

<b>Subject:</b>	<b>Update on the Falmer Academy Project</b>		
<b>Date of Meeting:</b>	<b>11 June 2009</b>		
<b>Report of:</b>	<b>Director of Children's Services</b>		
<b>Contact Officer:</b>	<b>Name:</b>	<b>Lorraine O'Reilly</b>	<b>Tel: 29-4226</b>
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<b>Key Decision:</b>	<b>Yes</b>	<b>Forward Plan No: CAB10323</b>	
<b>Wards Affected:</b>	<b>All</b>		

**FOR GENERAL RELEASE****1. SUMMARY AND POLICY CONTEXT:**

1.1 In line with the Council's policy to ensure that all pupils are given every opportunity to excel, this report updates Members on the process for the development of an Academy on the Falmer High School site. The report updates Members on a wide range of developments. It informs Members of the outcomes of the procurement process for the construction of the Academy and endorses the preferred bidder. Additionally, the report informs Members of the progress in relation to the appointment of a Principal and relative TUPE matters together with an update on further engagement with the community. The report also informs Members of the requirement for Cabinet approval in September of the Final Business Case and providing a draft framework for the Final Business Case. It also updates Members on the arrangements for the continued leadership of the Falmer Academy Project.

**2. RECOMMENDATIONS**

2.1 That the Cabinet note the progress since the Cabinet Meeting of 16 October 2008.

2.2 That the Cabinet considers the outcome of the procurement process undertaken between mid November 2008 and mid May 2009 and endorses Kier as the Council's preferred bidder to enter into the next stage of tendering.

2.3 That the Cabinet agrees that the preferred bidder undertakes the demolition of the central block and removal of trees as required during the school summer holiday period.

2.4 That the Cabinet note the requirement for approval of the Final Business Case in September 2009.

### **3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:**

- 3.1 Following the submission of the Expression of Interest in April 2008 and having received ministerial approval in early May 2008, the Council undertook the consultation process on the future of Falmer High School. This consultation was undertaken between 19 May and 4 July 2008 and was reported to Cabinet on 10 July 2008. It was then resolved to proceed to the publication of Statutory Notices for the closure of the school. Notices were published on 1 September 2008 and a statutory 'representation' period of 6 weeks then followed. This concluded on 13 October 2008. The Cabinet meeting of 16 October 2008 confirmed the Council's commitment to close Falmer High School on 31 August 2010 to enable the Falmer Academy to open on 1 September 2010.
- 3.2 In October 2008, the Council submitted its Outline Business Case to the DCSF. The Secretary of State gave his approval on 17 December 2008. This together with the Council's commitment to close Falmer High School moved the project from the second (Feasibility) stage into the third (Implementation) stage. The OBC approval confirmed the Funding Envelope for the build of £26.041m and an ICT contract of £2m bringing the total envelope to £28.041m.
- 3.3 In January 2009, the Falmer Academy Trust was established as a legal entity thus enabling the formal agreement (The Funding Agreement) between the Secretary of State and the Sponsor to develop Falmer Academy. This follows substantial discussions between the Project Director, the Sponsor, legal representatives and the Council's Legal Services. During these negotiations, Heads of Terms were successfully agreed by all parties enabling land and related issues to be resolved.
- 3.4 Agreement has been reached with the DCSF to undertake the recruitment process for a Principal prior to the formal Funding Agreement being signed. The first round took place in December 2008 but was unsuccessful in securing a Principal.
- 3.5 Second and third rounds of recruitment were undertaken in February and April. Mrs Philomena Hogg has been successfully appointed to the post of Principal Designate and will take up post in September 2009.
- 3.6 The Headteacher at Falmer High School has been successful in securing the post of Principal at Portslade Community College and will commence there in September 2009. The CYPT School Improvement service is working actively with the governing body and senior management team at the school to ensure stability and progression of the school. The process is underway to appoint an interim headteacher to lead the school during the transition phase. For the academic year 2009/10, a School Improvement strategic planning group is being established to provide challenge and support during this time. Additional resources for school improvement are available to the school from the Local Authority and from the DCSF as part of the National Challenge Scheme.
- 3.7 The procurement process for engaging the construction consortium who will undertake the Design and Build contract commenced in mid November 2008 and concluded on 11 May 2009. The process uses a National Framework arrangement with the potential number of bidders (6) going through a competition

process to secure the contract. Three companies entered Expressions of Interest to the initial Invitation to Tender. One company was eliminated at this stage and the remaining two have since gone through a detailed and rigorous evaluation process. The Evaluation Team comprises the Sponsor, representatives from CYPT, Legal, ICT, Property Services and Finance.

