

**Report To:** Educations & Children Services SMT &  
CMT  
**Date:** 13 & 15 July 2009  
**Contact Officer:** Annal Nayyar, Deputy Director of Finance  
**Subject:** Building Schools for the Future (BSF) – Critical Path

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## 1 Background

- 1.1 This summary briefing provides an update to both the Corporate and DECS Senior Management Team of the required next steps in the authority's journey to successfully implement the national building schools programme for secondary schools known as BSF.
- **It also asks CMT to endorse the suggested way forward ,outlined in section 2 of this paper and note**
  - **The requirement and timescale set out to produce and submit a Readiness to Deliver (RtD) – as outlined in section 3.**
  - **Incorporate the affordability gap into the 2010-11 budget build process**
- 1.2 Although SBC were successful at the Expression of Interest stage – which is the 'application' stage of entering the BSF programme, the next step for the Council is to submit a Readiness to Deliver (RtD). This submission document will look to outline the authorities vision and specifically assure Partnerships for Schools (PfS), (the governments agency to deliver this programme), that all the funding (fundamentally revenue) has been put in place by Slough Borough Council.
- 1.3 Currently the Deputy Director of Finance is in discussions with secondary head teachers to look to secure funding from the Dedicated Schools Grant and School Balances which can prudently be released to compliment other council wide resources. A progress report will be produced at the conclusion of these discussions.
- 1.4 The broad stages thereafter to 'draw down' the initial capital allocation of £80m available to Slough through to building construction and operation are as follows:
- Identify funding, establish project team and framework to support the RtD submission
  - RtD submission
  - Strategy for Change –part 1
  - Strategy for Change –part 2
  - Outline Business Case

- Prepare to Procure
- OJEU-
- Bidding stage
- Preferred Bidder to Financial close
- Construction Phase
- Operation

## **2 Funding / Establish Project team / Framework to move forward**

- 2.1 **Funding:** Based on government guidance and information received from authorities who have delivered a wave of BSF, on the same scale as the capital allocation of £80m awarded to Slough, the Council needs to commit a sum in the region of £1.5m in each of the next three years to meet the running costs of the build programme. This would be a pre-requisite level of resource to assure the DCSF/ PfS of the seriousness of Sloughs bid when submitting the RtD.
- 2.2 **Project Team:** A project board be set up and be supported by a specialist project director commissioned externally with the associated skill set of delivering major schools projects within timescale and budget (including PFI schemes in the education sector). The Deputy Director of Finance has carried out research in to the availability of appropriate candidates by informal interviews and by liaising with councils already advanced in the programme.
- 2.3 The Strategic Director for Education & Children Service is identified as the project sponsor and the Deputy Director of Finance as the project lead. The balance of the team will be a mix of internal support specifically from the Raising Achievement division of the Education and children's directorate, council wide support, head teachers representation and the lead member for the Education & Children's directorate.

The project board, in turn, is accountable to the Corporate Management team of the Council, appropriate scrutiny committee and Cabinet?

**A detailed project plan will be produced by the Deputy Director of Finance in the coming weeks aligned to the progress made securing revenue funding.**

## **3 RtD Submission**

- 3.1 This is a competitive process to determine those councils which are most able to deliver against the BSF timetable. Councils must be able to evidence that they can meet stringent criteria, this includes the following:
1. Strategy for change – the vision for the council's transformation of secondary education

2. Estates strategy and planning – the council's approach to its secondary school estate
3. Commitment to the BSF model – the council is required to give its commitment to a Local Education Partnership (LEP) which is clearly the Government's preferred delivery vehicle for BSF, the use of PFI for new build schools and the development of a managed service for ICT
4. Project management – the council needs to outline the project management structure it will use to deliver the programme
5. Support network – including the use of external advisors
6. Corporate capacity – the extent to which the council has made the appropriate (3% - 5% of allocated capital sum) resources available to support the delivery of the programme
7. Key stakeholder commitment – the plans the council has to ensure the engagement of stakeholders
8. Risk management – the arrangements for the management of risks across the programme

3.2 **Practically, the latest timeline for submission is Feb 2010. It is not prudent to submit a bid later than this timescale particularly as there is a forthcoming general election and any new government may have differing view on the long term viability of this programme. Also it is quite clear that public sector funding will be reduced and this is likely to impact on the BSF programme beyond this current wave.**

#### **4. Strategy for Change - part 1 (time scale circa 8 weeks)**

4.1 The Strategy for change (SfC) is the first key document that the local authority has to produce and agree locally with schools and other stakeholders. It ensures the local authorities educational priorities are at the forefront of their BSF planning processes, enabling more forward-looking learning environments to be developed.

School staff, governors and the local community will need to be engaged with the council's developments of its strategic objectives and plans for its SfC.

**In addition, DCSF Ministers will set out their specific expectations in a 'Remit for Change' for each local authority, capturing local objectives, targets and challenges and reflecting Government priorities.**

Part 1 is intended to be a succinct summary document, with part 2 being much more detailed.

The starting point will be the current agreed local plans e.g. produce strategic overview summary incorporating school and estate position. Submit to PfS/DCSF for approval and once approved by minister move to part 2.

#### **4 Strategy for Change – part 2 (time scale circa 20 weeks)**

4.2 Provide the detail behind the summary submitted as part 1. Part 2 will look to develop 2 linked strands from part 1. These being how to meet the key challenges and key objectives, and the key estate proposals.

There are key questions linked to challenges and objectives:

- Where is the authority now in terms of educational outcomes, diversity, fair access and choice?
- What added value does BSF bring to the authority
- How is the authority set up to manage academies and Trust status.

The section on estate strategy will provide an assessment on the condition of schools within the wave and a 10 year pupil place projection. Also a description of the ICT managed service that will meet local needs, confirm the running costs of the new buildings can be met and how the authority is geared to meet the procurement process.

#### **5 Outline Business Case (OBC) (time line 22 weeks)**

5.1 The OBC is the detailed assessment of what is achievable and affordable. It provides the detail to secure approval from PfS and then from a panel comprising of members from DCSF and HM Treasury to begin the procurement of a private sector partner. It should look to transfer the SfC into even more detail and align the financial strands. The core elements of the OBC are as follows:

- Affordability
- Offers VFM
- Will be attractive to the market
- Have the necessary local authority resources and experience to deliver the project

#### **6 Prepare to Procure**

Prepare procurement documents and evaluation plans. Submit OJEU notice to project board and also PfS. Once approved move to next stage.

#### **7 Official Journal of the European Union (OJEU)**

Publish OJEU, bidders expressing an interest in the project are issued with a Pre-Qualification Questionnaire to establish if they have the technical capacity, ability, economic and financial standing to deliver the project.

#### **8 Bidding Stage**

Dialogue with prospective bidders etc.

## **9 Preferred Bidder to Financial Close**

Receive and evaluate final bids, with final evaluation report going to project board for agreement. Appoint preferred partner and look to submit the final business case to DCSF for approval. Thereafter contract and financial case are closed and ready for construction phase.

## **10 Construction Phase**

Construction phase, work starts and handover programme is agreed. Further detail will be provided at a later date.

## **11 Operation**

Detail will be provided at a later stage.

## **12 Risk**

- 12.1 The affordability gap needs to be bridged and monitored in detail as the learning from completed BSF projects is that they are associated with major overspending;
  - 12.2 Even if the authority is able to earmark appropriate revenue funding there is no guarantee that submissions will be accepted by PfS. The latest figures available suggest that of the 25 authorities who submitted RtD, only 50% were accepted onto the next stage of the programme - of these 5 were already re-submissions. Thus the revenue implications of this need to be noted.
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