 2004, the Government grouped Local Authorities in waves according to social deprivation. In December 2006, it was announced that Bedfordshire would be included in Wave 6. Bedfordshire County Council's Executive considered its approach to the BSF announcement on 30 January 2007. In December 2007, BCC contracted Cocentra to support the Council's delivery of its BSF programme and in particular the preparation of a Strategy for Change, Outline Business Case and the procurement of a local Education Partner.

3. With the Government's announcement in 2008 to re-organise local Government, it falls to the successor Unitary Councils to continue with the implementation of the BSF programme. The DSCF also view the BSF programme as one initiative that can provide much needed impetus to addressing the current economic downturn. To this end Guidance was issued in Autumn 2008 offering Local Authorities the opportunity to have their BSF programme brought forward. An early expression of interest was submitted on behalf of Central Bedfordshire to meet the deadline of 30 November 2008, which was the date when all Councils had to indicate whether or not they would wish to enter the BSF scheme. An outcome is expected from the DSCF by late Spring.

4. The schools in Central Bedfordshire are currently organised around a 3-tier system of lower, middle and upper schools, with transfer at the ages of nine and thirteen. Central Bedfordshire has 139 schools:-
 - 4 nursery schools.
 - 94 lower schools covering the 4-9 age range.
 - 1 primary school covering the 4-11 age range.
 - 1 middle deemed primary school covering the 4-13 age range.
 - 23 middle deemed secondary schools covering the 9-13 age range.
 - 10 upper schools covering the 13-18 age range.
 - 6 special schools: one primary, one secondary and four covering the full age range.

5. Two thirds of the schools in Central Bedfordshire are community schools. The remaining one third is made up of voluntary controlled, voluntary aided, foundation and trust schools. One upper school and two middle schools acquired schools trust status in September 2008 as part of a joint trust. Other schools in that pyramid are considering joining the trust. Schools in three other upper school pyramids are considering the formation of pyramid wide schools trusts. A proposal for Northfields Technology College to become an academy is in the final stages of statutory consultation. The academy is proposed to be established from September 2009, with the new buildings constructed under the National Framework by 2012. Thus BSF funding is not being sought for Northfields under this programme, however the school will be named as contributing to transforming teaching and learning under the overall strategy for change.

6. Bidding for funding through Building Schools for the Future provides a unique opportunity to support the transformation of teaching and learning for young people in Central Bedfordshire through the provision of flexible, adaptable and stimulating learning environments. The programme provides an important context for the new Local Authority to develop its educational vision with its partners, and to deliver its aspirations for children and local communities.

The programme acts as a catalyst for re-thinking approaches to learning. This means that there needs to be informed debate about what learning will look like in the future and how the BSF programme can support it to improve learning and achievement. At its heart is personalised learning to ensure that all pupils achieve their full potential.

At a further date Members will receive a report setting out an option appraisal. This will include the following options:-

- To develop the project plan and decide to proceed with the BSF bid.
- To develop the project plan and not proceed at all.
- To develop the project plan and decide to take an individual Central Bedfordshire approach to the capital investment in our schools and regeneration of the area.

At the early stages, the preparation for the project would be the same for the above options. In the case of BSF, the Council would be required to set out a Strategy for Change against a national template, which sets out the education vision and provides the starting point for schools to develop their own transformational plans. These plans need to reflect the wider Every Child Matters agenda and will need a broad approach that embraces how vulnerable children will be supported. It will also set out how out of school learning can be facilitated and what locality based services could be provided. Discussions about what ought to be written into the strategy will begin April to July 2009 with school governors, head teachers, partners and the overview and scrutiny committee. These discussions will be on-going with a view to the further report scheduled to be brought to Executive Members in September 2009. Early discussions about the strategy for change and transforming teaching and learning can take place without addressing the question of school reorganisation. The criteria for making any recommendations on school futures if it takes place at all, will not be put forward for agreement before Summer 2009.

