



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:

Cabinet

5th January 2009

Building Schools for the Future – Phase 2

Report of the Interim Corporate Director – Children & Young People’s Services

1. Summary

- 1.1 The purpose of this report is to advise Members of the current status of the BSF project, outline the further work required to progress the project, recommend the schools to be included in the next phase of BSF and seek authorisation to commence Phase 2.
- 1.2 The first four schools in Phase 1 of BSF are currently under construction. Before further funding for future phases can be accessed, the Council must submit a satisfactory Strategy for Change. To progress with Phase 2, the Council must decide which schools to include and then it would be usual for the Council to submit a New Project Request to the LEP. This report seeks confirmation of the Interim Corporate Director’s action to authorise the start of design work on two fast-track schools working to revised new project development timelines under the terms of the Strategic Partnering Agreement (SPA).

2. Recommendations

- 2.1 Cabinet is recommended to:
 - (a) Note the current status of the BSF project and the requirement to submit a revised Strategy for Change;
 - (b) Confirm the schools / centres to be included in the next Phase of the Programme (Phase 2);
 - (c) Note the urgent requirement to authorise the start of design work on two fast track schools (Crown Hills and Rushey Mead); and two further Phase 2 schools for whom the design development stage will be more protracted (St Paul’s and City of Leicester) and two further smaller projects (Cherryleas Assessment Centre and The Children’s Hospital School) and

- (d) Confirm the action of the Interim Corporate Director, taken in consultation with the Lead Member to move forward under the terms of the SPA ahead of the issuing of a New Project Request for the two fast track schools

3. Report

3.1 BSF Phase 1

- 3.1.1 Completion of the first Phase of the refurbishment of Fullhurst Community College is due in January 2009. The remaining three schools in Phase 1, which are all new schools, are due to be completed at the beginning of June 2009.

3.2 Strategy for Change

- 3.2.1 Partnerships for Schools, the Government Agency responsible for delivery of the BSF programme, has advised that the Council will not be able to access funding for future phases until we have submitted a satisfactory Strategy for Change. The original BSF funding allocation of £235m was based on a Strategic Business Case, submitted in May 2005 and not revised or updated since. The Strategy for Change replaces the Strategic Business Case and it is right that we stop and review our strategic approach to investment; much has changed in the four years since it was written, both in the context of national legislation and guidance such as the 2006 Education and Inspections Act and the Children Plan in the context of the Council's own priorities. These priorities and changes in strategic approach include the over-arching 'One Leicester' strategy, the aspiration for an integrated 0-19 provision, 14-19 curriculum and diplomas, special schools and PRUs, extended services, healthy food and exercise and sustainable development.

- 3.2.2 The purpose of this report is not to present the final form and content of the Strategy for Change, which is still work in progress. However, it is possible, at this stage, to show some of the ways in which the BSF programme will support the 7 'One Leicester' priorities. These are as follows:

- Investing in our children
 - Every young person to be educated in a modern, attractive and accessible environment
 - Schools at the heart of their communities, providing a range of services and opportunities for local people
- Planning for people not cars
 - Local schools (particularly noting proposals to provide schools for Ashton Green and the City Centre)
 - Green travel planning
- Reducing our carbon footprint
 - Higher targets for reducing carbon emissions (subject to additional funding)

- School buildings as teaching and learning tools
- Creating thriving, safe communities
 - Building community capacity around schools
 - Increased access to language skills development
- Improving well-being and health
 - Improved community services and support, accessible close to home
 - Healthy food at school
 - Improved facilities and participation in sport and physical exercise
- Talking up Leicester
 - Leicester, a Wave 1 BSF Authority
 - BSF is only part of a £500 million investment in our schools and colleges
- Investing in skills and enterprise
 - Improving skills for employment, e.g. Braunstone Vocational Training Centre (and other to follow)
 - BSF providing training opportunities and legacy (e.g. construction skills)

Summary

We want schools that:

- are modern
- are local
- are sustainable
- are the heart of their communities
- support healthy lifestyle
- prepare young people for work

3.2.3 Strategy for Change - Part 1

The Strategy for Change consists of 2 parts. Part 1 is a short summary document that sets out the challenges that the BSF programmes should help to address. It is the '*what is to be done*' part of the strategy. It covers:

- Baseline assessment of diversity of provision, fair access and parental choice;
- Added value from BSF;
- Proposals to increase choice, access and diversity (direct link with national Challenge);
- Tackling underperformance;

- Personalised learning;
- 14-19 curriculum;
- Integrated and extended services;
- Inclusion;
- Change management strategy (school workforce); and
- Sustainable development

A second draft of the Strategy for Change Part 1 has been submitted and further minor amendments and additions are required in order to meet PfS requirements. It is anticipated that Member approval of the SfC will be sought alongside the SfC Part 2 (see below).

