

THE EXECUTIVE

2 AUGUST 2005

REPORT OF THE DIRECTOR OF EDUCATION, ARTS AND LIBRARIES

Title: Preparing for Building Schools for the Future	For Decision
<p>Summary:</p> <p>This report sets out the latest position regarding Building Schools for the Future (BSF) following the meeting with the Department for Education and Skills (DfES) officials. The report explores the latest advice from the DfES and that Barking and Dagenham will be in the next waves of Building Schools for the Future. It is suggested, in accordance with the advice from the DfES, that the Council now puts in place a structure and support to deliver on this programme, which is an exciting opportunity to develop the learning environments of the Council's Secondary Schools.</p> <p>Awards: All Wards</p>	
<p>Implications:</p> <p>Financial:</p> <p>There is a possible financial risk to the Council if the DfES does not give Barking and Dagenham early funding for delivery of Building Schools for the Future. However, this investment of £2m will be required at some stage to undertake the work. Initially £700k of resources are being requested.</p> <p>Legal:</p> <p>The formation of a Local Education Partnership has legal implications for the Council. The report recommends securing appropriate legal advice in this matter.</p> <p>Risk Management:</p> <p>BSF is a significant investment strategy for the Government of national importance. Preparing our case for BSF will underpin the investment strategy at local level.</p> <p>Social Inclusion and Diversity:</p> <p>The Race Relations (Amendment) Act 2000 places a requirement on local authorities to make an assessment of the impact of new and revised policies in terms of race equality. Existing policies have already been subjected to impact assessments. This Authority has adopted an approach of extending the impact to cover gender, disability, sexuality, faith, age and community cohesion.</p> <p>As this report does not concern a new or revised policy there are no specific adverse impacts insofar as this report is concerned.</p>	

There is a duty on the Council as a public body to have regard for the provisions of the Disability Discrimination Act 1995 (and the forthcoming Act 2005) to ensure equal access to school buildings. In considering the development of secondary schools every consideration will be given to ensure that remodelled or new provision will be fully accessible.

Crime and Disorder:

Section 17 of the Crime and Disorder Act 1998 places a responsibility on local authorities to consider the crime and disorder implications of any proposals.

There are no specific implications, but consultation will take place to ensure appropriate security provision is included in design.

Recommendations

The Executive is asked to:

- Agree that a sum of £700k is added to the Capital Programme, as set out in paragraph 4.4 of the report, to allow some early work in drafting proposals, research on site difficulties and drawing up feasibility options for the development of school rebuilding and / or refurbishment of the secondary school estate. This will need to include the establishment of a Local Education Partnership, legal and financial fees for advice (subject to undergoing the CPMO process);
2. Agree that this be initially funded from slippage of £700k from the Warren Science facility scheme;
 3. Note that future bids for resources will be considered in February 2006 (as set out in paragraph 4.3 of the report).
 4. Agree the advancement of the BSF process along the lines set out in the report and subject to consultation with the DfES / Partnership for Schools; and
 5. Agree that officers be authorised to enter into the process of securing advisors to help develop the process.

Reasons

This is a matter of strategic importance to the Council and the Executive needs to consider the investment of resources appropriate to achieve the programme and delivery mechanisms.

Contact Officer:
Mike Freeman

Title:
Head of Assets and
Administration

Contact Details:
Tel: 020 8227 3492
Fax: 020 8227 3274
Minicom: 020 8227 3180
E-mail: mike.freeman@lbbd.gov.uk

1. Background

- 1.1 The DfES have invited Council's to submit applications under their programme for Building Schools for the Future to rebuild, refurbish or remodel secondary schools. Barking and Dagenham submitted a bid to the Secretary of State in December 2003 which indicated we needed to invest in the order of just under £214m.
- 1.2 Barking and Dagenham was not included in the pathfinder bids, nor were we invited to be in waves 1 - 3. However, officers were informed at a meeting with DfES officials on 23 February that we would be included in waves 4 - 7, to be announced in 2006/07. A firm date will be announced around Autumn next year.
- 1.3 The other aspect that DfES officials have indicated is that the BSF programme has slipped and that those pathfinder authorities and those and in waves 1 - 3 are not progressing as quickly as was originally planned and hoped for by both the Councils concerned and the DfES. The DfES have indicated a need to be prepared to move things forward quickly and are anticipating being able to go to local authorities with positive news about being able to bring forward waves 4 – 7. This may mean that Barking and Dagenham might be able to achieve some rebuilding or refurbishment work earlier than the schedule indicated above.
- 1.4 Given the Every Child Matters agenda, from now on, school schemes will have an inter-agency, inter-departmental component because of the expectation of co-location of services for children, young people and families. This needs to be more than speculative proposals and, of course, there will need to be investment if we are to get that far advanced. The DfES have also suggested that, working with Partnership for Schools, we should establish a Local Education Partnership (LEP) which would be extremely beneficial in moving our case forward. The DfES is interested in working with the Borough because of its track record of achievement.