The programme is not just about schools; it is also about schools in their communities. The opportunities provided by integrating Leisure and Adult Learning into the work of Children's Services will provide an excellent platform for these discussions. All partners will need to consider carefully what learning for the wider community will mean, and how increased community use of schools through childcare, adult learning and a range of facilities to support family resilience can be supported. This requires engagement with a range of stakeholders to assess need and to review area based plans for the development of facilities to support 14-19, sport, art, libraries, community services and extended services for example.

BSF is a key opportunity to transform the local communities of Central Bedfordshire and enhance the life chances of its young people.

If successful in the BSF bid, it is suggested that we also use this opportunity to align the plan to plans for future housing growth within the area and at the same time to remove surplus places in schools where possible, from areas of overprovision. At this stage such discussions can take place whilst making no presumption about school organisation or change to current age phases. It will however be necessary to organise the planning in broad area groupings to facilitate discussion about the BSF programme. At a later stage the Council will need to determine its plans for each specific area.

7. It will be important to provide high quality education for children with severe and complex needs whilst supporting mainstream schools to become more inclusive. As part of the programme we will bring forward proposals to create new Special Needs provision to replace inadequate facilities at five existing special schools. We will explore co-location with mainstream schools to facilitate the shared use of some facilities and collaboration between staff and students.
8. Following the criteria previously used by Bedfordshire we will begin to prioritise the building needs of schools using the following criteria:-
 - The level of deprivation in the intake (based on the Tax Credit Indicator)
 - Levels of underperformance
 - Magnitude of condition issues in the school buildings
 - Coherence within upper school pyramids.

The focus of the discussion in the early stages will be on analysing existing buildings and assessing their fitness for purpose only. At the same time, an agreement will need to be sought with head teachers and their governing bodies as to the data used to determine performance outcomes. Discussions will also take place about how existing and planned school trusts fit the shape of overall provision.

9. For the purposes of analysis for BSF, it is suggested that Central Bedfordshire will follow the previous Bedfordshire model and consider upper schools and their feeder middle schools together. Again, this is for analytical purposes and makes no presumption about school organisation. However, transformation of the opportunities provided for excellent teaching and learning is unlikely to be effectively achieved through treating schools in isolation. It is important that through BSF there is a professional debate about how everyone working together can provide the maximum opportunities for children to learn. A key focus of the discussions as they go forward should be that the every child matters agenda provides for children in the pre-birth stage right through to addressing the aspiration and hopes of young people as they enter the world of employment, i.e. 0 – 19 years agenda.

10. BSF work is intensive and will need to be prioritised in order. This report is a cost report and therefore reprioritisation could occur at a later stage. However, the area within the Authority which has the greatest levels of deprivation and underperformance is that of Dunstable and Houghton Regis. This is also the area where the sponsors of the All Saints Academy (now named Northfields School) will be having discussions about their place in the partnerships in the area. It is suggested that the first project analysis takes place in this area. It is suggested that Leighton Linlade is the area notionally earmarked for the next analysis as it has the next highest levels of deprivation and underperformance, as well as very significant condition issues in some schools.
11. By referring to the previous Bedfordshire data, the next area to be considered would be likely to be in Sandy and Biggleswade, where there are real pockets of deprivation within the urban areas. The final analysis could be in rural mid Bedfordshire where two of the three upper schools have already benefited from a PFI project.
12. A proposal to develop replacement Special Needs provision, including proposals for Special Schools will be brought forward as part of the programme.
13. Governance Arrangements Proposed for Central Bedfordshire

The DSCF have issued strict guidance on how they expect local BSF programmes to be managed. The suggested membership of the project preparation Board is as follows:-

Portfolio Holder for Children, Families and Learning
Portfolio Holder for Sustainable Communities
Director of Children, Families and Learning
Director of Sustainable Communities
Director of Corporate Resources
BSF Programme Sponsor
Assistant Director Property Services
Chairs of the organisations of the three phases of school – lower, middle and upper

The DCSF have established Partnership for Schools (PFS) to manage the BSF Programme Nationally and a Regional Project Director has been appointed who will be asked to support and advise the Council's Project Board. The Board will also be supported by Officers from the BSF and School Capital Team.

