

**REPORT:** Executive Board

**DATE:** 21 September 2006

**REPORTING OFFICER:** Strategic Director – Children and Young People

**SUBJECT:** Building Schools for the Future

**WARDS:** Boroughwide

## **1.0 PURPOSE OF REPORT**

**1.1** To provide an outline of the submission requirements for entry into the national Building Schools for the Future (BSF) Programme and provide a list of the keys issues Halton needs to consider prior to completing any application.

## **2.0 RECOMMENDED: That**

- (1) Approval in principle is agreed by the Board in relation to the Authority's commitment to engagement in the Building Schools for the Future (BSF) programme in particular the procurement and funding models outlined in Appendix 1.**
- (2) The capacity and experience of Council staff in key service areas be assessed to identify any additional staffing requirements necessary to establish a Project Team and the level of any external consultancy required.**
- (3) Consideration be given as part of the ongoing budget process to the allocation of all necessary revenue costs incurred in establishing and resourcing a Project Management team within the authority.**
- (4) Subject to the satisfactory outcome on the above recommendations, approval be given to submit a request for participation in Wave 5 of the BSF programme**

## **3.0 SUPPORTING INFORMATION**

**3.1** Building Schools for the Future is a national programme through which funding is available for investment to transform all schools or units that

teach secondary age pupils. Funding is either in the source of either conventional capital (capital grant and borrowing) and/or PFI credits. There is no revenue funding. The programme will not fund accommodation for dedicated non-educational services, however, these can be funded through joining up with other funding sources such as Sure Start, the PCT etc. The funding does not fund Further Education Colleges or 6<sup>th</sup> Form Centres operating under the FE regulations.

- 3.2 Capital projects should generally range from £50-£150 million in costs. Projects in waves 4 – 6 were initially selected based on educational and social need. As further prioritisation is now required Authorities are now required to demonstrate their readiness to delivery their projects. It is considered to be poor preparedness if an authority puts forward a project, which is not considered ready at assessment.
- 3.3 The DfES expects that local authorities will take full advantage of the advice and support offered by 4ps, the local government project delivery specialists. The views of 4ps will be sought in assessing readiness to deliver.
- 3.4 The assessment of readiness to deliver will be made by the Department of Education and Skills and Partnerships for Schools. Projects selected for inclusion in wave 4 will have to be ready to commence in January 2007.
- 3.5 The timetable for the process is as follows:-

<b>Date</b>	<b>Action</b>
15 <sup>th</sup> September 2006	Authority must notify the Department and PfS whether intends to bid for inclusion in Wave 4
13 <sup>th</sup> October 2006	Submission must be returned along with the supplementary programme information requirements
December 2006	Announcement of wave 4 projects and indicative wave 5 and 6
January 2007	Wave 4 commence
From September 2007	Following outcome of comprehensive spending review indicative funding for wave 5 and 6 announced
From September 2007 onwards	The department and PfS check readiness to deliver of wave 5 projects

From September 2008 (to be confirmed)	Same process followed for wave 6 projects
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3.6 The following core criteria must be addressed in the submission:-

**Strategy for Change**

- The authority understands its key educational challenges and objectives and how it will contribute to these objectives through BSF

**Estate Strategy and Planning**

- The authority has identified the improvements required to the school estate to deliver the Strategy for Change

**Commitment to the BSF Model**

- The authority is committed to the BSF model, in particular the procurement and funding arrangements, and accepts that BSF funding is dependent on Partnerships for Schools (PFS) and DfES agreeing to any proposed variations to the model

**Project Management**

- Senior members are committed to leading the Authority's BSF project. The Authority demonstrates senior, corporate level commitment and leadership to the project. The Authority shows that it has effective arrangements in place for the leadership and direction of the Authority's project. The Authority demonstrates its commitment to managing the project through a core team that is able to draw on a wide range of skills from, different sources at different times

**Support Network**

- A network of support is available to the project which is drawn from both the Authority's own and external advisers. In particular, the Authority has identified its advisory support requirements and is prepared to appoint legal, financial, technical and ICT advisers.

**Corporate Capacity**

- The authority has the corporate capacity to undertake major strategic investment projects with evidence of its ability to deliver.

## **Key Stakeholders Commitment and Consultation Arrangements**

- Key stakeholders have been and will be consulted at appropriate stages and demonstrate support for the authority's plans.

