

Subject:	Building Schools for the Future – Readiness to Deliver Submission		
Date of Meeting:	17 September 2009		
Report of:	Director of Children’s Services		
Contact Officer:	Name:	Gil Sweetenham	Tel: 29-3433
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Key Decision:	Yes	Forward Plan No: CAB10354	
Wards Affected:	All		

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

- 1.1 The Council has an opportunity to demonstrate its readiness to enter the Building Schools for the Future (BSF) programme this year. The Council has been working to develop its capacity, structures and vision to support entry into the programme and is now in a position to ask Partnerships for Schools (PfS) to evaluate its readiness.
- 1.2 Readiness to Deliver provides a clear and concise statement on the progress that the local authority has made in its preparations towards commencement of the BSF programme. It is a Gateway into the programme and is an essential element of the pre initiation phase and the subsequent creation of the Brighton & Hove Strategy for Change and Outline Business Case. It is a commitment from the local authority that it fully supports the BSF programme as defined by Partnership for Schools; will have the required funding and resources available as appropriate; has started the consultation process with schools and stakeholders; once invited can enter the programme without impediment having recognised and mitigated initial programme risks.
- 1.3 The Council’s Readiness to Deliver will be submitted to PfS as soon as invited with a view to being invited onto the Building Schools for the Future programme at the earliest opportunity.
- 1.4 On the 27 May 2009 Anthony Walker from PfS e-mailed Gil Sweetenham stating “.....as you are 32nd on the priority list we do hope to be in a position to invite you together with a small number of other LAs into the active part of the programme in the Autumn. We at DCSF are hopeful that we will be in a position to confirm the future arrangements before the summer.”
- 1.5 The Council was subsequently informed by PfS in August 2009 that authorities not already invited to join the programme in 2009/10 will now have to wait for the next financial year, 2010/11, before their submission will be considered.

2. RECOMMENDATIONS:

- 2.1 That Cabinet agrees to the resources identified to support the programme.
- 2.2 That Cabinet delegates authority to submit the Brighton and Hove Readiness to Deliver document to the Director of Children's Services in consultation with the Cabinet Member for CYPT and the Director of Finance and Resources.

3. RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS:

- 3.1 The Building Schools for the Future programme is a Government programme designed to rebuild, remodel or refurbish all secondary schools in England in due course. The priorities for investment in any local authority are expected to be transformational in respect of teaching and learning in the secondary sector, and to deliver improved outcomes not only for children and young people but for families and the wider community. The programme has the potential to attract up to £150m for secondary schools in Brighton and Hove over the next 10 years.
- 3.2 On 30 November 2008 the Council submitted an Expression of Interest to DCSF indicating our intention to enter the BSF programme as early as possible. The Expression of Interest included proposals for two projects, incorporating eight of Brighton & Hove's secondary schools – Falmer High School is outside the programme as it will become an Academy in 2010. The first project incorporates Hove Park School, Portslade Community College (PCC), Patcham High School and Blatchington Mill School. The second project includes Longhill School, Varndean School, Dorothy Stringer School and Cardinal Newman Roman Catholic School. As part of the planned developments at each school a major focus will be the expansion of inclusive educational provision.
- 3.3 The first project was determined by the DCSF requirement to proactively address issues of standards and deprivation. Both Patcham and PCC are National Challenge schools; standards at Hove Park are still below national expectation; and standards achieved in the 6th Form at Blatchington Mill are below national expectations. Although standards at Longhill may have justified its inclusion in our first project, the planned and funded (c £5m) Longhill school expansion for September 2012 enables significant work to take place now and for this to be supplemented in the second BSF project. Falmer High School is to become an Academy in 2010 receiving funding of £28m and will thus not be included in the BSF programme
- 3.4 Following the submission of our Readiness to Deliver document the Council will then be invited to a remit meeting with PfS to discuss any further questions PfS have regarding our proposed developments. Once the Readiness to Deliver proposals have been accepted by PfS the Council will then be invited onto the programme and will prepare an Outline Business Case (OBC). This is expected to take 12 months.
- 3.5 From OBC, the procurement process, up to financial close, is likely to take a further 12 - 18 months, with work starting on site at the earliest in September 2012.

