

Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet

7th March 2005

**Building Schools for the Future 2008-2012:
A development programme for Secondary Transformation**

Report of the Corporate Director of Education and Lifelong Learning

Purpose of the Report

- 1 The purpose of this report is to seek Member approval to a Department for Education and Skills (DfES) funded programme of transformation in all secondary schools, with the exception of those in the City Academy programme, and some funding for Special Education provision. The programme is intended to create a step change in educational standards, and thereby significantly improving individual life chances for young people in Leicester in line with one of the Council's key Strategic Objectives in the Corporate Plan is to **"raise educational standards and skills irreversibly so that all schools are good schools"**. Approval at this stage commits the Council to submitting the Business Case to the DFES, to seeking a private sector partner and to seeking tenders for the first four schools in the programme.

Recommendations

- 2 The Cabinet is recommended to:
 - a) Approve the Strategic Business Case (SBC) – Copies will be lodged in the members' area
 - b) Approve the phase 1 Outline Business Case (OBC) – Copies will be lodged in the members' area
 - c) Subject to the approval of the OBC by the treasury, authorise the Corporate Director of Education and Lifelong Learning to commence an exercise to procure a Private Sector Partner to participate in the Local Education Partnership (LEP) and to develop the first four schools.

- d) Note that a further report will be brought back to Cabinet seeking approval to the appointment of the Private Sector Partner and the signing of contracts.
- e) Authorise the Corporate Director of Education and Lifelong Learning, in consultation with the Cabinet member for Education and Lifelong Learning and the Project Board, to negotiate with the DfES and to vary the details of the SBC and OBC, as explained in paragraph 82 of the main report.
- f) Delegate to the Corporate Director of Education and Lifelong Learning, in consultation with the Town Clerk, Cabinet member for Finance and the Project Board, the decision to subscribe for equity in the LEP, subject to available Capital Programme provision; such decision to be based solely on the extent to which investment provides the Council with greater influence in the delivery of the programme.
- g) Decide whether it wishes to share the affordability gap, with schools, on a 50:50 basis or whether it wishes to accept the schools counter proposal that the Council should meet 70% of the gap.
- h) To agree that contract procedure rules 6, 7, 8, 9 and 10 be waived to the extent required so that the EU procurement negotiated procedure and/or framework arrangement procedure is authorised, that the minimum number of parties being invited to submit best and final offers be not less than three and that the standard documentation produced by Partnerships for Schools be authorised as complying with contract procedure rule 10.1 (subject to such amendments as the Head of Legal Services considers necessary to ensure legality and to reflect the agreement between the parties) and the requirements for contracts to correspond to the Council's standard contract terms and conditions be waived accordingly.

Summary Report

- 3 The Government's BSF programme is a 'once in a generation opportunity'. It has been offered to 12 Authorities in Wave 1, including Leicester. This is against a backdrop of schools having greater autonomy, more exposure to the market and a decreasing reliance on the Local Authority. It opens up the possibility of a £1/4bn injection to transform secondary provision and deal with the maintenance backlog in a sustained approach over a 25-year cycle. The Government's intention is that BSF will be offered over the next 10-15 years to all other Local Authorities in England, potentially putting any that do not embrace the scheme into a second-class league with consequences for delivery of the curriculum. In practical terms it is believed that a bid in Wave 1 is more likely to be successful and give greater Capital investment than a later bid.
- 4 The Council's secondary schools estate makes it increasingly difficult to deliver a modern, personalised curriculum for the 21st century for a diverse range of pupils in both mainstream and special schools. Our schools are not fit for purpose. Schools need more flexible classrooms, rich ICT resources, specialist equipment in line with all schools becoming Specialist Schools and facilities that conform to DDA standards.

- 5 The schools created will be designed and built to take account of current needs but be flexible in design to respond to future developments. The design will enable personalised learning, introductory and plenary group work, social space, project areas and other patterns of work and social engagement to take place. There will also be space that will enable all staff to optimise their work output for the benefit of the learner and provide increased job satisfaction for the individual. Designs will also create dedicated areas for vocational learning, social and communal areas that are easily overseen and supervised, therefore reducing the incidence of bullying and misbehaviour.
- 6 In line with most other Authorities the Council's school buildings stock is generally outdated. Secondary school buildings face a £9m maintenance backlog, and waste energy in unsustainable structures. Improving behaviour is key to raising standards in schools; well designed and planned environments are required to make an impact on behaviour.
- 7 The mechanism required by DfES for delivering the programme is a Public Private Partnership that will operate to a brief specified by the Council. The Council's strategic control of secondary education will be retained, i.e. teaching, curriculum, admissions/exclusions etc. The strategic business case will be renewed annually under the Strategic Partnering Agreement.
- 8 The Local Education Partnership (LEP) will procure the design and construction of the building programme, the management of the school facilities e.g. maintenance, cleaning and caretaking, and the delivery of the ICT managed service. The Council, together with schools, will determine the scope of these services to be provided under the contracts. The Council will also have an option of taking a 10% stake in the LEP, and members are asked to delegate this decision in the terms set out in recommendation 2f In making any investment, the strategy must be to gain most influence balanced against the minimum level of financial commitment, whilst securing the confidence of the market through the procurement process.
- 9 The table below sets out the current position, as advised by PfS, with regard to the form of procurement, and the Government approval status, for all of the Pathfinder and Wave 1 authorities.

Pathfinder and Wave 1 Procurement Routes

Authority	Political control	Procurement Approach	PRG status
Sheffield	Labour	LEP	Approved
Lewisham	Labour	LEP	Approved
Bristol	Labour	LEP	Approved
Greenwich	Labour	Strategic Partnership (Similar to LEP)	Approved
Bradford	Conservative	LEP	Approved
Knowsley	Labour	Grouped schools PFI as small number of schools	March 2005
Lancashire	Labour	LEP	Approved
Leeds	LibDem, Conservative and Green Joint Administration	LEP	April 2005
Leicester	Labour (Minority Control)	LEP	April 2005
Manchester	Labour	Framework contract	April 2005
Newcastle	LibDem	LEP	March 2005
Newham	Labour	LEP	August 2005
S Tyneside & Gateshead	S. Tyneside = Labour Gateshead = Labour	LEP	June 2005
Solihull	Conservative	Group schools PFI as small number of schools	Approved
Stoke	Labour	Integrate with existing whole school estate PFI	NA
Sunderland	Labour	LEP	June 2005?
Waltham Forest	Labour	LEP	May 2005

(Details Supplied by Partnerships for Schools)

- 10 Any alternative to the proposed LEP is likely to reduce the chance of gaining DFES funding.
- 11 Staff directly affected by the programme will be those employed by schools, involved with Cleaning, Caretaking, Grounds Maintenance and ICT. In respect of the first four schools, the total number of staff affected will be in the order of 45 FTE. Other staff would be affected as a consequence of schools currently using internal City Council teams and this will include departmental and central support services. This may lead to redundancy or early retirement costs, which will be modelled and resourced when more detailed information becomes available.

- 12 The substantial benefits of BSF investment are attended by complex and significant risks estimated at £10m of a one-off nature, and £6m of an ongoing nature. For example:
- Pupil numbers on roll have had to be projected over 15 years;
 - Government funding for schools could change during this period;
 - The potential of poor performance of private contractors on conventional projects;
 - Estimated costs of FM and Lifecycle maintenance being higher than modelled.

All schools will also face a level of disruption due to building works and decanting.

- 13 The risk management plan within the project management arrangements sets out the detailed risks and the measures to mitigate them. The key risks and benefits have been abstracted and are set out in paragraph 92-95 of the main report. Inevitably, some of the risks will materialise but risk is reduced because the Council is only tied into the contract for a single phase at a time.
- 14 It is open to the Council and schools to decline the BSF opportunities because of the costs and risks. In this case we will face growing maintenance pressures over the next 25 years that include responding to DDA requirements. The project has been contrasted with a non-BSF option for the BSF estate, which is set out in paragraphs 133-138 of the main report.
- 15 Consultation was undertaken between the 1st December 2004 and 21st January 2005, the conclusions of which are set out in paragraphs 96-113 of the main report. The schools and Governing bodies involved in the programme came out strongly in support of the proposals with caveats regarding their ability to find 50% of the affordability gap from their budgets. There was general support also from the LSC and the West Leicester School Improvement Group. The Trades Union could not offer support as they had significant concerns surrounding PFI and the proposed LEP, and suggested that capital funding would be better targeted at the Primary Sector.
- 16 An Equality Impact Assessment has been conducted on the Strategic Business Case and there is a commitment to further assessments being undertaken at key project milestones.
- 17 The proposed school sizes are based around projected falls in rolls through to 2015, and will allow all schools to be 'first choice' for parents and learners in their communities. It also provides schools with the opportunity to develop their ethos and performance in order to optimise their chance of success. In achieving this, remodelled schools should be able to address the outward migration of pupils to County schools, and in doing so further the regeneration of our city. The details surrounding pupil place planning are contained in paragraph 49-57 of the main report and Appendix B. The table below (page 7) sets out the proposed school sizes compared to existing and projected pupil numbers on roll.

Summary Financial and Legal implications

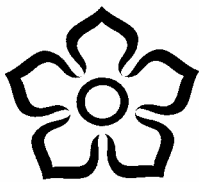
- 18 The overall Capital costs for the construction of the scheme are estimated to be £210m, which will be met by the Government. This sum is made up of £145m of grant/supported borrowing and £65m through PFI. In addition to the capital for construction, a further £24.5m of funding will be provided for ICT, to purchase hardware and software, together with a managed service and support. The programme would involve four or five schools over each of four phases.
- 19 The Council will, however, forego some of the Capital grants previously made available, as these have been incorporated into the overall BSF funding stream. However, Leicester City Council's overall allocation is broadly in line with national allocations for Authorities both inside and outside BSF. Secondary schools will see a temporary reduction in their delegated Capital funds as a direct result of their new build, as per the devolved capital rules.
- 20 Excluding the costs of borrowing, BSF will result in annual revenue costs of £13.5m in 2011/12, £4.1m more than the Council and Schools have currently available. Proposals have been made to share this burden between the two parties. The details of the financial implications of the alternatives are set out in paragraphs 173-180.
- 21 £2m has been made available in the 2005/6 budget to pay towards the costs of managing the project until the signing of contracts for phase 1 schools, which will occur in 2006/7.
- 22 Legal comments are set out in section 3 of the main report.

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Key Decision	Yes
Reason	Significant in terms of its effects on communities living or working in an area comprising one or more ward
Appeared in Forward Plan	Yes
Executive or Council Decision	Cabinet

School	Percentage New Build	Funding type	Proposed Capital Funding	School with additional resources (SAR)	Learning Support Unit (LSU)	Curriculum Support Unit (CSU)	Behaviour Improvement Programme (BIP)	School based Youth Facilities	Current Numbers on roll (NOR) 11-16	Proposed Capacity 11-16	Agreed post 16 places (as extg.)	2010/11 projections @
Babington	100	PFI	£15,362,101				X		893	900		8
Beaumont Leys	54	Conventional	£13,156,352		X				1043	1050		10
City of Leicester	64	Conventional	£20,355,210			X			1073	1050	371	10
Crown Hills	16	Conventional	£11,143,706			X			1198	1050		10
English Martyrs	28	Conventional	£13,873,516			X			892	900	91	9
Fullhurst	18	Conventional	£10,758,653	X	X			X	896	900		9
Hamilton	75	Conventional	£11,064,285				X	X	1028	900		9
Judgemeadow	91	PFI	£16,170,941			X		X	1213	1200		12
Lancaster	26	Conventional	£10,565,002			X			1176	1200		11
Moat	54	Conventional	£10,884,282	X		X			1024	1050		10
Riverside	100	PFI	£12,465,861				X		789	750		5
Rushey Mead	23	Conventional	£ 9,455,493			X			1352	1275		12
St Paul's	14	Conventional	£10,078,293			X			893	900	153	8
Sir Jonathan North	30	Conventional	£ 8,797,117			X		X	1210	1200		11
Soar Valley	100	PFI	£20,801,216	X	X			X	1202	1275		12
Pupil Referral Unit	50	Conventional	£ 1,443,374						117	100		
Special Schools (per SEN review)			£13,671,987									



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Building Schools for the Future

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Glossary of Terms	
Acronym	Definition
4PS	Public Private Partnership Programme - Advisers to Local Government
BB98	Building Bulletin 98 - Definition of school areas
BIP	Behaviour Improvement Programme
BREEAM	Building Research Establishment Environmental Assessment Method
BSF	Building Schools for the Future
CABE	Centre for Architecture in the Built Environment
CMF	Central Maintenance Fund
CSU	Curriculum Support Unit
D&B	Design and Build
DBOM	Design Build Operate and Manage
DCF	Devolved Capital Fund
DDA	Disability Discrimination Act
DfES	Department for Educations and Skills
EBD	Emotionally and Behaviourally Difficult
ELL	Education and Lifelong Learning
EMAS	Eco Management and Audit Scheme
FBC	Full Business Case
FE	Forms of entry to secondary schools
FM	Facilities Maintenance
ICT	Information and Communications Technology
KS3	Key Stage 3
KS4	Key Stage 4
LEP	Local Education Partnership
LIFT	Local Improvement Finance Trust
LSC	Learning and Skills Council
LSU	Learning Support Unit
MFG	Minimum Funding Guarantee
MLD	Moderate Learning Difficulties
NOR	Numbers on roll at schools
NUT	National Union of Teachers
OBC	Outline Business Case
ODPM	Office of the Deputy Prime Minister
OfSTED	Office of Standards in Education
PAN	Pupil Admission Number
PFI	Private Finance Initiative
PfS	Partnerships for Schools
PMLD	Profound and Multiple Learning Difficulties
PPP	Public Private Partnership
PRU	Pupil Referral Unit
PSP	Private Sector Partner
SAR	School with Additional Resources
SBC	Strategic Business Case
SEN	Special Educational Needs
SENDA	Special Educational Needs and Disability Act
SHA	Secondary Heads Association
SLD	Severe Learning Difficulties
SPA	Strategic Partnering Agreement
SPV	Special Purpose Vehicle
TCC	Teachers Consultative Committee
TUPE	Transfer of Undertakings for Public Employees
UNISON	Public Sector Union
VA	Voluntary Aided
VfM	Value for Money
WLC	Whole Life Costs

Background

- 1 During the summer of 2003, the Leicester 11-19 Transformation Group involving all Headteachers, College Principals, the Learning and Skills Council (LSC) and Local Education Authority (LEA) Officers, met regularly to construct an overall transformation strategy and Stakeholder engagement plan.