## **Risk Management**

- The authority is fully aware of the risks facing the project and those, which need to be addressed if the project is to be successfully delivered.

- 3.7 In addition, project scope documents must be completed detailing the number and type of schools, a 10 year pupil forecast and the planned improvements to the school estate, along with timelines on planning, procurement and construction.
- 3.8 It is proposed following consultation with Corporate Management Team and Halton Secondary Headteachers that it is more appropriate for Halton to bid for inclusion in either Wave 5 or 6 so that issues in relation to the most appropriate model for school organisation and more detailed consultation with all stakeholders can be undertaken. The work required to achieve the core criteria outlined in 3.6 of this report cannot be achieved to ensure an appropriate level of preparedness for Wave 4. In addition, it is acknowledged that recruiting a Project Manager, establishing the team and resourcing this facility will be difficult to achieve prior to January 2007.
- 3.9 In order to progress work for a Wave 5 application there will need to be an urgent audit of the skills and experience within the Council in particular in relation to Design, Finance, Legal, ICT, Personnel, Audit, Risk Management, Procurement, Insurance and Advisory. Options will need to be considered to address any skills shortages including the engaging external staff and providing training for in-house staff. The capacity to deliver of these in-house these staff will need to be assessed.
- 3.10 A Project Director will be required. This will be a critical appointment. It should be full time and will need to be a senior member of the Council, with the appropriate skills, paid at the appropriate market rate.
- 3.11 An indication of the likely governance and structure of the BSF project will need to be determined.
- 3.12 In order to establish the likely level of funding available to the Council and the likely costs of any scheme, work is currently being undertaken by Property Services based on ten year pupil projections. More detailed work

cannot be undertaken until decisions have been made as the exact nature of secondary provision within Halton.

- 3.13 The readiness to delivery submission must be completed in full and returned to both the DfES and PFS by no later than 13<sup>th</sup> October 2006.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 The funding levels are guaranteed for Wave 4 Projects. However, although confirmation has been provided by the DfES and PFS that funding will continue for Waves 5 and 6 the levels of funding cannot be provided until the comprehensive spending review is complete in Autumn 2007.
- 4.2 There is no revenue funding for the project. In some authorities the set up costs have been around £2million. Further work is being undertaken with authorities in earlier waves of BSF to identify a more accurate sum. This financial revenue resource will be built into the Council's financial plan.
- 4.3 Many authorities have made a contribution towards the capital costs of BSF schemes, as funding has not fully met requirements.
- 4.4 To make most effective use of school premises joint funding with other partners is seen as essential. However, time to secure outline permission for this funding is short.

#### **5.0 OTHER IMPLICATIONS**

- 5.1 The number and category of schools within Halton needs to be determined. Academy provision also needs consideration along with co-location of other services and the position in relation to Pupil Referral Provision and Secondary Special Schools.

#### **6.0 RISK ANALYSIS**

- 6.1 Detailed below is a summary of the key risks for Halton in relation to BSF:-
- Costs of the scheme – there is no revenue and the costs to the Council are likely to be significant;
  - School Organisation issues could present a major problem for the Local Authority in particular as pupil number continue to decline within the secondary sector. Determining the most appropriate school provision could be an issue. Consideration needs to be given to Academy provision, 14-19, co-location of special schools and federations of schools;
  - Impact of schools seeking Trust or Foundation Status;

- Employment of a Project Director. Many authorities have struggled to recruit an appropriately qualified professional. The costs of this post is likely to be high.
- Capacity to deliver – are there sufficient suitably qualified staff available within the market place to both recruit to posts in Halton and to provide external consultancy?
- The timescales for project delivery have been shortened – can Halton delivery within the revised timescales as many authorities in the earlier stages failed to do so?
- Is there sufficient time to consult with other partners to secure outline approval for funding contributions towards BSF?

## **7.0 EQUALITY AND DIVERSITY ISSUES**

7.1 BSF projects must improve diversity, choice and access, inclusion underperformance and the integration of services.

## **8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Documents	Place of Inspection	Contact
Readiness to Deliver – Guidance for Local Authorities in BSF Waves 4 – 6 (DfES and PfS) June 2006	Grosvenor House	Ann McIntyre – Operational Director Business Planning and Resources
Building Schools for the Future – a guide for school governors and headteachers	Grosvenor House	Ann McIntyre – Operational Director Business Planning and Resources