3.2.4 Strategy for Change – Part 2

As Part 1 of the SfC is the '*what is to be done*' component of the SfC, so part 2 is the '*how it will be done*' component. It must set out a clear plan for delivering the key challenges and objectives set out in Part 1. The document must include two sections:

- Meeting educational challenges and key objectives; and
- Addressing key estate proposals

The educational challenges and key objectives (the education vision) are being developed through a number of workshops, designed to engage all stakeholders, including schools, professional associations and unions.

The estates strategy section will confirm the approach set out in the original SBC and used to procure the LEP, design and construction and the ICT and FM services. The main tasks are to review the estates data (building condition, etc), the school places forecasts and proposed schools sizes, the preferred options for each school (replacement, remodelling, etc) and the affordability analysis (revenue and capital).

A first draft of SfC 2 has been produced and the aim is to submit the draft document to PfS as soon as possible, and no later than February 2009.

3.2.5 Approval of Strategy for Change

It is proposed to seek the formal approval of the Strategy for Change by Cabinet (and Council, depending on further advice) during March 2009. At this time, approval will also be sought from Cabinet to delegate some further detailed decisions on to the TLE Programme Board in order to provide approvals without delay to the programme.

3.3 Prioritisation of schools to be included in Phase 2

- 3.3.1 The government's intention is that all students of secondary age should benefit from the BSF programme. This means that all schools and centres with secondary aged students will be in the programme, including mainstream, voluntary aided, special schools, PRUs and short-stay centres. The BSF programme is to be delivered in phases. The original proposal was to have 4 phases, commencing 12 months apart. After further discussion with the LEP, a number of smaller phases, commencing at 6-monthly intervals might give better continuity of work. This is to be investigated further.

3.3.2 In order to find an equitable basis for prioritisation, the original business case proposed that schools were prioritised on the basis of need, after considering factors such as the condition and suitability of buildings, the need to raise attainment, socio-economic factors, environmental performance, etc. It is still proposed to use this as the basis for establishing the priority order. The full details of the priority order and proposed phasing have not been established yet. When they are, they will be published in the Strategy for Change.

3.3.3 There are two over-riding factors that have been considered in order to identify the schools to be included in Phase 2. These two factors are *'readiness to proceed'* and *'urgent requirements'*. The *'readiness to proceed'* criterion has been adopted following discussions with PfS and the LEP. The *'urgent requirement criterion'* will be evident from the project summaries below.

3.3.4 The schools proposed for Phase 2 are summarised below, together with the approximate capital allowance (where currently known).

School	Sub-phase	Proposal	Capital expenditure	Reason for inclusion in Phase 2
Crown Hills Community College	2A	Partial rebuild and refurbishment	£11.2 M	Ready to proceed. Original Phase 2 School
Rushey Mead Secondary School	2A	Partial rebuild and refurbishment	£9.6M	Ready to proceed. Original Phase 2 school
Cherryleas Assessment Centre	2B	Refurbishment	£0.6M	Required urgently as part of PRU action plan for special measures
Childrens Hospital School	2B	Refurbishment	Unknown pending feasibility	Required urgently as existing lease expires summer 2009
City of Leicester School	2C	Originally proposed as partial rebuild but new build may be a better option. To be investigated further.	£19.5M	Ready to proceed. Original Phase 2 school
St. Pauls RC School	2C	Partial rebuild and refurbishment, subject to resolution of site ownership.	£13.2M	Ready to proceed. Urgent site issues to be resolved.

3.3.5 The schools that are ready to proceed are generally those schools that were named in the original SBC. Those schools have already invested significant time and resources, along with the LEP, to develop their education visions. The exception is Sir Jonathan North Community College, which was originally included in Phase 2. After further consideration and discussion with the LEP and PfS, it is evident that it cannot proceed alone and must be phased with Lancaster School, which occupies the adjoining site. The matters that require joint consideration are the potential for the two schools to share some specialist facilities, the overall design and layout of the campus and the construction logistics.

