

REPORT TO: Executive Board
DATE: 9th April 2009
PRESENTED BY: Strategic Director, Children and Young People
SUBJECT: Procurement of a Joint LEP with Warrington Council
WARDS: Borough-wide

1.0 PURPOSE OF REPORT

1.1 To outline the proposals and gain approval to establish a joint Local Education Partnership (LEP) with Warrington Borough Council.

2.0 RECOMMENDED THAT:

- (1) Approval be given to enter into collaborative arrangements with Warrington Borough Council for the purposes of procuring a Private Sector Partner to participate and invest in a Local Education Partnership (LEP);**
- (2) The arrangements in 2.1 be the subject of an agreed and signed Memorandum of Understanding (MOU) between both Councils;**
- (3) The scope of the services to be obtained by through joint procurement and the governance arrangements to be set out in the MOU; and**
- (4) The Chief Executive be authorised to approve the final MOU and take whatever actions necessary to give effect to this decision.**

3.0 BACKGROUND

3.1 A Local Education Partnership (LEP) is a public private partnership between the Local Authority, Building Schools for the Future Investments LLP (BSFI) and a private sector partner selected in open competition under the European procurement rules. The LEP is therefore a joint venture company whose primary purpose is to ensure that BSF investment is efficiently and effectively used to delivery transformation. The key aims of a LEP are therefore to:

- Work with the local authority and other stakeholders to develop strategic investment plans for primarily for secondary education for the area;
- Act as a single point of contact for procuring and providing all services needed to deliver the investment programme;
- Integrate and manage a diverse range of supply chain sub-contractors; and

- Enable delivery of projects through a mix of procurement routes such as PFI, conventional funding and integrated ICT investment.
- 3.2 It is proposed that a joint Local Education Partnership be procured between Halton and Warrington Borough Council. This proposal could allow both councils to have a joint BSF team managing the business cases and procurement preparation. This would strengthen both BSF teams and allow for revenue savings from both Councils. A team that is made of shared resources and has the ability to use Council experts from both authorities would reduce the need for each council to fund a full team in-house.
- 3.3 The Halton Programme is comparatively small when compared to many other local authority Programmes e.g. Manchester and Stoke. It will also go to the market at the same time as a number of other North West Projects it may therefore not be considered as attractive to the market. Joint Procurement therefore means the BSF Programme is likely to attract more market interest. In addition, for bidders the costs of bidding is extremely expensive and can be in the region of £2.5 million. Through joint procurement a bidder considering bidding for both Programmes could save money which could be transferred to the Programme over its lifetime.
- 3.4 It was originally intended that the BSF Programme would be delivered nationally in 15 Waves and Warrington was undesignated between Waves 13 – 15. However under revised guidance issued by the DCSF Warrington Borough Council submitted an Expression of Interest so that they could take part in the Programme early. The Authority has now received feedback with an indicative prioritisation of position 7. The revised arrangements support authorities who are not already in the Programme with priority projects, developing up to five schools as soon as possible. Authorities must therefore be able to demonstrate they are ready to deliver the Programme. Consideration will therefore be given to authorities who are looking to use existing LEP and joint LEP arrangements.
- 3.5 In order to proceed with the procurement of a Joint LEP there must be approval by both Councils. Approval in principle is being considered by Warrington Council in April with formal consideration in May 2009.
- 3.6 Approval by both Councils will be subject to the agreement of a Memorandum of Understanding which will outline the operational and revenue implications, role of external commissioned services, the scope of the LEP and the governance arrangements for the Board. Appendix A summarises the style, type and provision of the MOU. A full copy of the MOU can be made available on request.

4.0 FINANCIAL IMPLICATIONS

- 4.1 A Joint LEP would secure efficiencies for both Local Authorities through the joint BSF teams. It would also secure efficiencies for the bidders and private sector strategic partners.

5.0 OTHER IMPLICATIONS

- 5.1 A Joint LEP with Warrington will increase the market interest in Halton BSF Programme. It will also allow the sharing of expertise across the two Councils in particular in relation to procurement skills and experience.

6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

6.1 Children and Young People

Through the BSF and Primary Capital Programme Halton aims to transform primary and secondary provision in the borough creating 21st century facilities.

6.2 Employment Learning and Skills in Halton

Through access to an excellent secondary school for all pupils, standards will improve providing greater employment prospects for Halton's Children and Young People.

6.3 A Healthy Halton

In developing its secondary schools for the future the authority will demonstrate how it will enable schools to meet the school sport Public Service Agreement through its capital investment and achieve high nutritional standards and encourage healthy eating. Opportunities to increase extended services through schools and provide more integrated health provision will be developed through BSF.

6.4 A Safer Halton

Schools for the future will be designed to ensure that children, staff and other community users feel safe and secure on schools sites.

6.5 Halton's Urban Renewal

Through the BSF Halton schools will become a major resource for communities they serve and will be designed to offer shared community facilities, linking to other wider regeneration projects as well as being the focus for the local delivery of children's services.

7.0 RISK ANALYSIS

- 7.1 The MOU will contain arrangements for graduated payments if an Authority pulls out of the collaboration at various stages in the procurement process. This will reflect the resultant cost to the other Authority. The principles for ascertaining these payments will be set out in a penalty letter to be agreed between both Authorities.

8.0 EQUALITY AND DIVERSITY

8.1 The BSF Programme is aimed at increasing diversity, access and choice, address under performance and provide more integrated local services for children, young people and their families.

9.0 REASON FOR THE DECISION

9.1 A decision is required on the position in terms of the Joint LEP prior to the submission of Outline Business Case on 22nd April 2009.

10.0 ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10.1 Not applicable.

11.0 IMPLEMENTATION DATE

11.1 The Outline Business Case must be submitted to the DCSF and PfS by 22nd April 2009.

12.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

Documents	Place of Inspection	Contact
<u>Reports and Minutes from the BSF Strategic Board, BSF Programme Board, Cross Party Members Working Group on LEP</u>	3 rd Floor Chester Building – Grosvenor House, Runcorn and website www.halton.gov.uk/bsf	Daniel Hennessy – BSF Programme Director