3.8 The Evaluation Panel unanimously agreed Kier, they were appointed after an evaluation which focussed on:

- How the Sponsor's vision is to be delivered
- How the building phasing is to be addressed
- The strength and depth of experience the design and construction teams have
- How value for money is to be achieved
- How the building is to match its surroundings in an area of outstanding beauty
- Consultation with staff and students
- Deliverability

Kier's bid satisfied the Design Brief very well, providing an inspiring design which is sensitive to the environmental surroundings, inspirational to the pupils, staff and the community, and which encapsulates the Sponsor's Vision and Ethos. All designs submitted moved away from the reference design and the preferred design will require full planning permission. Given the conditions detailed at the Outline Planning stage and following initial discussions with the Council's Planners, no difficulties are foreseen and normal planning procedures will apply.

3.9 On 12 May 2009, the Council announced that Kier was its preferred bidder. A further round of stringent negotiations and evaluation will now take place and conclude at the end of September 2009 when the Design and Build contract will be signed.

3.10 Prior to the Design and Build contract being signed, the Council must submit a Final Business Case (FBC). The FBC is submitted and approved by Partnerships for Schools. The Cabinet meeting in September 2009 will be asked to approve the FBC before its submission. Therefore the FBC will be brought before Members at the September Cabinet meeting.

3.11 The current staff of Falmer High School who are employees of the Council will transfer under the Transfer of Undertakings Protection of Employment Regulations (TUPE). Discussions and consultation with the unions have been taking place since the inception of the Academy early in 2008. These arrangements have now moved to a more formal stage with letters covering the arrangements being issued to the relevant unions at the beginning of April.

3.12 Staff at the school have been kept constantly informed via a number of mechanisms. These include monthly School Engagement Group meetings, weekly drop surgeries, union representatives and governing body meetings. Information packs of all relevant documentation were issued to every member of staff and governors in February.

- 3.13 The engagement process will continue up to and through to the opening of the Academy and significant training opportunities funded by the DCSF will be available to staff at the school.
- 3.14 The current Falmer Academy Project has been brought to fruition through the leadership and management of an interim Project Director and Project Manager.
- 3.15 In April 2009, Mr Rod Derbyshire was appointed as the permanent Project Manager. Mr Derbyshire takes up post on 1 June 2009 and Geoff Wingrove will leave in mid June. Leadership of the project will transfer from the current Project Director, Lorraine O'Reilly, to Gil Sweetenham in his new role of Schools Futures Project Director.
- 3.16 A handover has been in place for several weeks and will conclude at the end of June when Ms O'Reilly leaves. A new School Futures Board has been established and will oversee the work of the Academy together with our school capital, Building Schools for the Future, Primary Capital Programme and Private Finance Initiative work.
- 3.17 Pupils and staff at the school have been engaged in the design of the new Academy and have met with both bidders.
- 3.18 As the preferred bidder has been announced, a briefing for Members will commence and detailed pre-application planning discussions can take place. Demolition of the Central block at Falmer High School and removal of some trees (which do not have Protection Orders), which will not require planning permission, will take place over the Summer holiday period to enable construction access and to minimise disruption to the school.
- 3.19 The build programme is scheduled to start in October/November 2009. The Academy will open in September 2010 in a mix of existing and new buildings. The complete construction is scheduled to be open at the end of 2011. Once the development of the Academy is complete, the surplus land as previously agreed will be available for development.
- 3.20 The privately owned Huggles nursery will need to move from the Central block. The owners were made aware of this in June 2008. Their original lease was extended from December 2008 until the end of June 2009, when the nursery will close. Support has been provided to help the nursery re-establish itself in alternative premises, including negotiations with City College and further site investigations, as yet the outcome is unknown.
- 3.21 The South block at Falmer High School will not be required by the Academy after the build programme concludes. Although some minor reconfiguring of the South block may be required, none of the current occupants including the Bridge or the Daisy Chain nursery will need to move. A two year lease has therefore been issued and signed by the Daisy Chain nursery pending further review of the site.