- 3.6 In order to be invited on to the programme, it will be necessary to demonstrate that the Council and the schools are ready to deliver a successful programme.
- 3.7 A significant part of being ready to deliver this programme is the commitment of the Council to the necessary funding to support the creation of the Readiness to Deliver Document; complete a detailed Outline Business Case (OBC); establishment of an appropriate delivery vehicle such as a Local Education Partnership (LEP); and have in place a project team to manage the programme. Partnership for Schools (PfS) guidance suggests that 3% of the expected project budget should be allowed for. The Council has identified the need for a programme budget of £5 million for the financial years 2009 to 2014. This has been identified from the following areas:

2008/2009	£0.25 million	CYPT budget
2009/2010	£1 million	CYPT Capital Budget
2010/2011	£1.75 million	<i>Funding for these years was identified in the Outturn report 2008/09</i>
2011/2012	£1 million	
2012/2013	£0.5 million	CYPT Capital Budget
2013/2014	£0.5 million	CYPT Capital Budget

4. CONSULTATION

- 4.1 The Council has developed a consultation plan and has undertaken visioning work in all the schools in the first project. An initial parental consultation on the broad proposals for our BSF programme will be held at the start of the Autumn Term 2009. This will be followed by fuller parental/public consultation regarding specific school proposals and any proposed changes to provision across the City.
- 4.2 Since October 2008, the Council has been working closely with all schools and across key Council directorates to develop the vision and strategy to underpin its BSF proposals. It is essential that learning and teaching are the drivers for this vision and strategy, and that the Council's education partners are fully engaged with the proposals. In addition, one of the key requirements of this is to have in place a robust governance structure with agreed membership and confirmation of resources to support it throughout the programme.
- 4.3 The Council has also started to work with a number of sub-groups which will look at key areas such as SEN and Inclusion, ICT, Transition, Sport, and the 14-19 curriculum and delivery, and will continue to develop the Council's proposals for education transformation in these areas.
- 4.4 The Council has undertaken preliminary master-planning work on the first four school sites to inform the development of proposals and ensure that risks and issues are identified early.

5. FINANCIAL AND OTHER IMPLICATIONS:

Financial Implications:

- 5.1 The legal and financial arrangements surrounding the BSF programme are complex and may involve a range of financial vehicles, including existing or new Private Finance Initiative (PFI) contracts and Local Education Partnerships (LEPs). The projects are also large and complex and the Readiness to Deliver submission is therefore required to demonstrate that the council's Project Management arrangements and support are appropriate and are adequately funded from council resources. This includes full project support for preparation (Readiness to Deliver), development of business cases, procurement and implementation. However, management of the construction and other programmes is financed directly from BSF resources.
- 5.2 Guidance from Partnership for Schools indicates that authorities should expect to commit at least 3% of the programme value toward project costs, including consultancy requirements. The council has therefore identified £5m to meet this commitment and facilitate entry to the programme. This was approved in the Targeted Budget Management (TBM) report to Cabinet in June 2009. The funding of this commitment could lever in BSF resources of approximately £150m (at current prices), representing good value for money.
- 5.3 Guidance from Partnership for Schools indicates that should authorities build a new school or new replacement school as part of the programme this would have to be a PFI build with the associated PFI provision of facilities management. There is evidence to suggest that PFI provision of a new building does not bring with it the issues and concerns already experienced by B&HCC in the existing refurbished 3 school contract. The possibility of Hove Park being a new build under a PFI contract has been discussed with the headteacher who feels that his Governing body would accept this as a requirement to obtaining the necessary funds to completely rebuild their school.
- 5.4 There are other potential commitments arising from the BSF programme which were identified and approved in the Targeted Budget Management report to Cabinet in June 2009. These are reiterated here for completeness: the BSF programme will potentially result in a number of contracts and/or partnerships, for example a Local Education Partnership (LEP), which will require the local authority to provide an equity stake. These are repayable at the end of the contract/partnership which can range from 10 to 25 years. The anticipated equity stakes are expected to total £0.500 million and will need to be identified in the 2012/13 Medium Term Financial Strategy. Other financial implications will be identified as the programme develops, if the council is successful, including:
- Potential CYPT and/or Schools capital funding support for the programme;
 - Contract management arrangements and associated costs;
 - Revenue implications of Facilities Management PFI contracts;
 - Schools contributions to the ICT managed service provider.