- 2 One outcome of this strategy was a decision to submit an initial bid for funding through the 'Building Schools for the Future' Programme. This proposal was submitted in October 2003, following which Leicester was awarded reserve wave 1 status in March 2004.
- 3 In July 2004, following initial work on the Strategic Business Case, Leicester was given full status as a wave 1 Authority.

What is BSF?

- 4 Building Schools for the Future (BSF) is a Department for Education and Skills (DfES) capital investment programme intended to transform and modernise secondary education.
- 5 Whilst investment in schools has increased significantly in the last six years, the view of the DfES is that it has sometimes failed to achieve strategic transformation in the school estate and has, due to the nature of past funding, often been applied in a piecemeal fashion. The Government is looking to invest an additional £2.2bn of resources targeted at Secondary Education, and this is intended to continue for the next 10–15 years, subject to future Government spending reviews. This will provide the opportunity for more strategic and long-term investment to underpin the vision of transforming secondary education.
- 6 More specifically, the Government is giving the opportunity for LEAs to think differently about the opportunities BSF would create. They do not want LEAs to simply patch up old buildings, but deliver modern and sustainable schools with the right facilities in the right places, all promoting high-quality learning. Parents should have access to a secondary school system that meets the diverse needs of their children. The investment needs to be led by a clear corporate and educational vision. This gives the City Council and Schools the opportunity to consider from first principles and with a curriculum focus, what secondary school facilities and infrastructure are needed and what each school should have in order to deliver the City's Educational vision and individual school objectives.
- 7 The Building Schools for the Future programme is described by DfES as "a once in a generation opportunity for Local Authorities to not only renovate their secondary schools, but also to reform and redesign the pattern of secondary education and schools infrastructure to best serve each community for decades to come".

Why has Leicester applied for BSF Funding?

- 8 Despite recent improvements in performance that are 3–4 times greater than the national average the city still has:
- Buildings that are not fit for purpose, and which cannot easily be adapted to deliver a 21st Century curriculum.
 - Variable standards (between and within schools)
 - Learning lag (as judged by OfSTED inspections)
 - Language lag (amongst the white working class)
 - Low aspirations (generational and disadvantaging)
 - Turbulence (now running at 25%)
 - Exclusions (one of the highest in the country)
 - Selective migration (more than 2000 net outside the city)
 - Cultural diversity (both greatest strength and weakness)
 - Ward poverty – Leicester has some of the most deprived wards in the Country
 - Major disadvantage and underperformance in the west of the city
- 9 It is believed that BSF investment will give Leicester the opportunity to transform secondary education across the city, by
- Creating buildings that are flexible and adaptable
 - Buildings designed to meet the needs of the proposed curriculum
 - Use of exemplar designs to inform and create 'better buildings'
 - Putting ICT at the heart of the programme enabling the delivery of personalised learning
 - Improving the secondary estate – replace 'patch and mend' with lifecycle maintenance
 - Consolidating collaboration both across and between schools and the incorporated sector
 - Supporting the continued development of a modernised workforce, with schools dedicated to continual professional development for all adults engaged in the delivery of learning
 - Creating an inclusive environment within schools for pupils of all abilities, and to raise aspiration and inspiration amongst pupils
 - Creating the potential for co-location of other services alongside mainstream schools, for young people and communities
 - Strengthen the 'specialist schools' initiative which adds to the diversity of choice in a city that will also have Academies, Faith Schools, sixth forms and FE colleges
- 10 BSF has come at the right time for Leicester. The city is facing significant challenges in relation to attainment, participation in learning and community cohesion. Building Schools for the Future empowers Leicester to seek a radical strategic solution to issues that would be much harder to respond to otherwise. In education, the city has made considerable improvements to pupil's standards of attainment in recent years, collaboration between providers is excellent, all stakeholders are signed up to a radical transformation agenda and the existing building stock is in a poor state and constraining the next stage of the push to excellence.

- 11 Leicester City has within its boundaries some of the most challenging socio-economic environments in the country. This opportunity addresses the complex needs of these communities in a coherent and focused way.
- 12 Only once in a hundred years does a Council have the opportunity to leave a legacy that will benefit our children and our children's children in such a significant way. Students have an expectation that they should be educated in buildings fit for purpose and by staff resourced to deliver 21st century learning.

The objectives of BSF in Leicester

- 13 The BSF programme in Leicester is aimed at delivering a transformation in secondary education across the city. It will achieve this by:-
 - A substantial redesign of the Curriculum within schools to deliver personalised learning
 - A complete redesign of the secondary estate to deliver buildings capable of delivering the curriculum
 - An inclusive environment where all pupils can access the same levels of teaching
 - The complete rebuild of four secondary schools
 - The remodelling, refurbishment and new build extension of eleven secondary schools and the PRU (Pupil Referral Unit)
 - Substantial capital injection into the secondary special school sector to meet the outcome of the SEN (Special Education Needs) review
 - Substantial capital injection into the ICT managed service, hardware and software.
- 14 Funding has been included to contribute to delivering the outcomes of the SEN review, including facilities for Profound and Multiple Learning Disabilities (PMLD), Severe Learning Difficulties (SLD), Moderate Learning Difficulties (MLD) and Emotionally and Behaviourally challenged (EBD) children, although specific proposals have not yet been developed.

The Education Vision

- 15 The principal corporate strategic objective is to ***'raise educational standards and skills irreversibly so that all schools are good schools and individuals are committed to learning throughout life'***. BSF is seen as the vehicle to deliver this objective throughout the secondary sector.
- 16 BSF provides a whole city solution that meets the needs of every pupil and community. The result will be school buildings that are inspirational to teachers and learners, and the community in which they operate.
- 17 The BSF education vision can be summarised as:
 - Delivery of a diverse range of learning environments to meet the needs of an ever-developing curriculum to deliver personalised learning

- Flexible accommodation to meet the curriculum pathways for all learners
 - Making learning relevant and dynamic, thus reducing the incidence and nature of poor behaviour
 - Development of an ICT infrastructure capable of delivering services to transform schools
 - Addressing fully schools' shortcomings in respect of the Special Education and Disability and Discrimination Act (SENDA). Schools will acquire and develop a range of services using the latest technologies to meet the needs of all learners within the secondary sector
 - Buildings that will be inclusive and accessible and designed not only to encourage interaction with the community and to draw local adult population into engagement with the school, but to also provide an environment that supports the students and encourages participation, beyond the normal school day
 - Increased flexibility in the staffing of city schools to ensure that structures are best suited to student learning, and to help personalise learning for all learners
 - Creating flexible learning spaces and the ICT infrastructure to enable multi-point learning to take place and lead to nationally recognised, high quality, certificated qualifications
 - High quality, specialist accommodation related to the specialism of each school
 - Supporting schools in tackling underperformance issues within newly arrived groups as well as established communities
 - Provision of buildings that are sustainable, energy efficient, low maintenance and technologically advanced
- 18 Initiatives have already been put in place with the creation of zonal collaboratives to encourage partnership between schools and with the incorporated sector. Three zonal collaboratives have been created with a geographical bias, with the intention of schools working together, sharing best practice in order to raise standards across the city. This collaborative effort will be reinforced through the BSF programme.

ICT

- 19 The vision for ICT in Leicester is to develop a world-class online learning city, building upon its diversity and creating an environment of learning anytime, anywhere.

- 20 Within BSF there will be considerable investment in developing an ICT infrastructure capable of delivering services to transform schools to achieve a utility level infrastructure that works, is well supported and reliable, whilst maintaining a high degree of flexibility at school level for localised development.
- 21 The allocated funding available for ICT will be sufficient to meet the requirements to install and maintain a comprehensive ICT solution for secondary schools over the first five years of the programme. This is borne out by the soft market testing that has taken place. In the longer term, ICT refresh plans and the managed service remain less defined mainly due to the pace of technological development and breaking new ground beyond current arrangements.
- 22 The ICT infrastructure must be capable of supporting networking, information sharing and delivery of the National Curriculum. Advantage will be taken of modern networking technologies, robust security and filtering, cost efficiency in maintaining the system and secure remote access.
- 23 ICT is increasingly used as a teaching and learning tool and support for this will be available to help schools reach standards for national accreditation, both now and in the future. In the use of ICT for teaching and learning, schools will be encouraged to develop and share best practice, expertise and their resources.
- 24 Learning areas will have access to media rich resources and flexible provision would allow a wide range of ICT work to take place, from large group demonstrations to individualised learning.
- 25 Students will have the ability to work with ICT from any location, through the provision of a high quality, high speed, learning platform. This will allow extended and accelerated learning to take place and students who are unable to attend a school site will have access to the highest quality resources, thereby providing minimum disruption to their studies. Teachers will have on-line access to additional training and support.
- 26 Neighbourhood Learning Centre within Braunstone will provide a focal point for the development of ICT within the community. This facility will provide ICT facilities for a maximum of 30 students within the Braunstone Youth House and Brite Centre, which will enable students to access on-line learning from these facilities, thus allowing easier access to extended learning for students living some way from their school, and providing a route back into mainstream education for disaffected children.
- 27 It is envisaged that this model could be provided elsewhere within the city, although no definitive proposals are presented at this stage. It is proposed that BSF will provide the Capital for the ICT equipment drawn from the Fullhurst BSF ICT allocation, with the revenue costs falling on other providers.

Scope of the Programme

- 28 The proposal covers a defined geographical area – the whole of the city of Leicester. This has enabled Leicester to propose a citywide solution that has the potential to

meet the needs of every learner and every community in the city. The citywide focus also supports joined-up, multi-agency working involving the full range of public sector agencies.

- 29 The work required can be packaged into a viable procurement proposal. This work is urgent given the state of school buildings and the support for the local transformation agenda. Within the overall programme priorities have been assessed taking into account a range of appropriate criteria. This assessment provides a basis for phasing the necessary work.
- 30 The Strategic Business Case (SBC) sets out the proposals for the scope of the work in each of the secondary schools in the city, the proposals for prioritising the work, the timescales and the financial implications for the council and schools.
- 31 The Outline Business Case sets out more detailed proposals in respect of the four phase one schools, the costed option appraisals undertaken, the financial modelling surrounding the preferred option and the proposed management and delivery mechanisms.
- 32 The proposal includes funding for the following
 - 15 Secondary Schools
 - Secondary Age Special Schools dependant upon the outcome of the SEN review
 - 1 Secondary Age Pupil Referral Unit
- 33 The special schools together with the SARs (schools with additional resources) located within the zonal collaboratives will provide facilities for identified SEN need dependant upon the outcome of the SEN review.
- 34 The proposed PRU will be the result of a rationalisation of the Keyway and Coleman units into a single facility on the Keyway site, covering both Key Stage 3 and Key Stage 4.
- 35 All LEA and Voluntary Aided secondary schools are included in the programme, with the exception of New College, which is currently investigating an academy solution. This solution offers considerably more capital investment (£20m against £8m) than a BSF offer as the proposed academy would be a total new build leaving the current buildings with their new extension as a potential benefit for the education community as a whole. Should this not prove the correct solution for the College and community, they would be reintegrated into the BSF programme at a later date, coincidental with an annual review of the SBC. The proposal to investigate an academy solution is indicative at this stage, and a further report will be brought forward as the proposals develop.

New College – Proposed Academy solution

- 36 The proposal for New College is for a 7FE main school of 1050 students 11-16 leading to a significant post 16 provision within the range of 240-320 students. The large site of 67 acres will allow for a new build academy without undue disturbance

of students' education in the current New College building. The proposal seeks an opening date of September 2008 for the academy.

- 37 The previous difficulties centred on the original establishment of New College have created some loss of confidence in the community. In many ways this supports the proposal of a new start within a leading edge strategy providing both a new purpose built learning environment and the opportunity for educational leadership and innovation.
- 38 The LEA and governors are fully committed to investigating the proposal. The proposed academy would be at the heart of its community with a remit for Life Long Learning engaging both its students and adults in learning within the context of an 'extended' school approach.
- 39 Building the capability of learners, parents as well as students, linked closely to vocational opportunities and the leadership of innovation through its proposed joint specialism of Sport/PE and potentially Performing Arts a new academy would have a significant impact in turning past failure into success.
- 40 The academy will be a community school drawing both expertise and support as well as learners from this community. It will provide a more relevant curriculum than the national curriculum and provide a broader range of opportunity 14-19. Its specialisms will be used to enhance the individualised learning pathways that will be a feature of provision linked to vocational experience and opportunities that will enrich learning at every stage.
- 41 Improved performance is about self belief as well as the leadership in learning provided by the academy. A prestige building, housing a leading edge provision, recognised LEA wide and potentially nationally would stimulate the interest and engage the involvement of West Leicester learning community. The academy can achieve this and raise performance significantly.