3.4 The process for bringing forward new school projects

3.4.1 The process for bringing forward new school projects is set out in the Strategic Partnering Agreement that the Council has entered into with the LEP. The process starts with the Council submitting a 'new project request' to the LEP. There is then a two-stage approval process whereby the LEP submits first outline and then detailed proposals for each school in the Phase. The Council has to give the LEP certain basic information including the size of school required (number of places), the capital expenditure allowed, the school vision and the authority's requirements. The process takes about 4 months for the first stage and a further 8 months for the second stage.

3.4.2 It is proposed to issue 3 separate 'new project requests' for Phase 2 schools following a period of design development where the Council and LEP will work together under the terms of the SPA whereby the LEP will deliver partnering services based on an LCC commission. The proposal is as follows:

3.4.3 Phase 2A (Crown Hills and Rushey Mead) – design development to begin in early December 2008 and a New Project Request issued March 2009

Phase 2B (Cherryleas and Childrens Hospital School) and Phase 2C (City of Leicester and St Pauls) New project requests to be deferred until Cabinet and PfS have approved the Strategy for Change, including the updated affordability analysis.

On the basis of the above, work would start on site on Phase 2A projects in January 2010 and be completed between June and December 2011. Building work in all the city's BSF schools should be complete by June 2013 at the latest.

3.4.3 The commencement of Phase 2 is likely to be at least 12 months later than was originally envisaged and this is causing significant problems for the LEP as it relies solely on new project development for income. PfS has requested that we bring new projects forward as soon as possible (and implied that agreed funding will be allocated elsewhere if we do not). Ideally, the process for bringing forward a new project would involve the sign off by Cabinet and PfS at every stage in order to minimise the risk of abortive work. However, this protracted process would carry the risk of insolvency of the LEP or the funds that are allocated to the City being reallocated elsewhere to another authority in a better position to proceed. For expediency therefore, and because of the political imperative, the Interim Corporate Director, in consultation with the Lead Member, has confirmed two of the schools to be included in Phase 2 (Crown Hills and Rushey Mead) and has authorised the design work to commence under the Partnering Services arrangements.

5. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

5.1. Financial Implications

"The funding available for each school as shown in the table at para 3.3.3 was set by the Government when Leicester was approved as a wave 1 BSF Authority following submission of the Strategic Business Case in 2005. It takes into account the planned numbers on roll, the scale of works proposed and the overall funding available for Leicester as identified at that time. All four schools proposed for phase 2 are Design and

Build, which means that the construction cost will be covered by a grant from the Government for the amounts shown. The funding for the Cherryleas Assessment Centre and the Children's Hospital School is likely to be found from the allocation for SEN / Pupil Referral Units. There is a potential financial risk at St. Paul's due to the different VAT status of the Governing Bodies of VA schools; however it is understood that PfS will underwrite this sum. The detailed financial modelling for the schools and facilities proposed for Phase 2 will be carried out over the coming weeks and the conclusions as to the costs, affordability, etc will form part of the SfC report to Members in January / February 2009.

By requesting design work from the LEP ahead of the formal approvals for Phase 2 to proceed, the Council is committing itself to meet the LEP's abortive costs in the event that the rebuild / refurbishment of a school does not progress. In the worst case scenario, if a school were to be fully designed but not progressed, the liability for design fees could be 15% of the estimated build cost. This situation is unlikely to occur given the national and local imperatives to progress BSF; however in the light of the very compacted timescale within which Phase 2 is required to proceed, the risks and liabilities will be reviewed before each project design request is passed to the LEP.

Colin Sharpe, Head of Finance and Efficiency, CYPS, ext. 29 7750"

5.2 Legal Implications

These are largely covered in the financial implications.

The LEP'S development costs are calculated by reference and a fee table. Examples of how these costs can be built up were supplied as part of the bid.

To achieve desired timescales it may be necessary to accelerate the timescales for the development of new projects as set out in the Strategic Partnering Agreement, this can be done by agreement with the LEP.

The first PRU and Special School in the Programme, contractually, needs to be tendered. The timetable may not allow for this. In this case it will be necessary to negotiate a change to the Strategic Partnering Agreement.

There is a known issue about VAT accounting for works done.

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6. Report Author

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Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet)