#### **4. CONSULTATION**

- 4.1 To ensure that the local community were fully informed about the development, extensive presentations and discussions have taken place including:

- 4.1.1 10,000 Academy newsletters are distributed monthly to households in the area and pupils at Falmer High School and the four feeder primary schools. Ward Councillors, City College and other secondary schools also receive multiple copies.
- 4.1.2 At meetings held with each of the four main feeder primary schools (Bevendean, Moulsecoomb, Coldean and Coombe Road), each headteacher was in support of the proposed Academy's development. The Project Director has also attended the local Headteachers' Cluster Group meeting.
- 4.1.3 The Swan Centre staff have been briefed and updated on developments and their views have been sought on the new Swan Centre which will form part of the Academy.
- 4.1.4 A Parents' Council has been established with its first meeting scheduled to take place at the end of June 2009.
- 4.1.5 The Partnership Board, with representatives from all major partners including Brighton & Sussex Universities, City College Brighton & Hove, Brighton & Hove Albion Football Club and Sussex County Cricket Club has met on four occasions giving support, commitment and tangible assistance to the Academy
- 4.1.6 Both Brighton and Sussex Universities have further considered their support of the proposed Academy at board level and have reiterated their commitment as has City College Brighton & Hove, Brighton & Hove Albion Football Club and Sussex County Cricket Club.
- 4.1.7 Staff consultation is referred to in section 3 of this report.

## **5. FINANCIAL & OTHER IMPLICATIONS:**

### Financial Implications:

- 5.1 The funding envelope for the Design & Build contract is £26.041m. There is a separate £2m contract for ICT to be let in summer 2009. This funding is provided by the DCSF Academy Programme and includes a contribution from the council's capital resources of £557k toward the redevelopment of the caretaker's flat and the Swan Centre within the Academy. A further £2m will be contributed by the Sponsor in the form of an endowment. £300k has been drawn down from DCSF funding to move the Project from the initial Expression of Interest through the Feasibility Stage and into the current Implementation Stage. £200k will be provided in 2009/10 through the Strategic Investment Fund approved by Full Council in February 2009 to enable the Council to meet its obligations in relation to the Design and Build Contract and the delivery of the build programme.
- 5.2 Recent changes (falls) in interest rates have meant that cost assumptions made in the original DCSF funding model are now lower than expected and are expected to provide up to £2m additional value to the scheme. Bidders were clearly instructed to provide evidence of additional value for money within their design and build tenders and this has been considered as part of the evaluation process.

- 5.3 The next stage of the process is the preparation of the Final Business Case. That Final Business Case will be subject to Cabinet approval in September 2009. Project management costs for the overall project management are met by the DCSF via its engagement of PKF (Accountants & Business Advisers). Project Management costs for the building of the Academy are met by the Council as mentioned above.
- 5.4 The revenue budget for the Academy and Swan Centre will be based on the existing Falmer High School and Swan Centre budgets and be finalised nearer the time.

*Finance Officer Consulted: Nigel Manvell*

*Date: 08/05/09*

Legal Implications:

- 5.5 Heads of Terms have been agreed by the Council's and the Sponsor's lawyers enabling the Academy development to take place. The building contract with the preferred builder will accord with the national requirements for Academy development and will be let once the Final Business Case is approved by Cabinet.
- 5.6 A side agreement will regulate the tree removal and demolition works referred to in paragraph 3.17. These will be carried out by the preferred bidder on a fixed cost basis in the period between 20 July and 3 September and should take about 3 weeks.

*Lawyer Consulted:*

*Bob Bruce*

*Date: 08/05/08*

Equalities Implications:

- 5.7 Young people leaving Falmer High School are presently the highest group in the City in terms of Not in Education Employment or Training (NEET) being 10.5% in 2008, almost double the 5.9% average for the City. Although the figures for pupils undertaking further education have increased over the past few years, this rate in 2008 at 81.2% is lower than the average of other schools in the City where sixth form provision is provided in the school environment. It is therefore hoped that over time, provision of the sixth form will increase the number of pupils fully engaged in post-16 education widening participation of the young people in this area of the City in further education thus improving the high number of working age adults in the area who have no formal qualifications, currently 35%.