The Board will not be a decision-making Board in governance terms and final decision making via the Council's constitution will apply.

14. Schools are key stakeholders and their involvement will be facilitated via representation on the Project Board including Head teacher representatives as outlined above. In addition the Central Bedfordshire Schools Forum will function as a Consultative Stakeholder Group on matters relating to BSF. Consultation on the detail of the programme and the place of schools in the programme will begin in the Summer, after consultation with representatives of the schools as to the framework of the discussions. It will be important to discuss with governors and head teachers the way that the strategy for change will be developed to avoid any suggestion that decisions have been made about school organisation before the vision on transforming and learning has been established and the criteria agreed.
15. There are a number of stages that a Local Authority will have to go through as part of the BSF programme. A key appointment will be that of the BSF Project Director who will oversee a core project team comprising of professionals covering a range of disciplines offering expertise in financial management, information and communication technology and planning, legal advice, property development and building design. This has not yet been built into budgetary planning and costs are being maintained within the Directorate budget. As the project develops, increased costs will be incurred and will be the subject of a more detailed analysis in a future report.
16. The Government have recognised that the creation of these specialist building programme boards offers the opportunity for them to act as vehicles for other community building programmes such as healthcare, leisure and regeneration projects. It is suggested therefore that the creation of BSF Project Board for Central Bedfordshire Council comprising of a number of Executive Officers and highly skilled professionals would maintain a watching brief over non-educational capital projects as well in order to optimise the efficient and effective use of its Human Resources and Democratic representatives. There is an expectation that BSF projects will be developed as community resources that have their usage extended beyond the school day.
17. Procurement and the Local Education Partnership

Managing local and complex large-scale investment over an extended period of between 10-15 years requires alternative procurement methods to the traditional approach of securing tenders for individual building projects.

The model assumed by DCSF is that the council will run a procurement process not for a particular building or school, but for a development partner who will work with the council over the whole programme period to deliver the school building, ICT and perhaps other building-related services. Development partners are usually major construction companies who may form a consortium with other companies such as IT providers.

The procurement process judges potential partners not just on their price for a sample of schemes, but on how they can translate the council's vision for transforming education into buildings and services that will help teachers and schools to make a step change in the achievement of their students.

The successful development partner then forms a "Local Education Partnership" which is a joint venture company with the council, and the Government's investment body for the BSF programme (BSFI).

In BSF, Local Authorities will be required to set up a Local Education Partnership (LEP) which will essentially be a public private partnership bringing together three organisations:-

- The Local Authority
- A Private Sector Partner (PSP) (usually a consortium of private companies including the main building contractor)
- Building Schools For The Future Investment Limited Liability Partnership (BSFI LLP) (jointly funded by the DCSF and Partnership UK in parallel with PFS). BSFI undertakes and manages the central investments in LEPs and their initial PFI projects taking a minority stake in each one established along with the Local Authority and their chosen private sector partner.

18. Each of the three Partners will nominate directors to the LEP Board, which will function as a limited liability company issuing share capital and developing a constitution and structure commensurate with such a company. The LEP will have exclusive rights to carry out schools building for the secondary age group for the length of the programme, provided that pre-set performance and financial criteria are met as the programme develops. This should reduce the procurement costs and the time taken for individual projects to be brought to completion
19. Stakeholder influence will remain paramount throughout the BSF process. As the project reaches its later stages a Strategic Partnering Board (SPB) will be created at the same time as the LEP to ensure that a number of important stakeholders have some influence over the operation of the LEP. The SPB will draw its membership from the Local Authority, the LEP, an independent non-voting Chairman and Head teacher and School Governor representatives.