BSF Programme Work content

- 42 The programme includes a mix of new build, remodelling and major/light refurbishment of existing school premises, with approximately half of the estate being new build. The works will be carried out in four phases, with the first school opening in September 2008 and the final school in 2012.
- 43 A brief definition of each follows: -
- 44 **Light Refurbishment** – generally includes the completion of all backlog maintenance, replacement of all windows, replacement or significant repair of roof coverings, replacement and improvement of internal finishes i.e. ceilings, walls and floors. This option includes minimal external works.
- 45 **Major Refurbishment/Remodelling** – in addition to the above, allows for re-cladding, structural alteration and remodelling of spaces to create a reorganised internal environment, together with more extensive external works.

- 46 **New Build** – Allows for the construction of new build elements in addition to the above, which could range from a new build extension to the complete rebuilding of a school.

Additional Facilities

- 47 In addition to core school areas, the DfES has agreed to fund additional specialist areas within certain schools to support the inclusive agenda. These are as follows:
- Schools with Additional Resource (SARs) – a 40 place facility to enable the integration of students who would formerly have been educated in Special schools. There will be three SARs, one within each zonal collaborative.
 - Learning Support Units (LSU) - These units provide facilities in each zonal collaborative to manage the behaviour of challenging children.
 - Curriculum Support Units (CSU) – These units provide additional support to students who are disengaged from the curriculum.
 - Facilities for school based youth work
 - Support for Behaviour Improvement Programme (BIP) – This additional space can be used for a range of provision e.g. nurturing rooms, counselling facilities etc.
 - ICT provision for a Neighbourhood Learning Centre in Braunstone.
- 48 It has also been agreed that additional space will be provided for two schools (Crown Hills and Rushey Mead) that will have greater students on roll in the interim, than those projected for 2010/2011, which is the benchmark date set by DfES. Following 2011/12, should the projections prove accurate, this additional space will have to be re-allocated for other service uses.

Pupil Place planning

- 49 The Strategic Business Case is constructed around the projected pupil numbers in 2010/11. There is a national and local trend that indicates a steady decline in secondary age pupils over the next 15 years.
- 50 DfES has indicated that they wish to use 2010/11 as their baseline. On this basis a detailed planning exercise has been carried out to predict the required pupil places, taking into account the projected housing gains and a desire to reverse the migration of some pupils to County schools.
- 51 BSF 2010/11 Pupil Numbers for Pupils Aged 11-15 in Mainstream Secondary Schools.

Description	Pupil Number s
Total projected 11-15 Numbers based on December 2004 Forecasts (See Note a)	14638
Estimated Pupils from Housing Developments (Note b)	496
Estimated Additional Pupils choosing to attend City Secondary Schools rather than County Secondary Schools (Note c) + feeder surplus	198
Estimated Losses to Southern City Academy (single year group) (Note d)	-61
Estimated Losses to Islamic Academy (single year group) (Note e)	-21
Sub-Total	15250
Parental Choice (2.25% of BSF Capacity)	350
Grand Total (equal to total BSF 11-15 Capacity in mainstream secondary schools).	15600

Notes:

- a) *This total is based on pupil forecasts as at December 2004. The model omits the forecast for New College Leicester as it is currently pursuing an Academy alternative.*
- b) *This information is based on an estimated total of 1288 gains from new developments. In line with the risk analysis it has been assumed that 38% of these pupils will be on roll at city schools.*
- c) *The net pupil loss to county is 1836 places. Of these 818 places fall within the priority areas of New College, the former Mary Linwood area, Sir Jonathan North and the Lancaster school, and from pupils who are likely to be attracted back to the two proposed city academies. This gives 1018 pupils as potentially available for 'attract back' to city schools. It has been assumed that 23% of these pupils will be attracted back to city schools with a single year projection for 2010/11 of 9%, given the expected improvement in school standards and facilities. This figure reflects the level of risk associated with attracting students across boundaries*
- d) *There is an assumption of some losses from existing secondary schools to the City Academy. The figures have been estimated as follows:*

<i>642 pupils living in the Mary Linwood, Sir Jonathan North CC and the Lancaster School's Priority Areas will attend County Schools based on current trends. An assumption has been made that 46% of these pupils will decide to attend the Southern City Academy.</i>	<i>295 pupils</i>
<i>Since the Southern City Academy has a projected capacity of 600 places it is assumed that the other 305 pupils will choose to attend the Academy from other city schools.</i>	<i>305 pupils</i>
<i>Totals in Academy</i>	<i>600 pupils</i>

- e) *There is also an assumption of some losses from existing secondary schools to the expanded Islamic Academy.*

The figures have been estimated as follows:

<i>The initial figures for the Islamic Academy will include the current roll.</i>	<i>320 pupils</i>
<i>It is assumed that the Academy will be attractive to Muslim families living in Districts bordering the city and currently sending their children to County schools. Based on data from the 2001 Census it is estimated that there are 297 pupils of secondary age. It is assumed in line with the risk analysis that if there were similar numbers in 2010/11, 23.5% of these pupils would choose to attend the Islamic Academy. In addition it will attract further pupils from smaller city private schools.</i>	<i>175 pupils</i>
<i>The Academy has a projected capacity of 600 places. It is assumed that the other 105 pupils will come from Leicester City Secondary Schools.</i>	<i>105 pupils</i>

52 Schedule of current and proposed pupil places

School	Current Numbers on roll (NOR) 11-16	Proposed Capacity 11-16	Agreed post 16 places (As extg.)	2010/11 projections @ dec 04 base *
Babington	893	900		843
Beaumont Leys	1043	1050		1050
City of Leicester	1073	1050	371	1023
Crown Hills **	1198	1050		1047
English Martyrs	892	900	91	900
Fullhurst	896	900		900
Hamilton	1028	900		920
Judgemeadow	1213	1200		1200
Lancaster	1176	1200		1198
Moat	1024	1050		1022
Riverside	789	750		560
Rushey Mead **	1352	1275		1286
Sir Jonathan North	1210	1200		1186
Soar Valley	1202	1275		1272
St. Paul's	893	900	153	884
Pupil Referral Unit	117	100		

* - These numbers exclude the 2.25% headroom for parental choice.

** - These two schools will actually be built to a larger capacity to cater for interim numbers on roll through to 2010/11. Any excess area beyond 2010/11 will be available for other education uses.

53 As can be seen from the above figures, there is a significant risk at Riverside given the projected demand of 560 places against the proposed PAN of 750. This situation will need to be monitored and reviewed as part of the annual review process of the SBC against the recent improvements in key performance indicators. It should also be noted that the projections for Soar Valley and Rushey Mead are supported by the transfer of surplus housing gains from the Hamilton area.

54 Special school places will be determined following completion of the SEN review.

55 These assumptions have been produced by the Council and have been accepted by Capita on behalf of the DfES. These assumptions will be reviewed on an annual basis as part of the SBC review process, and any revisions to the trends can be incorporated at this time. This may lead to a review of the proposed school sizes. Should there be significant variation in pupil numbers beyond 2012 (once all of the schools have been opened) there will be direct implications on the school estate. This would have to be addressed outside of BSF, with a consideration of the specific constraints on those schools delivered under PFI.

- 56 As this is a major assumption in the development of the programme, there are significant risks attached to this during the course of the programme delivery and over the next 25 years. The level of risk is increased by the proposed development of the Southern City Academy, and the growth of the Leicester Islamic Academy following its successful application for VA status. It has been necessary to account for a potential 410 places for these two schools from the secondary population in the city.
- 57 Specific risks associated with pupil place planning are included within Appendix B

Sustainability and BSF

- 58 Leicester is internationally renowned as an 'environment city'. There is a long tradition within the council of addressing sustainability issues through policy and practice. Corporately Leicester City Council is signed up to the Eco-Management and Audit Scheme (EMAS). BSF will reflect and build upon these strengths.
- 59 In the design of new and refurbished schools it is intended to incorporate best practice in sustainable building design both in terms of construction methods and energy efficiency. Buildings will be designed in accordance with 'Leicester Better Buildings' and 'Secure by design' guidance. Sustainability will be considered at all stages of the building process, from the development of the design concepts, site analysis, and the location of the school buildings within their site environment.
- 60 In designing these buildings the utilisation of locally available materials and those that are sourced from sustainable resources is high on the BSF agenda. The design and construction considerations will be based upon the lifecycle cost of the building and not just initial construction costs. Alternative sources of energy will be considered and the latest technology, such as "on demand" lighting, will be incorporated. The key features of energy efficient design will be incorporated into all proposals.
- 61 The Building Schools for the Future project could be seen as a unique opportunity to develop high quality, efficient schools that reflect the importance that Leicester City attaches to the environment. A workshop has been held involving representatives of the Council's sustainability unit and De Montfort University, to understand the opportunities available to establish energy targets and the methodologies for delivery. A sustainability and environmental advisory group is being established to work alongside the technical advisors in the next phase of delivery.
- 62 In line with the Department for Education and Skills (DFES) findings in "Building Better Performance" the City council understands that improving the quality of schools capital stock, particularly in the area of suitability investment (capital investment related to the curriculum), will impact positively on standards. A flexible, creative and relevant curriculum will be developed to reflect the needs of all learners and the build design must complement this need. In designing buildings to meet the needs of the curriculum and with the flexibility to adapt to the demands of tomorrow, learners will be encouraged to achieve their potential.

63 Buildings will promote all learning pathways with facilities for work-based learning and vocational courses alongside the more traditional academic requirements. There will also be accommodation in each school to enhance the delivery of the school's specialism. These versatile and flexible buildings will enable the promoting of exciting and fulfilling learning and provide environments that will enable teachers to innovate and motivate. In these ways they will enable the transformation of learning that the BSF programme is designed to deliver.

Phasing of delivery

64 The finalised phasing is proposed as follows: -

Phase 1

Beaumont Leys
Fullhurst
Judgemeadow
Soar Valley

Phase 2

City of Leicester
Crown Hills
Rushey Mead
Sir Jonathan North
Keyway Centre PRU

Phases 3 & 4

Babington
English Martyrs
Hamilton
Lancaster
Moat
Riverside
St Paul's
Secondary aged special schools

The criteria used in the phasing is set out in Appendix C

Procurement and the LEP

65 DfES and PfS believe that a new procurement model is necessary for Building Schools for the Future for two interrelated reasons:

- The demand that the volume of investment in BSF places on traditional procurement routes is likely to prove unsustainable unless procurement is streamlined and local delivery capacity (on both public and private sector sides) managed better, and
- The flow of work from BSF creates the opportunity for schools and local authorities to procure services from the private sector in a better value-for-money manner than was possible before.

- 66 The new procurement model is designed to achieve the following four objectives:
- Creating a transparent long term public-private partnership around a large volume of work, with associated improvements in design quality, cost efficiencies, timescales and procurement costs.
 - Creating a strong local business focused on delivering the aims of the BSF programme - with the delivery capacity for BSF and beyond (e.g. joining up BSF funding with other local initiatives for area regeneration).
 - Involving the private sector early on in the development of projects so that they can contribute development resources (both capital and people) to ensuring that projects are well-scoped, and the delivery process is successful.
 - Creating a unified single point structure for integrated supply chain management, with the ability to supply all BSF services under one umbrella (particularly in embedding ICT in the design and delivery of school buildings, being able to deliver flexibly through PFI and non-PFI contractual routes (as appropriate for best VFM), and securing long term maintenance and management of facilities delivered through BSF funding.

These outcomes are not guaranteed

- 67 The LEP will enter into a maximum 10-year Strategic Partnering Agreement (SPA) with the Local Authority, which is the primary contractual relationship between the parties. The SPA is also based on standard PfS documentation. The maximum term of the SPA is ten years, as the assumption is this should be a sufficient period for the partnership of the LA and LEP to identify the vision of the schools in that area; develop proposals to deliver that vision; and secure the funding to support those projects.
- 68 It is intended that the SPA will clearly establish the remit of each partner, entailing the retention of key strategic objectives, the development and review of the SBC and the identification of new projects to be retained by the LA, with the LEP focus on the development and delivery of those new projects.
- 69 The SPA would establish, with reference to the SBC, the mutual objectives targeted by the partnering relationship. These would include:
- (a) Raising educational outcomes in the area through a strategic fit between capital investment and educational service delivery.
 - (b) Improving the joined-up nature of service provision by making best use of all opportunities to join different funding streams together to create cross-sector provision of services.
- 70 The SPA will set out the high level principles that underpin the delivery of the obligations under the agreement, with a view to establishing a successful

relationship between the two organisations. These high level principles would include:

- (a) Both parties having regard to the mutual objectives established upon entering into the agreement (which will be based upon the educational vision for the area)
- (b) A commitment to developing close working relationships at all levels
- (c) A focus on achieving best value for money for the programme
- (d) A commitment to recognise each other's needs, constraints, limitations, capabilities, roles and responsibilities;
- (e) A commitment to reviewing the progress of the partnership against the mutual objectives established in the SPA, with a view to assessing the strengths and weaknesses in the relationship, and to work together to overcome the weaknesses and build on the strengths.

71 The SPA would contain provisions entailing periodic review of the progress of the partnership against these targets, and would oblige both parties to consider areas for improvement which would further the progress of the relationship towards these targets. There would not however be any financial implications of achievement against these partnership targets.

72 The SPA will give the LEP the exclusive right to provide the partnering services and deliver approved projects. It will draw a clear boundary around the services that are subject to exclusivity, and will impose an obligation on the Local Authority not to breach the exclusivity provisions by procuring the defined services from elsewhere.

73 A Strategic Partnering Board will be established as the successor body to the current Project Board, which will oversee compliance with the SPA, and will protect the key strategic objectives of the LA in delivering the BSF programme.