Sustainability Implications:

- 5.8 The construction of the proposed Academy will adhere to DCSF guidelines (Building Bulletin 98) and will be in line with stringent new targets issued by the Government in March 2008 to reduce school carbon footprints to 60% for all new school buildings. Thus the proposed new building will take full advantage of all appropriate environmentally sustainable energy and recycling systems including proposals bio mass boilers, green roofs and solar panels. The proposed design meets the Building Research Establishment Environmental Assessment Model (BREEAM) Excellent standard. Thus the proposed Academy will be a flagship for

environmentally sustainable schools for Brighton & Hove for the future and will be one of the “greenest” buildings in the City.

#### Crime & Disorder Implications

- 5.9 Throughout the development of the proposed Academy, consultation with both community groups and the Community Safety team and police liaison officers will take place. Sussex Police Service endorse the view that the engagement of the community in the use of the facilities at the Academy and with the availability of those facilities outside normal school hours, it is envisaged that crime and disorder in the local area will be reduced, as will the numbers of pupils not in education, employment or training (NEET).

#### Risk and Opportunity Management Implications:

- 5.10 A preliminary risk register has been compiled and a full risk register must be undertaken and submitted to Partnerships for Schools as part of their approval process for the Final Business Case.

#### Corporate / Citywide Implications:

- 5.11 The development of an Academy on the Falmer High School site is in accord with the DCSF’s policy on developing a range of schools in each Local Authority, thereby increasing the variety of types of school available to parents. As part of the development of the Academy, careful consideration will be given to developing the community use of the facilities and a community engagement plan. The City’s Neighbourhood Manager for the area has taken an active part in the community engagement and the Parents’ Council as have a range of voluntary and YMCA organisations.

### **6. EVALUATION OF ANY ALTERNATIVE OPTION(S):**

- 6.1 Officers and the Lead Member of the CYPT have considered the alternatives to an Academy to improve not only the outcome for pupils (which have improved considerably over the last few years but which fall short of the 30% benchmark for GCSEs when including English and Maths) and the possibility of rebuilding the current school.
- 6.2 When work on the proposed Falmer Academy began the Council was expecting to enter the Building Schools for the Future (BSF) Programme in 2015. The Council has now submitted a revised Expression of Interest for entry into the BSF programme and expects to be invited to join the programme before the end of the financial year 2009/10. As part of the BSF programme The Office of the Schools Commissioner expects local authorities to widen parental choice which includes the development of Academies. In this context officers continue to consider the Academy at Falmer as offering the best option for the pupils and the local community, and the site.
- 6.3 Of the two options presented by the shortlisted bidders that of the preferred bidder scored consistently higher than the other’s.

## **7. REASONS FOR REPORT RECOMMENDATIONS**

- 7.1 Given the opportunity afforded both to pupils and the local community, the substantial capital investment that will be made by the DCSF together with the sponsor's endowment and the exciting design and overall approach of the preferred developer and in the light of the outcomes of the formal consultation on school closure and the Government's directives on BSF, Members are asked to approve the recommendations of this report.

### **SUPPORTING DOCUMENTATION**

#### **Appendices:**

None

#### **Documents in Members' Rooms:**

1. The full proposal including:
  - (a) The Expression of Interest
  - (b) Informal Stage consultation documents and responses
2. Closing a Maintained Mainstream School – A guide for Local Authorities and Governing bodies
3. Representations received to the Formal Consultation Period
4. The full Outline Business Case
5. The Terms of Reference for all groups within the Governance Structure
6. The Options Appraisal Document

#### **Background Documents**

1. Policy and Resources Committee paper: Development of an academy on the Falmer School site – 7 February 2008
2. Policy and Resources Committee paper: Update and Expression of Interest for an Academy on the Falmer school site – 6 March 2008
3. Cabinet Paper: Consultation on the Future of Falmer High School and the proposals for the development of an academy on the school site – 10 July 2008
4. Cabinet Paper: Update and outcome of the formal consultation stage for the proposed Falmer Academy – 16 October 2008