The key role of the SPB is to decide which schemes should be undertaken by the LEP, and to monitor the performance of the joint venture. Although other stakeholders and the LEP are represented at the SPB, the decision rests with the council's representative. The SPB will also:-

- act as a primary mechanism for managing the performance of the LEP.
- Provide a forum for the open exchange of ideas, which will serve in influencing forthcoming projects.

- To give guidance on and approval for those projects which should progress by whom and on what basis.
- If necessary to make representation to the Local Authority as to the identity of the LA's representative on the LEP board of directors.

20. Next Steps

An embryonic project Board currently called the "Learning Transformation Board" has been created which over time will evolve into the Project Board. It is now developing work streams relating to the following areas:-

- Governance and management arrangements
- Data and information
- Finance
- Other capital projects
- Communication
- Transforming Teaching and Learning
- Partnerships
- Property

21. One of the first tasks within the Transforming Teaching and Learning work stream will be to work with schools in developing the "Strategy for Change" as referred to above. The Strategy should illustrate how:-

- Schools and Learning Centres across the local area will provide more choice for parents/carers and pupils.
- Pupils will make better progress and improve their achievements, especially at the lowest attaining schools, supported by a wider range of learning opportunities that respond to their needs.
- Technology will be used to provide new, exciting, flexible and improved ways for each pupil to learn.
- There will be more choice for "how", "what" and "when" pupils study as they move through their education.
- Schools, local further and higher education colleges and businesses will work more closely together to provide new and more relevant opportunities for pupils including through trust arrangements.
- School facilities will be open to the whole community taking account of local priorities and needs.
- There will be better provision and inclusion for children with special needs to support their progress including more places in mainstream schools.
- The needs of all vulnerable groups of children and young people will be met.

These criteria are required for the strategy for change for all Councils. . They relate to the notion of planning for the whole life of the child from 0 – 19 as they progress through education.

22. An indicative timetable is outlined below in the event of a positive response from DCSF:-

January 2009	Establish Programme Board.
March 2009	Shadow Executive to agree how discussions should take place about the project and to agree an interest in obtaining BSF funding.
April/May 2009	Discussions about the content of the strategy for change and agreement with school governors, head teachers and partners about how the analysis should take place and what criteria should be used.
June 2009	Produce Strategy for Change Part 1 and submit to DCSF for their comments.
July 2009	Following receipt of DCSF comments, submit Strategy for Change to Overview and Scrutiny, governor, head teacher and parent groups etc. At this stage discussions about school organisation, if they were appropriate, would take place.
Sept 2009	Produce Strategy for Change Part 2 including detail and delivery, estates strategy. Gain executive approval and submit to DCSF for approval.
Dec 2009	Executive approval of Outline Business Case. Central Bedfordshire Council submitted to DCSF for approval. Formal approval to issue OJEU notice (Official Journal of European Union).
Feb 2010	Prepare procurement documentation and evaluation plan. Submit OJEU notice to Board.
June 2010	PFS approves OJEU and procurement documents. Bidders Day. Interview long list of Bidders. Project Board to agree short-list.
May 2011	Issue Invitation to Competitive Dialogue (ITCD). Evaluate bids. Issue invitation to submit final Bids (ITSFB).
July 2011	Final Evaluation report to Project Board. Appoint preferred partner. Financial Close.
Sept 2012	Opening of first improved/rebuilt school

Note: This timetable is aspirational and is indicative only. Should the Council not be granted a place in a BSF wave, a future report will need to be prepared asking the Council to take a view on how it would transform teaching and learning to continue to raise standards without the benefit of BSF funds.