2. Next Steps

- 2.1 There was a clear message from the DfES officials that they recognised the success we have had in delivering our capital programme, particularly around Children's Centres, and the Private Finance Initiative (PFI) project to secure a new school, namely the Jo Richardson Community School, and major works at Eastbury School. In order to demonstrate in a practical way to the DfES how this work is delivered and used, Philip Parker – Head of Strategy, Schools Capital – who is a senior figure within the DfES, was invited and visited to see what has been achieved in Barking and Dagenham in terms of delivery by the Council. A copy of a letter from Phillip Parker, in respect of his visit is attached as Appendix A. This will only help to support an early investment by the Government in schools in Barking and Dagenham.
- 2.2 The work that can be done at this stage would be to discuss action with Headteachers of secondary schools the objectives of investment, bearing in mind the new guidance from the DfES that there is likely to be around 50% rebuild and 50% refurbishment work. It is not clear how this funding will come. Some of it may be a borrowing approval; some of it may be through PFI credits. It will be useful to be able to engage consultants to undertake some early feasibility works looking at the options for each school and providing some costings. Clearly, the work for the Jo Richardson School would not need to be repeated and for Eastbury, we have, for

the most part, a plan in place. It would be useful just to revisit the costs in respect of that project. However, for the other 7 schools, it would be a significant piece of work which we need to commission fairly soon so we can be in a position to respond, perhaps as early as Summer 2005, with information to show that we are ready to take forward investment in our schools. For new secondary schools, at Barking Riverside for example, funding will also be available. We are waiting for information from the DfES to clarify investment in existing and new primary schools following the Chancellor's Budget Speech in March 2005.

- 2.3 The other major piece of work which will be necessary is the establishment of the Local Education Partnership which is the Government's DfES' preferred procurement route and will entail establishing a partnership arrangement with the commercial sector and Partnerships for Schools acting on behalf of the DfES. If the Council is to pursue this route, and there can be little doubt that the DfES will require it, then we also need to invest in legal fees for advice and costs associated with financial advice to protect the Council's interest. The Council is also being pressed to establish a vehicle to procure social infrastructure and it could be that the LEP might be used in this way. The possibility is being investigated.

3. Existing PFI Scheme: The Link between Education and Regeneration

- 3.1 The implementation of the PFI Scheme for the Jo Richardson Community School and Joint Service Centre at Castle Green (which includes a Library, the Adult College, a Learning Village, Sports and Fitness, Performing Arts, Connexions, a Children's Centre, the Police and a Health Centre) offers a model for improvement of education and other services, whilst at the same time regenerating the local area.
- 3.2 The continuing positive economic impact of the scheme in the local area is estimated to run into millions of pounds.
- 3.3 The Jo Richardson Community School is an exemplification of the Council's policy for Education which has made the Council the fastest improving education authority in the country.

4. Resources

- 4.1 A combination of the Education, Arts and Libraries Department (DEAL) Assets Section and the PFI Team could undertake the principles of this work, but the requested £2m would be essential to carrying out feasibility studies, site investigations, financial and legal advice and to achieve the state of readiness that the DfES are expecting through support from external consultancy.
- 4.2 This represents good value for money as there is clear evidence to support the way that the PFI project was procured which, if replicated, saves time in the long run, sets definite standards by which the new buildings have to be delivered, achieves better designs and, most importantly, is planned to improve teaching and learning environments for students and teachers.
- 4.3 This project will be one that stretches through to 2012 when it is expected that, through various routes, new buildings or refurbishment works will be completed. At this stage, it is envisaged that spending will follow the profile suggested and outlined below:

2005/06	£200,000
2006/07	£500,000
2007/08	£500,000
2008/09	£200,000
2009/10	£200,000
2010/11	£200,000
2011/12	£150,000
2012/13	£50,000

- 4.4 At this stage it is not necessary to commit the full £2m and this the Executive is being asked to allocate sufficient funds to commence the work, namely £700k, £200k in 2005/06 and £500 in 2006/07.

Further sums will be considered in February 2006 in the context of the review of the entire Capital Programme.