74 For each project delivered through the partnership, output specifications will be developed in conjunction with the schools, governors and LEA, which will clearly establish the obligations of the LEP in the delivery of those projects and any specific constraints and obligations against which they must deliver. For instance, through this process, schools can dictate their core operating hours, availability of facilities 'out of hours' for school use, the standards required for cleaning, grass cutting etc. The output specifications are key contractual documents against which the PSP will provide their proposals.

75 Further details on the objectives and creation of the LEP are contained in Appendix A.

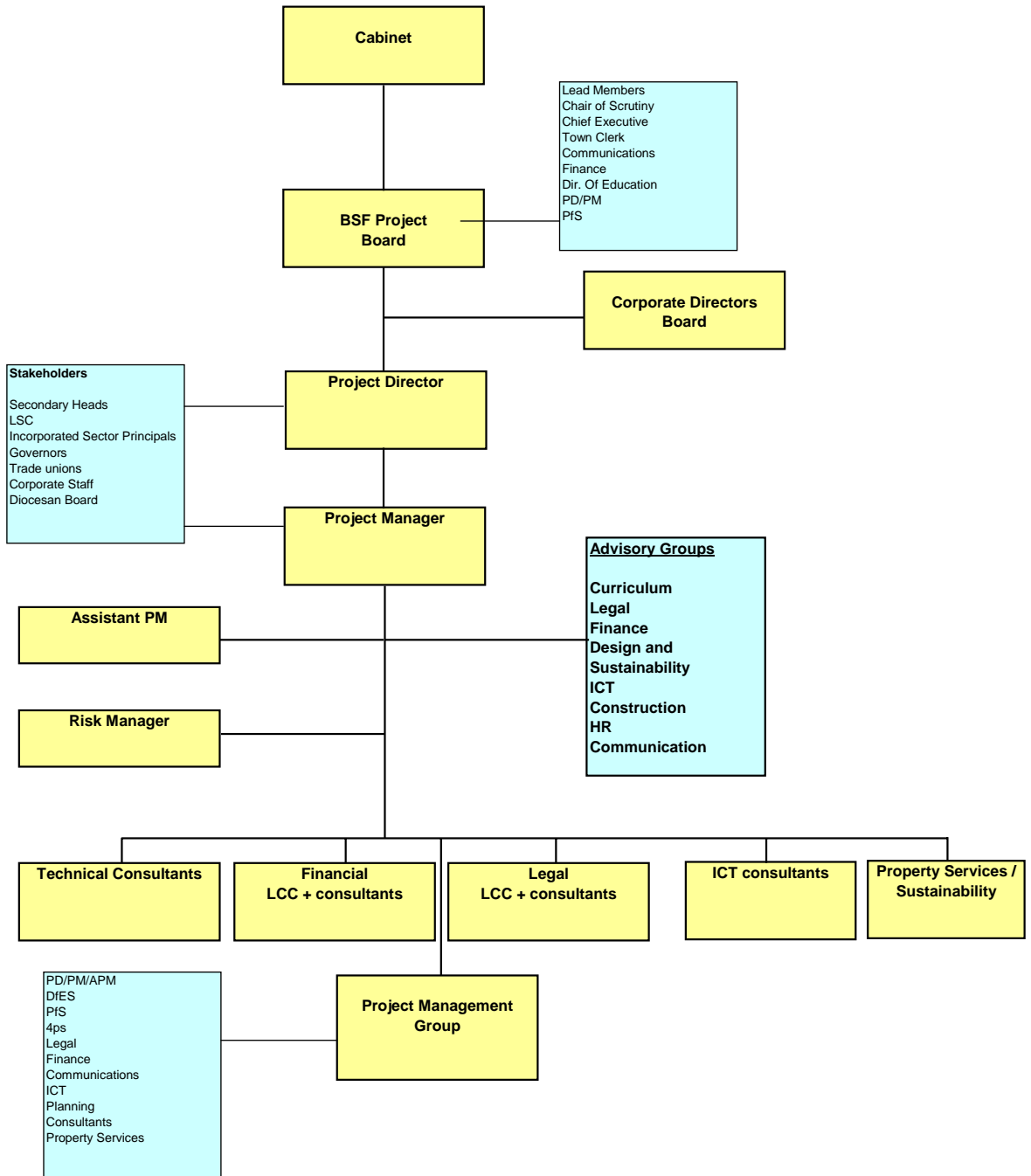
Project Team Structure through to appointment of the LEP

76 As the end of the SBC process is approached and moving from OBC into procurement phase it is essential to establish the project in a controlled environment (PRINCE2) in line with corporate project management protocols.

- 77 In order to achieve a streamlined management process, the Cabinet should provide delegated authority to the Corporate Director of Education and Lifelong Learning, in consultation with the Project Board. Levels of delegation should thereafter be agreed for the Project Director in respect of operational matters.
- 78 The Project Management team will meet on a regular basis, with those parties (internal and external) providing services to the core team reporting on progress and information requirements against the agreed delivery programme.
- 79 The project receives invaluable input from stakeholders, and procedures are being developed for regular interaction with stakeholder groups through the Project Director and Project Manager, who will establish regular contact with stakeholders e.g. set item on 'Leicester City Secondary Heads' agendas.
- 80 Proposed Management Structure

Leicester City Council

BSF Management Structure to appointment of LEP



Scope of the works

- 81 The table below sets out in summary the scope of the works being undertaken to each school and the additional areas that have been included for inclusion.

<u>School</u>	<u>Work Scope</u>			<u>Specialist facilities</u>				
	New Build	Major refurb	Minor refurb	SAR	LSU	CSU	BIP	Youth
	%	%	%					
Babington	100	0	0				X	
Beaumont Leys	54	46	0		X			
City of Leicester	64	31	0			X		
Crown Hills	16	75	0			X		
English Martyrs	28	72	0			X		
Fullhurst	18	76	6	X	X			X
Hamilton	75	0	13				X	X
Judgemeadow	91	0	9			X		X
Lancaster	26	51	6			X		
Moat	54	4	42	X		X		
Riverside	100	0	0				X	
Rushey Mead	23	38	4			X		
Sir Jonathan North	30	29	0			X		X
Soar Valley	100	0	0	X	X			X
St. Paul's	14	86	0			X		
Pupil Referral Unit	50	50	0					

Capital and Revenue Implications

- 82 The figures used in this report are as agreed at November 2004. There are a number of issues, which are still subject to resolution and negotiations are taking place with PfS and DfES. These negotiations will continue, and could impact on the overall £210m (+/-). They include

- Location factor – The index used for building costs around the country indicate that there has been a reduction on the factor for the East Midlands compared to other areas. This has been researched and challenged with DfES/PfS
- Special needs areas and rates – New DfES Building Bulletins have suggested an increase in area for these facilities and a higher cost per sq. m. An agreement is being sought for these to be adjusted.
- Site Abnormals – A national allowance of 17% has been established across the programme. An assessment has been undertaken for the schools and it is believed that additional funds can be made available for 5 schools.

- EBD (Emotionally Behaviourally Difficult) Funding – PfS have advised that additional funding may be available for EBD facilities.
- 83 The proposals outlined in this report have received support from the DfES and PfS (Partnerships for Schools), who will be providing the Capital funding to deliver this programme of works.
- 84 On the basis of the work undertaken to date, an indicative funding envelope has been agreed. This would see an investment in Leicester of £210m for the delivery of the school building programme and £24.5m on ICT for schools, which would be entirely provided by the DfES, through PfS, in the form of PFI credits and conventional funding.
- 85 The Capital investment of £210m represents the minimum required across the secondary school estate to realise the vision and effect transformation. This is based on an option appraisal of the requirements of each of the schools, the current state of their buildings and an appraisal of the facilities required to deliver a 21st Century curriculum. The scope of the proposals has been discussed with each of the schools, and will be developed further through their outline and full business cases.

	School		Option Costs	Preferred Option
1	Babington option 1		£ 4,066,285	
	Babington option 2		£ 11,666,413	
	Babington option 3		£ 15,362,101	£ 15,362,101
2	Beaumont Leys option 1		£ 10,328,105	
	Beaumont Leys option 2		£ 13,156,352	£ 13,156,352
	Beaumont Leys option 3		£ 16,504,508	
3	City of Leicester option 1		£ 15,892,045	
	City of Leicester option 2		£ 20,355,210	£ 20,355,210
	City of Leicester option 3		£ 23,140,632	
4	Crown Hills option 1		£ 11,643,112	
	Crown Hills option 2		£ 11,143,706	£ 11,143,706
	Crown Hills option 3		£ 17,542,884	
5	English Martyrs option 1		£ 13,329,120	
	English Martyrs option 2		£ 13,873,516	£ 13,873,516
	English Martyrs option 3		£ 18,869,268	
6	Fullhurst option 1		£ 10,015,881	
	Fullhurst option 2		£ 10,129,240	
	Fullhurst option 3		£ 10,758,653	£ 10,758,653
7	Hamilton option 1		£ 7,134,897	
	Hamilton option 2		£ 9,761,548	
	Hamilton option 3		£ 11,064,285	£ 11,064,285
8	Judgemeanow option 1		£ 11,228,628	
	Judgemeanow option 2		£ 16,170,941	£ 16,170,941
9	Lancaster option 1		£ 9,461,472	
	Lancaster option 2		£ 10,565,002	£ 10,565,002
	Lancaster option 3		£ 15,991,592	
10	Moat option 1		£ 5,428,038	
	Moat option 2		£ 12,024,888	
	Moat option 3		£ 10,884,282	£ 10,884,282
12	Riverside option 1		£ 8,082,443	
	Riverside option 2		£ 12,465,861	£ 12,465,861
13	Rushey Mead option 1		£ 9,455,493	£ 9,455,493
	Rushey Mead option 2		£ 12,563,863	
	Rushey Mead option 3		£ 14,229,598	
14	St Paul's option 1		£ 10,078,293	£ 10,078,293
	St Paul's option 2		£ 15,647,463	
	St Paul's option 3		£ 19,706,415	
15	Sir Jonathan North option 1		£ 7,376,058	
	Sir Jonathan North option 2		£ 8,797,117	£ 8,797,117
	Sir Jonathan North option 3		£ 10,763,330	
16	Soar Valley option 1		£ 6,310,295	
	Soar Valley option 2		£ 13,572,771	
	Soar Valley option 3		£ 20,801,216	£ 20,801,216
17	Keyway Centre option 1		£ 1,443,374	£ 1,443,374
	Keyway Centre option 2		£ 1,392,069	
18	Funding towards special school review		£ 13,671,987	£ 13,671,987
	TOTAL			£ 210,047,390

Note – High level option appraisals for each school are set out within the Strategic Business Case.

86 No amounts have been included for the purchase of any site for the proposed relocation of Babington. The two potential relocation sites that have been identified at Ashton Green are currently identified for residential development. The two sites are currently valued at £9m and £7.5m respectively; there is therefore an opportunity cost for the Council in the event that it is decided to use either of these sites for the construction of the new school. It has been assumed thus far that the

new site would be exchanged for the existing school and playing field site, reducing this opportunity cost significantly.

- 87 Due to changes in DfES funding rules, it is now assumed that the council will not realise any capital receipts to contribute towards the capital costs of the programme.
- 88 In order to access the capital funding, the city council and schools will need to commit to the full life-cycle maintenance of the entire programme of schools for a period of at least 25 years. This will ensure that the legacy of the investment will be recognised by multiple generations of school children, and the assets will be maintained in good condition, not returning to the current position of recurring extensive backlog maintenance.
- 89 Schools currently receive Devolved Capital Formula (DCF) capital funding. It was envisaged that each school would lose up to 3 years funding following handover of the school from construction/rebuild.
- 90 Following recent announcements from the DfES it is now clear that the rules have changed, whereby all of the Leicester secondary schools would lose their combined DCF funding as a block, without reference to the school building phases or extended construction timetable across the city. The rules were written on the basis of simplicity, geared towards authorities in multiple waves and take no account of a single-wave/multi-phased solution being proposed for Leicester. The method in which devolved capital funding will switch off and revert to Leicester's secondary schools has been challenged and a more favourable response is awaited. If the rules are not amended, this will have a significant impact on the city's schools in later phases being able to meet capital renewals and buildings commitments until rebuild, and making full contributions towards the funding gap.
- 91 This is one of the key issues for the city council in terms of the associated revenue funding and the methodology for affording this. The options for this are therefore detailed within the section on Financial Implications.

Benefit and Risk analysis

- 92 A comprehensive risk register has been established following a risk workshop attended by all key stakeholders.
- 93 Success criteria were also established at the same workshop, which have subsequently been developed into a success criteria (acceptance criteria) log.
- 94 Below is a summary of the processes involved in undertaking BSF, and an analysis (at high level) of where financial risks lie.
- a) The starting point is the strategic business case. This is a document describing the whole of the Council's BSF programme, but also sets the limit on what the DfES will fund for the programme in total. Increases in costs, other than inflation (and possibly schemes moving in from other DfES programmes), are unlikely to be met by the DfES.