23. BSF Funding Allocation

BSF funds are allocated on the basis that 50% of the floor area within each Local Authority's BSF programme can be new build. The remaining floor area is funded so that 35% can be re-modelled and 15% undergo refurbishment. The floor area is calculated using national space guidelines for secondary schools in DCSF Building Bulletin 98. Pupil numbers are also used in the calculation and are based on the 10-year projections agreed within the Local Authority. Additional allowances are made for regional variations in building costs and for inflation to the projected start of construction date. Furniture and equipment is funded separately on a per pupil basis. Capital funding for ICT is also allocated on a per pupil basis and covers equipment, service establishment, change management and infrastructure costs. The funding formula includes a standard allowance for "abnormals" such as asbestos removal or the need for deeper foundations. BSF funding is not allocated for site purchase or works outside school sites such as road junction works. The calculation of the total funding envelope does not mean that the amounts calculated for each school are to be allocated to that school. The local authority is responsible for agreeing the funds allocated to each school site.

BSF funding may be in the form of capital grant (which is more usual for refurbishments of schools) or "PFI credits" where government provides a revenue grant to the council to cover the costs of ongoing payments to the LEP for providing school buildings and services (which is more common where schools are completely rebuilt). The balance of the programme between grant and PFI credits will need to be established when the overall allocation for the council is known, and will be subject to negotiation with DCSF.

24. Local authorities must demonstrate how buildings will be maintained during their lifetime. BSF funds the 'lifestyle costs' of all projects supported by PFI credits. Where investment is delivered conventionally, local authorities and schools are expected to use their own resources to maintain building and grounds.

25 Resource Implications to Central Bedfordshire Council

Prior to the setting of the Council's first budget it was acknowledged that BSF represented a growth pressure to Central Bedfordshire Council. Due to the expectation that preparation would not begin until subsequent financial years, no provision exists at this time for preparation costs. However, and regardless of the outcome of the Council's recent expression of interest to be moved forward in the programme, it is prudent to prepare for BSF sooner rather than later.

26 Central Bedfordshire Council's Senior Management Team have already rationalised existing resources in order to provide additional capacity to support the BSF project team. However, the services of expert consultants will have to be procured to support in house resources due to the unfamiliar nature of the work required. The need for additional financial provision needs to be set in the context of the significant investment in the region of £200 – 300 million that the BSF work programme will attract.

Experience elsewhere indicates that the overall cost of establishing a LEP successfully is in the order of £5m to £7m. This is to cover the costs of initial design, expert project staff to specify what is required, external support for financial, legal and other services, and the management of the relationship with bidders and then the LEP. There will be similar if different cost implications if different procurement routes are followed.

It is proposed that during the early weeks of the operation of the Project Board, costs are maintained within existing resources. A report will be brought to Members as soon as the costs are established. The base provision made by Bedfordshire County Council was for the north of the county and was originally intended to be spent in the current financial year. Bedford Borough Council are taking this work forward and the allocation of £1.8 million has been disaggregated to Bedford Borough Council to secure this work. It is as yet unknown how much work will need to take place in the financial year 2009/10 for Central Bedfordshire and discussions are on going with the Director of Corporate Resources regarding this matter. When a view on budgetary pressure for 2009/10 is formed following the DCSF announcement on whether or not Central Bedfordshire will receive BSF, the phasing of the remainder of the preparation costs will need to be considered in the medium term revenue planning process for 2010-2013.

27. Conclusion

BSF represents a once in a generation opportunity to transform the local communities of Central Bedfordshire and enhance the life chances of its children for years to come.

In order to progress with the first steps towards Planning of Building Schools for the Future, without prejudice to the options appraisal, it is recommended

- 1. That Members agree the draft governance and management arrangements as detailed within the report.**
- 2. That Members agree that early preparation work be done within existing budget provision and that a further report be brought to Members when the outcome of the BSF prioritisation is known and when actual costs of preparation will be easier to estimate.**
- 3. That the proposal to establish a Local Education Partnership at the appropriate time to deliver BSF in Central Bedfordshire be endorsed and in the meantime the Project Board, called the Learning and Transformation Board, undertake the preparatory work.**

<i>Background Papers:</i>	DCSF – An Introduction to Building Schools for the Future 2008. DCSF website Bedfordshire County Council Executive - 30 January 2007
<i>Location of Papers:</i>	Priory House
<i>File Reference:</i>	N/A