- 4.5 Within the DEAL allocated capital programme an examination has been made of the projects currently being undertaken to see where it might be possible to reduce demands for resources. There has been an underachievement of targets on the capital spend profiled budgets in 2004/05 and the latest position on monitoring looks as though there will be slippage on the spend in the capital programme in 2005/06. This slippage could help to fund the programme indicated above, paragraph 4.3, but the Executive should note that the overall programme cannot show a saving as there are still commitments to existing projects.

Slippage will come from the following project:-

Warren science facilities - £700k

- 4.6 It should be noted that by allocating an additional £700k to the BSF initiative, at this stage it reduces the sums available for all future capital projects.
- 4.7 The addition of the project to the programme would be subject to the appraisal process through the Capital Programme monitoring office.

5. Managing the BSF Process

- 5.1 It is suggested that the success of the PFI Steering Group should be used as a model for managing the BSF process and can be utilised as a resource for informing Lead Members about progress on the project. If Members feel this would be useful then a suggested Membership based on the existing Steering Group could be put forward to a future meeting of the Executive.

6. Financial Implications

- 6.1 It is not clear at the moment as to how much funding the Council will receive via the Government's secondary schools BSF initiative. Barking and Dagenham is included in waves 4 - 6 and details are due to be announced in 2006/07. However the DfES have indicated that, due to slippage within the current BSF programme, they may consider providing funding early to Councils within waves 4 - 6 provided they can demonstrate that they are in a position to progress quickly.

6.2 Consideration has been given to the possibility of developing Dagenham Park, which would include the school and both village Infants and William Ford Junior Schools as a priority. However, it does seem more appropriate to look at this development in the round and with the possibility of BSF funding. Clearly, if funding can be obtained from central government to invest at Dagenham Park, this would be preferable to spending the Council's own resources.

7. Advancing the Project

7.1 If the Council is able to demonstrate to the DfES that we can deliver on BSF in the same way that we have throughout the capital programme process, as indicated in this report some resources will be needed. A figure of £2m (with £700k being allocated initially) has been mentioned and this will be managed as indicated elsewhere in the report through DEAL, and we will be looking at our own structures to accommodate this. There is a need to support this management through additional resources from the private sector. A list of the types of things that we need to address are set out below.

- having our educational vision endorsed by the DfES ;
- identifying external resources to establish a strategy for delivering BSF;
- designing a strategy for delivery;
- establishing our procurement methodology including the Local Education Partnership;
- working with stakeholders, governors, schools and councillors and the wider community;
- legal advice in respect of the above;
- financial advice for establishing the business case;
- setting up agreements for the future, and PFI arrangements;
- designing overarching developments for individual schools;
- preparing statutory proposals for changes.

7.2 This early work will mean that the Council will be able to respond very quickly once the DfES designate us as a BSF authority. Much of the cost associated with setting up the structures and particularly around the establishment of the Local Education Partnership (LEP) will be of a legal and financial nature. Clearly discussions will need to be held with colleagues in Legal Services and the Finance Department about the appointment of suitable advisors. Advisors will need to be recruited through the OJEU process; the sooner this process is started, the more likelihood there will be of being successful.

8. Consultation

8.1 This report has been compiled following consultation with:

Councillor Jeanne Alexander	Lead Member for Children's Services
Julie Parker	Director of Finance
Joe Chesterton	Head of Financial Services
Muhammad Saleem	Solicitor to the Council and Monitoring Officer
Alan Russell	Head of Audit
Jeff Elsom	Crime and Anti Social Behaviour Unit Manager
Bill Coomber	Corporate Equalities & Diversity Advisor

Jim Mack
Paul Pearson
Other Consultees:

Head of Asset Management and Development
Finance, Planning and Procurement Manager
Corporate Asset Management Group

Background Papers

There is a whole raft of documents available at www.bsf.gov.uk/documents/. Of particular importance are the following:

- Consultation document Building Schools for the Future: A New Approach to Capital Investment (*February 2003*)
- Outcome of the Public Consultation and Feedback from Regional Conferences (*June 2003*)
- Guidance to LEAs on Consulting Proposals and Expressions of Interest for Capital Investment under BSF (*July 2003*)
- LEAs and Schools' Guidance for Anticipating Building Schools for the Future Investment (*March 2004*)
- Covering letter from David Goldstone, Chief Executive of Partnership for Schools and Sally Brooks, Divisional Manager, Schools Capital and Buildings Division (*March 2004*)
- Educational Vision Nov 2004 (*March 2004*)

Copies of these documents can be made available if you do not have internet access.

Additional documents:

- Report to the Executive - Building Schools for the Future, 9 March 2004, Minute 313
- Report to the Executive - Building Schools for the Future, 7 October 2003, Minute 133