If required, these resources would need to be identified from a combination of CYPT capital and revenue budgets and schools formula budgets.

Finance Officer consulted:

Nigel Manvell

Date: 03/09/09

Legal Implications:

- 5.5 The Strategy for Change will be developed by the LEA with assistance from PfS and will indicate the value of future projects and the services required. Paragraph 3.7 of this report refers to a LEP. This is a local joint venture and strategic partnership between the council and a private sector partner [PSP] focussed on the investment programme to be set out in the Strategy for Change and would be a company limited by shares, with the PSP typically having 80% and PfS and the council the remainder. A golden share arrangement would ensure that important decisions would need unanimous approval from the minority shareholders. The PSP in the LEP would be selected under the competitive dialogue, the EU procurement method for complex public sector projects and the evaluation criteria would include ability to provide long-term partnering services and fully costed reference projects. The LEP would work with the council and local stakeholders on strategic investment plans for secondary education, act as the point of contact for the procurement and delivery of the required services eg. design, construction and ICT, manage the supply chain and enable project delivery. Via a Strategic Partnering Agreement the LEP, subject to performance, would have the exclusive right to propose solutions to projects receiving BSF funding.
- 5.6 If it is not necessary to proceed by way of a LEP some other form of delivery vehicle will be required. The options available will emerge as the OBC is developed.

Lawyer Consulted:

Bob Bruce

Date: 03/09/09

Health Implications:

- 5.7 The redesign of secondary school buildings will enhance developments within the healthy schools programme; expand physical health opportunities through increased sports provision; and offer wider provision of healthcare through appropriate co-location of services.

Equalities Implications:

- 5.8 Planning and provision of school places is conducted in such a way as to avoid potentially discriminatory admissions priorities or planning processes. The city council and voluntary aided school governing bodies must be mindful of bad practice as described in the Admission Code of Practice.
- 5.9 It is anticipated that investment of this magnitude will improve outcomes for young people and that over time this will increase the number of pupils fully engaged in post-16 education thus widening participation of the young people across the city.

Sustainability Implications:

- 5.10 This funding would give the authority the opportunity to make a considerable element of our secondary and special school stock more environmentally sustainable. Any new extensions over £500,000 in value would require a BREEAM assessment at an early stage. This will ensure good practice in

environmental design and management is followed. All new extensions to Brighton and Hove Schools utilise, where ever possible, environmental and sustainable principles such as higher than minimum insulation levels, the use of efficient gas condensing boilers, under floor heating, solar shading and natural ventilation. Materials are sourced from sustainable sources where ever possible.

Crime & Disorder Implications:

- 5.11 Throughout the development of the proposals consultation will be undertaken with community groups and the Community Safety team and police liaison officers. It is anticipated that by including the community in the development and use of the facilities at the schools that crime and disorder in the local area will be reduced, as will the numbers of pupils not in education, employment or training (NEET). This will be further improved by offering extended use of the facilities to the community outside of the school day

Risk & Opportunity Management Implications:

- 5.12 The BSF programme provides the best opportunity the authority has to make a step change in the provision of education and the condition of its secondary school stock. It is important that this opportunity is taken to ensure the transformation of learning and teaching, renewal of school buildings and facilities and continuing improvement in standards of education in the city.

Corporate / Citywide Implications:

- 5.13 The combined funding available under this programme will enable the authority to make significant improvements to the standard of secondary education within the city, to contribute to the local economy by improving skill levels for school leavers, to reduce the number of young people who become NEET, and to further enhance integration of services to support children, young people, families and the wider community.

6. EVALUATION OF ANY ALTERNATIVE OPTIONS

- 6.1 There is no alternative option available at present that would provide potential secondary school building funding of the same value.

7. REASONS FOR REPORT RECOMMENDATIONS

- 7.1 The opportunity to enter the BSF programme at the earliest opportunity, and to access significant capital funding to transform secondary education in the city.

SUPPORTING DOCUMENTATION

Appendices:

1. Readiness to deliver document

Documents in Members' Rooms

None

Background Documents

None