- b) The outline business case is subsequently submitted for each phase of schools. In practical terms, this is a more detailed bid, but the bid for the phase has to be within the overall cost envelope established by the strategic business case. The effects of inflation since the strategic business case are met by the DfES, and are estimated forward as far as construction (but solely by reference to published inflation indices). The outline business case will also reflect:
- current interest rates
 - location factors, which reflect variations in the cost of building in different regions (again, based on published statistics).
- c) If it is not possible to prepare an OBC that reflects the vision in the SBC because of cost, this risk lies with the school and a solution will have to be developed that meets the cost envelope.
- d) Subsequent to the OBC, a full tendering exercise is carried out (for phase one; a modified exercise is carried out for subsequent phases based on the strategic partnering agreement with the LEP), and final approval sought from the DfES by means of a final business case (FBC). Prices may of course be different at this stage from the assumptions made at OBC. At this stage:
- the DfES will not find additional funding if inflation estimates prove to be different from those made at OBC
 - allowance will be made for changes in interest rates
 - if location factors indicate that regional cost variations in Leicester have increased significantly, some support from DfES may be available.
- e) If tender prices are higher than the available funding, this is at the school's risk – i.e. they will be asked to reduce work to meet the funding available.
- f) Once contracts have been let, the responsibility for managing risk will be defined by the individual project agreement. Broadly speaking:
- for PFI schemes, overspending will be at the risk of the contractor unless this is due to a change in the contract/specification instituted by the council / schools;
 - for traditional contracts, there is a risk of additional cost falling on the council, which schools will not be asked to contribute to. This generally applies to any change in the contract/specification instituted by the council / schools.
- g) There is, furthermore, a risk associated with revenue affordability – i.e. that maintenance and facilities management costs are higher than originally estimated. In respect of maintenance costs, it is proposed that the council meets the risk, and that the risks associated with facilities management are shared between the council and schools. The risk before contracts are signed is shared between the council and schools on a 70/30 basis. A mechanism for determining the contributions from all

schools will be agreed before contracts are signed and therefore the council meets the risk after contracts are signed.

h) Finally, there is a risk that the education funding regime changes, so that intended passported growth and other sums (£4m per annum) are not available to meet the cost of the BSF contracts. This risk falls into 2 categories:

- the risk of funding changes after contracts have been signed for a particular phase. This risk will fall on the council, and schools will not be asked to contribute
- the impact on future phases, which are not yet contractually committed. In these circumstances, the council will have the ability to either cancel a phase entirely or scale it down. Effectively, this would be schools risk – schools in later phases might not get the works they were expecting.

95 Set out below is a summary document highlighting key risks and benefits associated with members' approval of this report.

Matrix of key benefits:

BENEFITS MATRIX – KEY BENEFITS		
Benefit	Impact L/M/H	Assessment Criteria
<p>1.Improve quality and equality in teaching and learning</p> <p>The capital investment in BSF will provide excellent teaching and learning facilities</p> <p>The improved facilities and equipment will promote improved learning and standards.</p> <p>The zonal collaboratives will promote consistency of standards by schools utilising joint initiatives.</p>	H	<ul style="list-style-type: none"> • Measurement of improved performance at KS3 and KS4 over time against current baseline. • The learning lag as identified by Ofsted is reduced and then eradicated. • Closing the gap between the highest and lowest performing schools in a climate of improving standards. • Increase in numbers of young people moving into further education. • Aim to eradicate schools in special measures.
<p>2.Improve education standards for young people</p> <p>Improve standards of</p> <ul style="list-style-type: none"> • Behaviour • Attendance • Inclusion <p>Improve language skills</p>	H	<ul style="list-style-type: none"> • Measure improvement in levels of attendance and decrease in levels of authorised/unauthorised absence • Measure reduction in levels of exclusion. • Measure levels of re-integration back into mainstream education. • Monitor movement from MLD/EBD to mainstream education. • Reduction in the lowest levels in English SAT's at KS3.
<p>3.Personalised Learning</p> <p>Adoption of learning styles best suited to the individual</p> <p>Development of curriculum / learning pathways to enable students to achieve their maximum potential.</p> <p>Engender collaborative working across schools and with the incorporated sector.</p>	H	<ul style="list-style-type: none"> • Monitor changes in teaching patterns across schools. • Review impact on workforce reform. • Monitor variation to teaching timetables to suit different curriculum needs. • Measure trend and variation in type and level of qualification achieved over time. • Analyse Curriculum pathways • Monitor lesson delivery (and personalisation within lesson)

<p>4. Inspirational Environment</p> <p>Create schools that will portray an inspirational environment for teachers and learners.</p> <p>Provide facilities and equipment that will enable students to reach their potential – Increase in attainment and progression.</p> <p>Support the development of sustainable communities providing opportunity to widen participation</p>	<p>H</p>	<ul style="list-style-type: none"> • Engage teachers, learners and the community in the development of output specifications and the design process leading to the creation of their new school. • Ensure best value from the capital investment. • Provide an environment that redraws the boundaries for teaching and learning spaces. • Measure the amount of growth of out-of-hours learning. • Measure the increase in participation in school based youth work. • Measure the increased participation of adult learners.
<p>5. Secondary capital funding</p> <p>As a result of the capital investment of £210m, the Council will not need to make substantial capital investment in secondary schools for the next 25 years.</p> <p>Any future Education capital funding can therefore be targeted at the primary and special school sectors.</p>	<p>H</p> <p>For primary sector</p>	<ul style="list-style-type: none"> • Capital strategy for primary sector established. • Measure life cycle reduction in capital and revenue funding of secondary schools over the life of the programme.
<p>6. Transformation through ICT</p> <p>Investment in ICT of almost £25m will provide state of the art ICT equipment within a managed service.</p> <p>ICT will be a fundamental tool to enhance, extend and personalise learning opportunities and the management of this learning.</p> <p>Creation of a 'learning anytime, anywhere' culture. Availability of remote access to learning</p>	<p>H</p>	<ul style="list-style-type: none"> • Measured improvement in ICT skills. • Measurement of improved ICT performance at KS3 and KS4 over time against current baseline. • Creation of an integrated ICT learning strategy for 11-16 (19) year olds, within a City-wide strategy. • Measure increase in ratio of computers to pupils to meet target of 1:1 from current baseline. • Creation of ICT hubs in Neighbourhood Learning Centres with linked access to school

<p>packages.</p> <p>Challenge the concept of dedicated ICT classrooms – move towards embedding ICT within all curriculum areas.</p>		<p>learning packages.</p> <ul style="list-style-type: none"> • Measure increase in broadband access and wireless technologies within schools to allow flexibility • Create curriculum based design concepts with integrated ICT infrastructure. • Measure incremental increase in on-line teaching packages and assessment tools.
<p>7.Life Cycle Maintenance</p> <p>New facilities to be subject to planned preventative maintenance regimes for a life-cycle of 25 years.</p> <p>The regime of reactive maintenance and accumulation of backlog commitments will disappear.</p> <p>At the end of the FM contract, the buildings will be in a state fit for purpose and with all major components replaced and or fully maintained.</p>	M/H	<ul style="list-style-type: none"> • Monitor the agreed output specifications/contracts for maintenance throughout the term. • Ensure all backlog maintenance items is the first priority for capital funds. • Undertake and agree pre completion inspection. • Include review periods within contracts to ensure that buildings are fit for purpose and that the output specification is relevant – suggest 5 years.
<p>8.Sustainability and energy efficiency</p> <p>Reduction in running costs of schools.</p> <p>Establishment of energy targets for schools, set against national and international benchmarks</p> <p>Use of sustainable materials in the construction of schools.</p> <p>Creation of better buildings and endorsement by CABE (Centre for Architecture in the Build Environment)</p>	H	<ul style="list-style-type: none"> • Establish targets for energy usage and performance and measure improvement against existing baseline. • Endorsement by the LCC and De Montfort University's Sustainability units. • Endorsement of new school building designs by CABE. • Establishment of KPIs to measure success in the sustainability agenda. • Undertake BREEAM for schools assessment with a target of 'very good/excellent'.

<p>9.Accessibility</p> <p>All schools to be fully accessible in terms of:</p> <ul style="list-style-type: none"> • SENDA • DDA <ul style="list-style-type: none"> • Physical • Visually Impaired • Hearing Impaired <p>Creation of an 'access for all' environment, providing facilities that enable all children to access high quality learning.</p>	<p>H</p>	<ul style="list-style-type: none"> • Measure improvement against current position on a school-by-school basis. • Undertake a DDA and SENDA audit for the school designs, aiming for full compliance wherever possible/feasible. • Prepare access statements against the recommendations of the audit. • Ensure compliance with Building Regulations, DDA and relevant legislation. • Monitor buildings in use to ensure that benefits are being delivered.
<p>10.Specialist Schools</p> <p>All schools to have specialist school status in one or more specialisms.</p> <p>Schools to share specialisms across zonal collaboratives, the wider secondary and incorporated sector and with primary feeders.</p> <p>Extension of community access to specialist facilities.</p>	<p>M</p>	<ul style="list-style-type: none"> • Measure the increase in specialist status against the current baseline. • Greater curriculum opportunities available cross-schools in particular supporting the development of 14-19 partnerships. • Measure the increased participation of adult learners.
<p>11.Attract back from County – (Pupil place planning)</p> <p>Reduction in the number of city children being educated within the County.</p> <p>The reduction in pupil projections to be offset by reduction in net loss to County.</p>	<p>M</p>	<ul style="list-style-type: none"> • Monitor movement in net loss of city children to county. • Monitor against attract back target of 23% established within the SBC.

<p>12.BSF exemplar authority</p> <p>Delivery and completion of the programme to time and cost constraints, within the funding provided by DfES/PfS.</p> <p>Recognition as an 'exemplar' BSF authority as a benchmark for later waves.</p> <p>Achievement of the transformation of secondary education within the city.</p>	<p>M/H</p>	<ul style="list-style-type: none"> • Establish and measure KPIs against the baseline delivery programme to determine level of success. • Establish and measure against cost baselines. • Continue to work with PfS to create robust and reliable base documentation for delivery of the programme. • Measure standards and ethos within the secondary estate over a 10 year period against 2010/11 baseline.
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Matrix of key risks:

RISK ASSESSMENT MATRIX – KEY RISKS			
Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
<p>1.We build with too many places (Pupil place planning)</p> <p>Risk of downsizing schools or school closures if projections too high.</p> <p>Risk that City Council and Schools may be committed to funding running costs for surplus space.</p> <p>Risks particularly associated with less popular and/or later phase schools, particularly non-PFI schools.</p>	<p>M/H</p>	<p>H</p>	<ul style="list-style-type: none"> • Refine research into projected pupil numbers and assumptions surrounding housing gain and attract back. • Opportunity to review School sizes and SBC on an annual basis, through to 2009. • Create flexible buildings capable of multiple public sector use. • Potential to 'mothball' sections of new schools. <p><i>Impact after control measures reduced to Medium</i></p>

<p>2 We build with too few places (Pupil place planning)</p> <p>Risk that schools will be under capacity if projections too high.</p> <p>Risk of need to extend, find additional capital, temporary buildings etc.</p> <p>Risk would impact popular schools initially.</p>	M	M	<ul style="list-style-type: none"> • Refine research into projected pupil numbers and assumptions surrounding housing gain and attract back. • Opportunity to review School sizes and SBC on an annual basis, through to 2009. • Raising the standards threshold across the city, so that schools have equal popularity. <p>Impact after control measures reduced to Medium/Low</p>
<p>3. Failure of Private Sector Partner or supply chain member.</p> <p>Risk that the Council could incur costs as a result of PSP failure</p>	L/M	M	<ul style="list-style-type: none"> • Ensure adequate checks are carried out during procurement – due diligence – adequate bank guarantees. • Contracts to be structured to provide route of security back to equity provider. <p>Impact after control measures reduced to Medium/Low</p>
<p>4. Delivery of projects on time and to budget</p> <p>Risk that the Council could incur additional costs as a result of delay.</p> <p>Risk that the Council could incur additional costs as a result of cost overrun of individual contracts.</p> <p>Risk of FM costs being higher than modelled.</p>	M	M	<ul style="list-style-type: none"> • Ring fencing capital across all phases to mitigate any effect of early cost pressures on later phases. Each phase has to manage within the funding envelope with schools needing to make choice between area and quality. • Ensure adequate change control processes are in place. • Engaging schools at an early stage to ensure that the output specification meets their needs. • PFI contractor will carry all the risks for the PFI schools. • Ensure professional

			<p>Project Management is procured to oversee the delivery of ‘traditional’ contracts.</p> <ul style="list-style-type: none"> • Provide technical advice to schools on output specifications. • Prepare contingency programmes, provide adequate programme float. • Allocate adequate financial contingencies in the cost estimating process to accommodate potential site risks and abnormals. <p><i>Impact after control measures reduced to Medium/Low</i></p>
<p>5.Changes to DfES/PfS funding rules</p> <p>Risk that the Council/Schools could incur additional revenue costs as a result of changes in schools block funding.</p> <p>Risk that the Council could lose some of the capital receipts realised from the sale of school sites.</p> <p>Risk that rules surrounding secondary review contribution change.</p> <p>Risk that rules surrounding devolved capital are changed, affecting schools’ ability to meet affordability commitments, with the Council having to pick up a greater share.</p>	M	M/H	<ul style="list-style-type: none"> • Provide feedback on DfES consultation process surrounding future funding strategy. • Ability to terminate programme or phase should the effect be of sufficient magnitude, which would then raise the impact level of risk to achieving transformation. • Model scenarios to determine limits of risk in order that members understand the overall risk envelope. • Removal of capital receipts from the BSF programme. • Ring fencing capital across all phases to mitigate any effect of early cost pressures on later phases. • Challenge the base PfS assumption re Devolved Capital, as basis is for single phase/single wave delivery.

