

SLOUGH SCHOOLS' FORUM

Wednesday 10th December 2014

PFI FUNDING OPTIONS Update on progress

1. Purpose of Report

- 1.1 To update the Forum on progress since the meeting on 17th September 2014.

2. Recommendations

2.1 The Council asks that:

- The Forum notes progress made in terms of DfE pilot aimed at delivering efficiencies and reducing costs and the next steps
- The forum notes the update in this report relating to the requirement to reduce the General Fund's contribution to the Schools PFI and the recommendation to set up a small task and finish group from the Forum (including PFI schools) to meet to discuss the report in detail, including options to resolve any outstanding savings going forward.
- The Forum nominates representatives to meet to discuss the above and reports back to Forum in March 2015 on options for agreement and ratification.

3. Introduction

- 3.1 At the last meeting the Forum were updated on the progress since the last meeting in September 2014. The purpose of the current discussions and subsequently the DfE Pilot relate to the requirement to agree a way forward on the redistribution of the PFI funding gap to achieve significant reduction to the figure £810k per annum on a phased basis. In addition there is the additional £180k from the benchmarking exercise for the three PFI Schools that also needs to be addressed. There are two elements which relate to the £810k affordability gap above i.e.

- £500k that has been discussed consistently with schools forum and this relates to the year on year savings
- £310k that is also part of the affordability gap but this is outside the remit of the current discussions.

3.2 At this meeting the recommendations were;

- The Forum noted the progress made since the last meeting

- The Forum at previous meetings confirmed their support for SBC participating as one of DfE pilots and asked that further updates are provided to the Forum as progress is made

4. Current Position

- 4.1 In respect of PFI Operational Savings Programme, the start date for DfE pilot the initial planning meeting was held on 9th September 2014 to finalise the projects remit and targets. It was agreed at that stage that the Project Lead from Local Partnerships (on behalf of DfE) was Steve Hazelton supported by Val Knight and their proposal was to have their final report available in November 2014. The Project Lead from the authority was Julie Pickering Interim Assistant Director (Contracts, Commissioning and Procurement)
- 4.2 The Project Leads met with the three PFI Heads on 12th September and this was followed up by a workshop on 20th October 2014 In addition to the meeting with QED Board/Pario on 18th August 2014, there was a 'contractor 'workshop on 24th October 2014 followed by a meeting on 10th November 2014 to further review and confirm any savings that can be delivered outside the remit of PFI pilot.
- 4.3 The draft report was circulated to the PFI Heads on 21st November 2014 and has now been agreed as final. This report is confidential and has a limited circulation .The report highlights a number of potential savings for the council but it can not be confirmed at this stage if the savings can be realised and which can be established as on – going rather than one off savings

5. Next Steps

- 5.1. The Forum are already aware from previous meetings that the Council has stated that it will not sustain funding the shortfall in future' The Forum have previously noted that, once any savings have been realised, the remaining affordability funding gap will need to be found on a phased basis from 2015/16 with no assumptions about the sources of that funding at this stage
- 5.2. The next steps in the process are for Interim Assistant Director (Contracts, Commissioning and Procurement) to meet again with Pario/QED to discuss and agree any savings that can be achieved on an on- going basis. This date has been set for 15th December 2014.
- 5.3. The meetings with the three PFI schools will continue once this response has been received.
In addition due to the commercially sensitive data within the report from Local Partnerships it is proposed to set up a small task and finish group of representatives of the Forum (including PFI schools)to meet to discuss the report in detail ,including options to resolve any outstanding savings going forward. The remit of this group is then to report back to the Forum to discuss and ratify any suggestions.

5.4. It is expected that the work of the task and finish group will be concluded by end of February 2014 so that an update including any identified shortfall for 2014/15 and subsequent years will be reported to Forum at their meeting in March 2015.

6. Advice received from Statutory and other Officers

6.1. Head of Legal

Advice on the principle of the report has been sought and the Council's Legal Service is party to the contract review.

6.2. Section 151 Officer – Assistant Director- Finance and Audit

The financial implications of the report were outlined in the report to Slough Schools Forum on 7th May 2014 and subsequent reports under this heading.

6.3 Access Implications

There are no access implications.

6.4 Consultation

Principal Groups Consulted – none

Julie Pickering
Interim Assistant Director
Contracts, Commissioning and Procurement