			<i>Impact after control measures reduced to Medium</i>
<p>6. Changes to DfES/PfS Level of Capital funding.</p> <p>Risk that indices on which the funding is based change, thus affecting the amount of capital available for investment – Council may have to consider capital injection.</p> <p>Risk that DfES/Treasury do not accept the additional areas required to deliver the ‘inclusion’ agenda.</p>	M	M/H	<ul style="list-style-type: none"> • Challenge DfES location factor basis to reflect local trends and potential impact on economy. • PfS have accepted the risk associated with inflation, through to OBC on each phase. • Additional areas for ‘inclusion’ would not be constructed if funding not realised. • Detailed proposals for each phase to be developed in line with pre-agreed funding envelope based on indices at that time. <p><i>Impact after control measures reduced to Medium</i></p>
<p>7. Schools unable to meet the affordability gap.</p> <p>Risk that Schools are unable to afford ‘modelled’ affordability at SBC stage.</p> <p>Risk that schools are unable to meet the affordability gap once tender figures are received.</p> <p>Risk that schools will need to make cuts elsewhere in their budgets to meet affordability commitments – potential impact on learning.</p> <p>Risks that the Council will need to fund a greater proportion of the affordability gap.</p> <p>Risk that the Council will have</p>	M/H	M/H	<ul style="list-style-type: none"> • Meetings with schools to develop understanding of the issues and the potential magnitude of the problem. • Schools to plan over medium term for the impact on their budget. • Develop output specifications with schools to determine level of services to be provided – Value engineer solution to meet funding. • Build in ‘contract review’ periods into the contract to enable fine-tuning of contract terms and scope. • Seek contribution from DfES towards revenue

<p>to raise council tax to meet their share of the affordability gap.</p>			<p>affordability gap.</p> <ul style="list-style-type: none"> • Achieve early sign up of governing bodies to the affordability issues. <p><i>Impact after control measures reduced to Medium</i></p>
<p>8. Impact on local construction capacity and resources</p> <p>Risk of rising costs due to lack of available resources (locally) and need to import.</p> <p>Risk that funding indices (historic) fail to keep pace with actual costs.</p> <p>Risk to local economy of investment leaving the city.</p> <p>Risk that the city does not realise the long term upskilling of the local labour force</p>	<p>H</p>	<p>M/H</p>	<ul style="list-style-type: none"> • Challenge DfES location factor basis to reflect local trends and potential impact on economy. • PfS have accepted the risk associated with inflation, through to OBC on each phase. • Work closely with schools and incorporated sector to identify skills requirements and implement training to deliver the resources when required. • Ensure supply chain has local, regional and national representation to deliver regeneration and reinvestment in Leicester. • Input requirement through OJEU for local employment. • Engage schools in the design and construction process as part of the vocational curriculum for the development of skills in the industry. <p><i>Impact after control measures reduced to Medium</i></p>

<p>9. Disruption to teaching and learning, impacting on standards.</p> <p>Risk that the construction process impacts negatively on the teaching and learning within schools.</p> <p>Risk that standards will fall in the short term, during construction, due to temporary facilities/decanting etc.</p> <p>Risk that greater numbers of children will be attracted to County Schools due to disruption and possible falls in standards.</p> <p>Risk that the retention/attraction of quality staff will be hampered during the delivery phase due to disruption/standards of facilities.</p>	M/H	M/H	<ul style="list-style-type: none"> • Risk should not impact on new build PFI schools, as new school will be constructed prior to impacting existing school. • Potential impact on Judgemeanow (New Build) due to need to site building away from adjoining residents and outside of the green wedge – therefore likely overlap of existing footprint. • Ensure adequate consideration of phasing and temporary facilities to maintain adequate teaching and learning. • Investigate possible use of vacated schools as ‘decant’ schools for later phases. • Engage staff in the design process to encourage their retention. • Highlight benefits of future development in recruitment material. • Focus on the long term benefits against the short term impact. <p><i>Impact after control measures reduced to Medium</i></p>
<p>10. Legal challenges to various aspects of the programme</p> <p>Risk that challenges may be won leading to compensation claims or challenges to the programme</p>	L/M	M	<ul style="list-style-type: none"> • Ensure standard national procedures and documentation is adopted wherever possible • Ensure adequate legal resources are dedicated to the programme at all stages. <p><i>Impact after control measures reduced to Medium/Low</i></p>
<p>11. Impact on Primary Schools</p>	L/M	M	<ul style="list-style-type: none"> • Clear apportionment of

<p>Risk of funding not being available for primary schools</p> <p>Risk of impacting on standards in primary schools, particularly KS2 (link to ELL top 10 risks)</p> <p>Risk of impact from the reorganisation of ICT support services through the LEP.</p> <p>Risk that affected corporate services may not have the resources to respond to requirements of primary schools.</p>			<p>CMF and headroom to protect primary school funding.</p> <ul style="list-style-type: none"> • Secondary schools encouraged to be outward looking and engage primary schools in collaborative activities • No secondary capital programme for 25 years, therefore funding available for primary sector. • Engage primary sector in the development of the managed ICT services – potential for their direct involvement. <p><i>Impact after control measures reduced to Medium/Low</i></p>
<p>12. Withdrawal of school support at key stages</p> <p>Risk that school withdrawal undermines the vision and the city's ability to deliver its corporate priority.</p> <p>Risk that schools agree in principle, but decide to withdraw once detailed costs are understood.</p>	M	M	<ul style="list-style-type: none"> • Ensure key personnel in schools are engaged with the programme at every stage. • Promote the engagement of all staff in constructing the delivery of the vision of the school. • Engage schools in the development of their output specifications. <p><i>Impact after control measures reduced to Medium/Low</i></p>

Consultation and Communication

- 96 To ensure that stakeholders' views on the programme are taken into account, consultation was carried out during December and January. Presentations were arranged with various groups offering an opportunity for Question and Answer sessions, and information packs were sent out to all members, governing bodies, schools, trades union, staff and a wide range of community groups and stakeholders.
- 97 The information was also available from city libraries and on-line via the BSF website. A formal feedback mechanism was supplied with all information packs that could be posted, faxed or emailed back.
- 98 To ensure accessibility to the information, a dedicated contact telephone number has been established via the Contact Centre, where enquiries were taken from people wishing to receive the information in a different language or format.
- 99 Communication of the BSF programme is vital to ensure all internal and external audiences are kept up to date with progress and developments. A proactive approach has been taken with all communications activities and the messages sent out are tailored to each target audience.
- 100 Both the Corporate and Education department's vision, objectives and key priorities were promoted within the information.
- 101 As well as local media, the project was communicated via dedicated website, intranet and extranet pages, council newsletters, exhibition and poster displays as well as utilising any other relevant channels for general promotion activities.
- 102 To date almost 200 feedback forms have been received – over 10% of those sent out, which is higher than the 4% national average for postal surveys. These include a mixture of summary and full questionnaires, as well as group responses.
- 103 The responses received from senior colleagues in the secondary and further/higher education sectors were, on the whole, positive. All support the need to improve the education infrastructure in Leicester in order to help to continue the trends of rising standards and to deliver the curriculum in the 21st century. It is seen as an essential major investment that requires detailed planning and partnership working.
- 104 Comments from Headteachers, Governing Bodies, Learning and Skills Council and the West Leicester School Improvement Group, included:
- Money should be spent on secondary school buildings to provide learning opportunities in inspiring and welcoming facilities
 - Will help to attract back students who go to the county
 - ICT is vital. Embrace modern technologies in support of learning
 - Excellent vision for the future – strong focus on partnership working to raise standards, improve inclusion, provide additional resources, broader 14-19 curriculum

- 105 SHA (Secondary Heads Association) stated: “SHA Heads/Principals in the city are all strongly in favour of the BSF proposals to rebuild or refurbish their schools/colleges and they totally reject the consultation response submitted by the TCC Panel.”
- 106 Analysis of the returns from the summary questionnaire (mostly individual responses) show a mixture of positive and negative comments on the following – funding, consultation, opportunity, communication, buildings, private sector, private finance, information requirements, impact on primary and special schools, risks and concerns.

Responses from the Unions

- 107 NUT – Concerns
- Effect on primary schools – standards, funding, differential treatment
 - Implications – revenue costs, set up costs, rise in council tax, cuts in services, staffing and resource cuts
 - Consultation – seriously flawed in terms of length and scope, every school in the city should have been consulted, should have been meetings for parents, governors and staff to ensure a shared vision, there was a lack of regard for core partners
 - Too many questions left unanswered
- 108 NUT – conclusion
- Look at educational priorities – should be to enhance and support learning in primary schools and improved provision as a result of inclusion. Need to reflect the council’s commitment to social justice and raising standards for all
 - Explore potential funding sources – including conventional borrowing, Impact
 - Need a targeted approach - priorities to be identified in collaboration with all education partners across phases of education, transparency, open criteria, citywide, focused
 - Hope that the Cabinet will decline to proceed with BSF
- 109 TCC Teachers Panel – concerns
- The cost of BSF – revenue costs, set up costs
 - The effects – downsides, heavy financial commitment, constrained budget flexibility, potential rise in council tax and/or cuts in services, Islamic Academy, City Academy, the effect on primary schools (performance, may face reduced funding)
 - Regret that the LEA has chosen to present the current alternatives as limited to ‘all of BSF or nothing’
 - Consultation - was inadequate in length given the complexity of issues, needed broader scope to ensure a shared vision – primary schools, parents, local communities, stakeholders
- 110 TCC Teachers Panel – conclusion
- TCCTP recognises the attraction of a major injection of capital funding. It merited serious consideration by the LEA. However, judgements on BSF have to be based on what will best serve the city and its schools as a whole

- Explore alternatives - Use secondary review savings, opportunities for approved conventional borrowing, access to government capital grants
 - Base policy on equality, social justice, transparency and active engagement with all education partners
 - Look at priorities across primary, secondary and special – transparency, needs led
 - Unable to support the BSF proposals
- 111 UNISON – concerns
- Consultation – time allowed is derisory, complex documents, should have visited schools, still awaiting detailed responses
 - PFI – plenty of bad examples around, many new ones have not been running long enough to see how successful they have been
 - LEP – staff transferred to outside firms, negotiation difficulties, terms and conditions
 - Financial risks – costs for the Council and schools, cuts to other council departments, using money set aside for primary schools, raising council tax, cutting standards and quality
 - Risks – have not been assessed
- 112 UNISON – conclusion
- Evaluate the ‘thin LEP’ or Council project management as models
 - Look at the effects of recent outsourcing contracts
 - Need more detailed consultation
 - UNISON advises the Leicester public to answer NO to the question of delivery with a private management company
 - UNISON strongly advise the Leicester City Council to err on the side of caution when coming to any decision as our young people's education is not something that should be gambled away for short term gain
- 113 Letters of support from governing bodies have now been received from all 15 schools, with caveats around issues and concerns regarding their individual school situation.

Programme

- 114 The national BSF programme is being implemented in accordance with a process set out by Government. In summary, this consists of:
- Submission of bids for BSF Plan – October 2003.
 - Announcement of Wave 1 authorities – February 2004.
 - Removal of reserve status for Leicester City Council – full wave one status confirmed.
 - Submission of Strategic Business Case (SBC), describing the overall proposals and costs across the city and the Outline Business Case (OBC), describing the detailed proposals for the first 4 schools in the programme by 1st March 2005.
 - Government approval of the SBC and OBC and approval to procure a private sector partner by 19th April 2005.
 - Procurement of Private Sector Partner, Government approval of the final business case and approval to commence construction by late summer 2006

115 A master programme has been developed for the delivery of BSF, which incorporates the proposed Public/Private procurement timescale, and indicates that the phase 1 schools could be opened in September 2008, the phase 2 schools by September 2009 and the final school by September 2012.

The Outline Business Case – Copies of which will be lodged in the Members area.

116 The OBC for the first four schools in phase 1 has now been completed.

117 The Outline Business Case has been developed around option appraisals for Beaumont Leys, Fullhurst, Judgemeanow and Soar Valley, with preferred options identified. Cost estimates have been produced and assessed against the qualitative criteria, resulting in a best value option for each school.

118 It is intended to commence the OBC for the phase two schools in March 2005, to demonstrate to potential Private Sector Partners that there is a resolved programme that has been thoroughly tested through the development of detailed option appraisals with the schools. This work will be handed to the Private Sector partner upon appointment.

119 The OBCs for the remaining schools will be developed in conjunction with the Private Sector Partner through the LEP in sufficient time to meet the desired school opening dates, with the LEA retaining strategic control.

120 The OBC sets out within the context of the overall SBC funding envelope the following:

- The overall cost and scope of phase 1, covering four schools
The phase one scope includes four schools, Beaumont Leys, Fullhurst, Judgemeanow and Soar Valley, with an estimated Capital cost of £61.6m. Within phase one there will be two PFI and two conventionally funded contracts.

- The specific funding requirements for phase 1
The PfS funding for each school would be

Beaumont Leys	£13,150,000 - Remodel - conventional
Fullhurst	£10,750,000 - Remodel - conventional
Judgemeanow	£16,170,000 – New Build - PFI
Soar Valley	£20,800,000 – New Build - PFI

- The estimated funding for the remaining phases is set out below

Phase 2	£51,200,000
Phase 3	£63,150,000
Phase 4	£34,800,000

- 121 With the exception of any potential capital injection into the LEP, the capital funding for phase one should be provided in its entirety by DfES/PfS, with no capital commitment expected of the Council.
- 122 The educational and corporate vision is consistent with the strategy established in the Strategic Business Case.
- 123 The four schools within the OBC have developed their school vision and objectives that support the overall education vision, within a local context. This will form the basis for development of their curriculum and school design as they move into the next stage of procurement.
- 124 The prioritisation within the SBC has been carried through into the OBC, with educational need as the primary driver. Of particular note is the inclusion of schools with additional resources (SARs) within the first phase, which demonstrates commitment to the inclusion agenda within the city.
- 125 The OBC incorporates an analysis of the core objectives in the education vision and how they are delivered across the phase one schools.
- 126 Following development of the schools' vision and objectives, an option appraisal was undertaken to look at the full range of options available on each site. These were then tested against pre-agreed evaluation criteria to determine a shortlist of options. A cost estimate was produced for each shortlist option, which was then reviewed against the school objectives to produce a preferred option based on value for money.
- 127 A site-specific risk analysis has been undertaken for each phase one school that has been included within the OBC. This risk analysis has formed the basis of the calculation of 'site abnormalities and externals' that has been included within the costs for the OBC.
- 128 Outline planning consent has been sought for the first four schools to establish general principles of siting and access. Design and specific siting of the new facilities has been reserved for detailed consent at a later date.
- 129 The sustainability approach that was outlined in the SBC has been developed further and formed one of the key evaluation criteria in selecting the preferred option. A workshop has been held involving representatives of the Council's sustainability unit and De Montfort University, to understand the opportunities available to establish energy targets and the methodologies for delivery. A sustainability and environmental advisory group is being established to work alongside the technical advisors in the next phase of delivery.
- 130 All outline proposals for the option appraisals have been developed alongside DfES Building Bulletin 98 for school design and Building Bulletin 77 for SEN. The whole life costs and affordability have been developed against the premise that the schools will enter into a life-cycle facilities maintenance contract, procured via the LEP, for a 25-year period. In addition, an ICT contract will be put in place using the capital provided through the BSF programme, which it is believed will provide the

hardware and software required to deliver the transformational agenda, and would thereafter provide a managed service for all secondary schools for an initial period of not less than 5 years.

- 131 The project has been through the mandatory 'gateway 0' and 'gateway 1' reviews organised by 4ps. This is a peer review process that is undertaken as part of the strategic and outline business case development. The review team put forward recommendations for the successful delivery of this and future phases of the project that have subsequently been developed into an action plan for incorporation into the business case.
- 132 In parallel with the submission of the OBC, a separate PFI funding bid is being considered for extended school facilities at Soar Valley, by way of a community library and performing arts centre. This has been made possible by the Government releasing further PFI funding through other departments for community initiatives sympathetic with the BSF programme. Some economies might be achievable if Leicester's bid is successful

An alternative proposal.

- 133 As part of considering BSF, it is necessary to consider what we would do if we chose not to pursue this. BSF is estimated to cost £13.5m p.a. from 2012/13 of which £5.5m is currently being spent by schools on facilities maintenance, insurance and utilities. If BSF were not pursued, therefore, the Council would have the option of spending the extra money (£8m) differently, although agreement would have to be sought from schools regarding their proposed contribution to the affordability gap.
- 134 It is possible to consider a scenario in which the council spends £55m on capital improvements funded by the prudential framework, and still leave £4m of passported growth available to schools for resources. The schools could supplement the £55m from their own devolved capital, estimated at £7.1m.
- 135 The alternative option would enable the Council to make significant inroads into backlog maintenance whilst maintaining ongoing growth for teaching and learning. It would not however deliver the curriculum improvement that is at the heart of the vision, or provide any increased maintenance that would result in a recurrence of the backlog maintenance problem.
- 136 In addition to the above the potential capital fund could undertake works such as:
- Targeted Capital works in the primary sector.
 - Address DDA non-compliance across the estate.
 - Undertake some planned preventative maintenance to extend the life cycle of current buildings.
 - Undertake limited works to move towards more inclusive schools.

- 137 The effect of this would be to:
- Reduce risk to the council
 - Remove the financial commitment from the council to fund BSF project management
 - Reduce disruption to schools as a result of major construction.
- 138 However this would also mean
- The transformational agenda could not be delivered
 - The realisation of the corporate strategic objectives will be very difficult to realise i.e. the aim to ***'raise educational standards and skills irreversibly so that all schools are good schools and individuals are committed to learning throughout life'***.
 - A loss in the volume of investment in new technology, with the Council/schools needing to find funds to invest in new technologies, particularly ICT
 - The drift of pupils to County may not be addressed
 - Use of schools beyond their natural life with inherent Health and safety risks, particularly in CLASP buildings, with significant parts of School buildings continuing to be inaccessible for all.

Financial Implications

Introduction

- 139 BSF represents a significant investment opportunity for the city. This investment opportunity pulls together funding contributions from the DfES, the city council and schools' delegated budget shares. BSF also represents the introduction of PFI into the education estate as and where it is demonstrated to deliver good value for money.
- 140 One of the purposes of BSF is to provide modern school buildings that are properly maintained throughout their life cycle. This is a fundamental change for the majority of the public sector and the city council as currently buildings are generally maintained reactively, with a considerable backlog of outstanding works. Any capital investment scheme that aims to maintain schools to an acceptable standard will therefore require additional funding in order to meet the full life cycle costs of the new buildings. This is of course a significant issue for the revenue budget.
- 141 Cost forecasts have been prepared at a high level using a financial model for the project as a whole. More detailed financial models will be produced, as the Outline Business Case for each phase of schools is prepared. The detailed costings for OBC1 are expected to be available before the end of February 2005. In the meantime, cost details for the BSF programme referred to in this report embrace the details contained in the SBC document produced towards the end of last year.
- 142 For the schools that are funded through PFI, the city council will receive PFI credits from the Government. These are annual payments that cover the cost of initial capital expenditure and provide a significant contribution to the interest repayments,

contractor's profit and recurring life cycle costs. The rate for PFI credits in BSF is 1.65 times the capital expenditure, which compares favourably to other PFI projects that are generally no higher than 1.3 times capital expenditure. The PFI credit alone however will not cover the full cost of BSF.

- 143 For those schools that are to be funded conventionally, only the initial capital expenditure costs will be met by Central Government – all whole life and maintenance costs will need to be met directly by the city council and schools.
- 144 The figures in this report are based on the best available information at the time of writing. The figures are indicative and may change as more information becomes available on how schools will be funded from 2006/07 and as individual schemes move into the Outline Business Case phase.

Capital Implications

- 145 The DfES has indicated a capital funding allocation of £210m for construction works and a further £24.5m for ICT. The general rule is that new build schools (or those with 90%+ new build) are PFI funded, whereas refurbishment is conventionally funded. There are a number of issues, which are still subject to resolution, and negotiations are taking place with PfS and DfES. These negotiations will continue, and could impact on the overall £210m (+/-).
- 146 PFI schools will be built at the expense of the private sector and the cost will be repaid to them as part of an annual charge. Conventionally funded schools will be paid for by the Council, using Government Grants.
- 147 It is presently assumed that £74m of the £ 210m will be reflected in PFI credits, and £ 136m will come by way of grant funding for the conventional schools.
- 148 The costs used in the SBC are best estimates at this stage and are believed to be sufficiently close for negotiation as the scheme progresses to more detailed financial appraisal.
- 149 ICT requirements are included within the scheme on a costed and initially self-funding basis, however it is likely that schools will need to contribute additional resources from their delegated budgets to the ongoing cost of refresh and ICT managed service. More detailed cost appraisal and financial modelling over the life-cycle of the project still has to be done in this area.
- 150 One of the implications of BSF is that nationally Government Capital Funding allocations have been reduced to fund BSF. Analysis of the grant allocations for 2005/6 to 2007/8 show that the city's allocations are broadly in line with national allocations, meaning that Leicester has not been penalised any more than all other authorities.
- 151 Devolved Capital Formula grants, estimated at £7.1m, are being phased out during the BSF construction programme. Funding will return after that time, in the case of PFI schools at a reduced level based on 65% of current levels. Latest indications are that funding will cease for a complete four-year period, to cover the rebuilding stage

and three years thereafter that should be relatively maintenance-free. Some schools in the later phases may need to work with reduced capital funding as rebuilding approaches, to accommodate the effect of the grant reduction city-wide. Detailed negotiation is continuing with the DfES as to how best to phase the grant reduction across the BSF schools within the “block funding” arrangements for BSF.

Estimated Revenue Costs

- 152 The estimated revenue costs of the BSF project have been calculated for each school by Robson Rhodes, financial advisers to the project. This is based on the individual plans for each school and standard factors for facilities management and other items provided by the DfES. The cost per school includes facilities management and whole life costs, but does not include the cost of borrowing that is met by the Government.
- 153 Costs are indicative only at this stage and will be developed into the Outline Business Case for each phase of schools. At that stage more precise cost details will be embodied into the BSF programme.
- 154 The current annual forecast revenue costs are £3.3m in 2008/09 (first 4 schools) rising to £13.5m in 2011/12 (16 schools).
- 155 The full list of assumptions used in the affordability analysis is explained in paragraphs 194-207. The full costs of the programme are likely to change progressively as detailed negotiations and specific requirements become clearer during the period up until contract sign-off at each phase.
- 156 Officers have investigated the VAT implications associated with BSF and the Council’s VAT Officer is satisfied that the impact on VAT partial exemption is manageable within the Council’s own VAT position. This embraces schools owned by the Council. In the case of Voluntary-Aided (VA) schools, charitable trusts with more limited VAT eligibility rules own the buildings. Because of the size and complexity of the BSF programme, the question of VAT exposure will continue to be monitored as a key area of risk.

Sources of Funding

- 157 There are four funding streams that can be used to contribute to BSF to meet the cost without recourse to Council tax rises. These are:
- Estimated growth in the Schools Block budget (or passport)
 - Central Maintenance Fund (CMF)
 - Secondary Review savings
 - Schools’ delegated budgets.

Schools Block growth

- 158 The estimated growth in the Schools Block budget is based on the current regime of passporting; from which significant growth has been given to schools’ delegated budgets. However, the DfES announced in its Five Year Strategy that the current passport arrangements would not continue beyond 2005/06. The exact changes to

be implemented from 2006/07 are still being developed but it is known that the funding the Council currently receives for passport growth is going to change from general grant to a specific ring fenced grant for schools (to be known as the Dedicated Schools Grant).

- 159 The forecasts for how much can be realistically contributed to BSF from Schools Block growth is based on historic spending patterns and forecasts of future allocations based on the current regime. It is impossible to say at this stage whether the changes introduced in 2006/07 will benefit or cost the Council, and hence the contribution available. This is a key risk associated with the project and one that the Council must agree to underwrite. This risk will be mitigated to some extent by stating it as an assumption of the Council when presenting the Strategic Business Case to the DfES.
- 160 The contribution from passport (or equivalent) growth is calculated by taking the forecast headroom (growth less unavoidable costs) in future years after the Minimum Funding Guarantee (MFG) has been met. The headroom is then apportioned between primary, secondary and special schools based on 2004/05 spend. The secondary and relevant special schools share is then contributed in full to BSF, for the 4 years of the development programme from 2008/9 to 2011/12. After this time, the headroom will be available for schools' budgets.
- 161 The impact of this approach is that no secondary school is expected to receive any growth in its delegated budget in excess of the MFG for the years 2008/09 to 2011/12. Primary and primary special schools will be protected against any loss of growth in their budgets, as long as forecast funding levels are maintained.

Central Maintenance Fund

- 162 The contribution from the Central Maintenance Fund (CMF) is based on the principle that, for PFI schools, the Council will no longer be responsible for landlord maintenance. Therefore the CMF can contribute the amount it would have spent on those schools in future years. A similar idea is used for the conventionally funded schools as the responsibility for procuring maintenance will be with the LEP, and BSF expects the same level of maintenance will be provided as in PFI schools.
- 163 The CMF contribution is based on an estimated figure of £350,000 at 2004/05 prices. This is inflated by 2.5% every year, giving £386,000 by 2008/09. Schools will still be able to access CMF resources during the construction phase.

Secondary Review savings

- 164 The final stream of Council funding comes from savings achieved as a result of the Secondary Review programme. These savings are currently being used to support residual costs of the review (such as capital investment, transport and Premature Retirement and Compensation (PRC)) but by 2008/09 it is estimated that £1.5m will be available to be contributed towards the cost of BSF. The contribution will be phased in pro rata to the number of schools in each phase, to avoid subsidising the first phase schools.

Summary of non-delegated resources

165 The total non-delegated resources being contributed are shown below.

Summary of non-delegated resources contributing to the costs of BSF

	Non-delegated resources contribution to the costs of BSF				
	Phase 1	Phase 2	Phase 3	Phase 4	Total
	£	£	£	£	£
Estimated passport growth	508,501	536,608	565,862	596,837	2,207,808
CMF contribution	81,334	122,000	101,667	81,334	386,335
Secondary review savings	315,789	473,685	394,737	315,789	1,500,000
Total	905,624	1,132,293	1,062,266	993,960	4,094,143
Cost of Whole Life Costs and Special Purpose Vehicles	1,033,474	1,060,277	1,183,901	746,976	4,024,628
Difference	-127,850	72,016	-121,635	249,984	69,515

166 The table shows that these resources cover the costs of the lifecycle and SPV elements.

Funding contributions from delegated schools budgets

167 Each Governing Body will have to agree to give a pre-defined contribution to the LEA to meet the unitary charge (or equivalent if conventionally funded) as the first call on their budget for the 25-year duration of the project, which would only be varied against the term of the contract.

168 A detailed Governors Agreement document will be drawn up by the Council that will form the legal basis for the contribution from schools' budgets, and any other conditions or requirements necessary within the BSF programme. These details will be finalised as each round of schools prepares for development within each phase of the project. Governors will retain control of the school and determine the level of their core usage, out of hour's usage and output specifications for the delivery of the FM services.

169 The schools have been asked to sign into the BSF programme with a Commitment in Principle at this stage.

170 Phase 1 schools will be required to sign up to the BSF programme before the financial close of OBC1. This sign-up will cover agreement from all schools as to the overall framework and principles for determining school contributions towards BSF and detailed cost figures of the actual level of contribution for the phase 1 schools.

Schools in later phases will sign up to the actual level of contributions based on the agreed framework at the financial close of each phase.

- 171 The scheme costs indicate that the cost of facilities management is estimated to be around £4.1m higher under BSF than schools are currently spending from their budgets. The impact of bridging this gap at school level will be different for schools depending upon how much they currently spend on facilities management. At present, some schools spend proportionately less than others on their premises maintenance and these schools will have to divert more of their budget towards meeting the additional costs of full maintenance under BSF than at current levels.
- 172 Overall the BSF programme has an annual affordability gap of £4.1m. This is shown in the table below.

Overall estimated affordability gap

	Non-delegated resources contribution to the costs of BSF				
	Phase 1	Phase 2	Phase 3	Phase 4	Total
	£	£	£	£	£
<i>Funding sources:</i>					
Estimated passport growth	508,501	536,608	565,862	596,837	2,207,808
CMF contribution	81,334	122,000	101,667	81,334	386,335
Secondary review savings	315,789	473,685	394,737	315,789	1,500,000
School budgets	1,214,551	1,585,072	1,455,944	1,082,097	5,337,665
Total	2,120,176	2,717,365	2,518,210	2,076,057	9,431,807
<i>Costs:</i>					
Cost of WLC and SPV	1,033,474	1,060,277	1,183,901	746,976	4,024,628
Facilities Mgmt, Utils & Ins	2,267,923	2,733,232	2,685,487	1,777,513	9,464,154
Total	3,301,396	3,793,509	3,869,388	2,524,490	13,488,783
Affordability gap	1,181,221	1,076,145	1,351,178	448,433	4,056,976

Options for bridging the affordability gap

- 173 The costs of whole life maintenance and SPV are met from non-delegated funding. The issue is how is the extra cost of facilities management over and above what schools are currently spending is split between the schools and City Council. This cost is estimated to be £4.1m. The options for how this affordability gap should be met are limited to increasing the contribution from the City Council or increasing the contribution from schools' delegated budgets.

- 174 In 2004/05, secondary schools plan to spend between 6% and 13% of their section 52 funding on facilities management, with the average being 9% (for PRU's the average is 4% and for special schools the average is 8%). This variation reflects individual schools' circumstances and decisions about the allocation of resources made at each school.
- 175 The estimated costs of facilities management average around 15% for secondary schools. It is unlikely that any secondary school would be able to use as much as 15% of their section 52 funding on facilities management without impacting negatively on standards or teacher numbers.
- 176 The affordability gap has to be met by the city council and the schools within the BSF programme. The proposal used during the consultation phase was that the affordability gap should be split 50/50 between the city council and schools. The feedback from consultation is that schools would only support sharing of the affordability gap on a 70/30 basis, with the City Council paying 70%. Schools arrived at this conclusion following an analysis of their budgets and the impact that the 50% contribution could have on their ability to sustain funding for teaching and learning.
- 177 Under the 70/30 proposals, schools will need to fund £1.22m each year towards the budget gap, and the Council will need to find the remaining £2.84m. When the 50/50 split was proposed, the schools' share was £2.03m and the Council's £2.03m. This represents an increase in the Council's share of £800,000 per year if members accepted the proposed 70:30 split.
- 178 The Council will also be carrying most of the very substantial risks of BSF and which could lead to future payments of several million pounds. These could impact on other services or the council tax or both.
- 179 In budget strategies between 2006/7 and 2008/9, the Council will need to start making provision for its future additional funding contribution to schools that will grow between 2008/9 and 2012/13. At today's prices, £2.8m represents an additional 4% increase in Council Tax.
- 180 In the view of the Chief Finance Officer, this phased additional cost is less significant than the risks that the Council would have to assume and which are not recognised by the schools' counter-proposal of a 70%/30% funding split.
- 181 A strategy for dealing with the risk issues and appropriate contingencies is discussed below.

the meantime it would be prudent to ensure that fortuitous one-off gains from 2005/6 onwards are earmarked for such purposes and that a prudent approach is taken to the capital programme for 2005/6 –2007/8 that avoids over spending. A small measure of contingency in the capital programme for 2005/6 – 2007/8 would be appropriate to cover the risk arising in the Phase One.

- c) Risks that could give rise to ongoing costs and which would build up during the operational phases 2008-2012. Approximately £6m has been identified which needs to be considered together with any council contribution to affordability (presently estimated at from £2.0m to £2.8m in the proposals outlined above). These costs, if they materialise, would not need meeting in full until 2012, but would be ongoing from that time. Appropriate contingency will be required, which needs to be built into 3 year revenue plans commencing with 2006/07 to 2008/09. During the period 2006/07 to 2008/09, it would also be prudent to consider building up reserves beyond the present recommended minimum level of £5m.

Risk Mitigation

- 188 The Council has examined how best to manage the main aspects of risk pertaining to the BSF programme, and thereby mitigate the effects as the programme unfolds.
- 189
 - (a) The whole programme is split into 4 distinct phases, each of which will progress through detailed phase Outline Business Case leading to Full Business Case approval prior to sign-up. Each phase will carry a separate cost structure for those schools in that phase only.
 - (b) Each phase of school building is ring-fenced, whereby cost increases arising from changes to indices and inflation will be underwritten by the DfES between SBC and PRG stages.
 - (c) The council will retain full control as to whether and how to pursue each phase of school building, as the BSF programme develops. This includes options to amend or withdraw from a phase, or from the remainder of the BSF programme altogether, and would depend on the detailed costs and recommendations for each phase at the OBC and FBC stages.
 - (d) Key factors that could influence future commitment to the ongoing phases could include changes in the Location Factor, which is a key construction cost factor; price increases after tender submissions are received; or tenders being received with higher costs than outlined in the submissions for OBC.
 - (e) Mitigation of increases in the cost of BSF for the council can be met by negotiation at the tender and contract signing stages, careful management of project costs within the LEP structure and a pro-active involvement at schools level in service delivery issues. It may be that ultimate cost increases may revert to schools if facilities maintenance charges end up significantly higher than planned.

- 190 In the event that any further cost increases would revert to schools, (if they were to materialise), this would result in reduced funding available for the school governors to spend on the schools. No plans have been made at this stage for such a contingency.
- 191 It must be stressed that the costs included within the SBC and above are forecast approximations based on initial estimates. These will be refined prior to submission of Phase One OBC, and at regular stages thereafter. Some costs, furthermore, are stated at different years' price bases.
- 192 The risk matrix below, and the analysis above, allow for cost overruns after contracts have been signed. Allowance has been made in the costings for contract prices to be higher than presently forecast but it cannot be guaranteed that this will be sufficient. It is unclear at present how much of this risk will be borne by the Government and how much by the council, but at the present it remains a significant if unquantifiable risk.
- 193 A full risk-funding plan is currently being prepared for phase 1 OBC; a summary of the key financial risks attaching to council and schools is included below.

Risk	Likelihood L/M/H	Severity Impact L/M/H	City Council		Schools	
			One Off	On Going	One Off	On Going
1) Construction risk –risk of overspend on conventional fund schools after contracts signed	M	H	£10m			
2) Changes in funding levels – future year passport revenues cease; secondary review funding may be lost; or funding guarantee is more than expected	M	H		£4.0m		
3) Volume risk – the estimate of pupil numbers and other factors is wrong. Failure to attract back pupils – the pupil planning figures fail to materialise	M	H / M		£ 0.5m per year		£ 0.1m per year
4) Lifecycle & FM costs risk – that the cost of lifecycle and FM are higher than estimated.	M	H		£ 0.5m WLC £ 1.26 m FM		£0.54m FM
	Total		£10m	£6.26 m	£0	£0.64m

Assumptions

- 194 The following assumptions have been used in the affordability modelling. This section does not cover the assumptions used in the model that determined the cost per school.
- 195 All costs are shown at future years' prices.
- 196 Budget figures used are based on the best available information at the time of production of the SBC for the BSF Schools programme. These figures may be subject to further revision as better or more up-to-date information becomes available.
- 197 Section 52 funding increases by 4% from 2004/05 budgets for schools, and by 3% for PRU's. No adjustments have been made for forecast pupil number changes.
- 198 The revenue costs of BSF have been calculated using the Robson Rhodes model with costings provided towards the end of 2004. Further detailed capital costing details have recently been undertaken with Mott Macdonald and in consultation with the PfS. This assumes all costs will increase by 2.5% per year apart from FM costs that are assumed to increase by 3.7% per year.
- 199 The CMF contribution has been based on £350,000 in 2004/05, inflated by 2.5% per year to give £386,000 in 2008/09. The contribution increases by 2.5% per year from 2008/09.
- 200 The Secondary Review contribution is cash limited to £1,500,000 and is not inflated. The phasing in of the money is pro rata to the number of schools in each phase.
- 201 The forecast passport growth is based on best estimates up to 2007/08. After this, the growth is inflated by 5.5% per year. The passport is split between schools and central budgets on the basis of spend in 2004/05 in the ratio 84.4%/15.6%. Earmarked passport growth is included for 2008/09 to 2012/13 only.
- 202 The estimated headroom reflects best-known information at the time of writing and assumes the Minimum Funding Guarantee will continue after 2005/06 at a level of 5.5% (the MFG in 2005/06 is 4%). The split of headroom between primary, secondary and special is based on 2004/05 school budget shares. The secondary and relevant special share of estimated headroom is inflated by 4% per year and is used in full to meet BSF costs.
- 203 The model assumes school funding will operate in a similar way to present after 2005/06 and that no new restrictions will be imposed on the Schools Block when the Dedicated Schools Grant is introduced.
- 204 The total City Council contribution is apportioned to schools on the basis of their share of the total cost in the first year of each phase.
- 205 The budgets that schools currently have for facilities management (buildings maintenance, grounds maintenance, insurance, utilities, caretaking and security) were taken from 2004/05 budget intention forms and schools have been given the chance to check and challenge these. The model assumes these are inflated by

2.5% per year until the first year of the new school, when the budgets are inflated by 3.3% in line with Robson Rhodes costing model. The current budgets for ICT are excluded from this modelling as the assumption is they will be used for ICT refresh.

- 206 The figures used to calculate staffing/non-staffing percentages are taken from schools' Budget Intention Forms for 2004/05.
- 207 New College Leicester has been excluded from all the analysis and modelling as they are currently expressing an interest in an Academy solution.

(David Wilkin, Head of Education Finance – February 2005)

Legal Implications

- 208 The SBC and in more detail, the OBC will need to address the procurement strategy for the BSF Programme. There are two principle choices, either direct procurement (which could in itself be undertaken by a variety of types from school to school, for example PFI, design and build, traditional, project partnering) or through a strategic partnership. The scope of the LCC proposal and its duration, together with the expectation from PfS that this method should be used unless the business case indicated another better solution, leads to the draft recommendation to follow the strategic partnership model.
- 209 The strategic partner will be procured and will form the Local Education Partnership Company, as described, with the council and PfS. The council will only have a minority interest and therefore issues such as capital borrowing that would arise under the regulations on local authority companies will not arise. The council may however be required to make a capital injection into the new company. The strategic partnering agreement will do two things. First of all to set up a framework for working together to bring about improvements, and included within this would be the supply of agreed partnering services by the company and to keep the SBC under review, and secondly a mechanism for calling off approved construction projects, the supply of services and ICT management. The first phase of 'approved' projects would be contracted with the signing of the Strategic Partnering Agreement. The present standard documentation provides for project management, company secretarial and administrative services to be provided under contract to the company from a separate provider.

Exclusivity

- 210 Beyond the first phase construction projects the company may (depending on how the procurement of the partner is set up) obtain exclusive rights to provide 'new projects' and 'additional services' (which would include professional and support services). There is no limitation on how these are defined but obviously care must be taken to exclude (carve out) projects and services already under commitment to other providers. Or this ability could be optional.

New Projects

- 211 All new Projects (however these are defined but probably to include all the schools in the BSF programme outside the first phase) will have to go through the development and approval procedure but if the LEP proposal for a new project meets the defined criteria then the contract for that project will be closed. Care will need to be taken in setting the criteria, for example, where new schools are proposed where no board of governors is yet in being to agree the charging mechanism, or where the agreement of the governors is required for the contribution from delegated budgets.

Staff Transfer

- 212 There are potential staff transfers involved. All the proposals described at paragraph 11 of the summary will involve, at least, the facilities management including building maintenance, cleaning, caretaking and grounds maintenance and the delivery of ICT managed services being provided back to the Council by the provider as part of the lease back package (similar to the LIFT projects). Any staff currently engaged in or about facilities management to those schools will be affected. TUPE will apply and, under Best Value statutory guidance, it has to be assumed that TUPE will apply and staff will transfer. Statutory consultation about any transfer will arise once the Council recognises that measures are being considered which will affect staff. Since the actual proposals and implementation will not be clear until the contracting and procurement processes are complete (either under phase 1 projects or under the framework for new projects) consultation will have to be incremental. If any additional services are requested and supplied by the Company then it is highly likely that existing staff will be affected.

Agreements Required

- 213 Agreement to the remission back to the Council of the unitary payment out of the devolved budgets would require consent of the governors.
- 214 For VA Schools further agreement will need to be negotiated, as the school premises are owned by the Trustees.

Admissions

- 215 Some of the proposals will require secondary review procedure consultations. The risk of projections about roll numbers (upon which proposals are being sought) proving inadequate will remain with the Council.

S.E.N.

- 216 The proposals contained in this report are indicative only and to preserve a funding bid. Any decision will be subject to the outcome of the SEN review, which has yet to be considered by the Cabinet. Provision can be made in the contract to reflect this.

Legal documentation

- 217 Standard documentation (for consultation) has been produced by PfS to ensure consistency for providers. On a preliminary overview some amendments will need to be made but documentation for tender will not need to be finalised until after OBC approval.

Developing Proposals

- 218 As the project develops and further information and advice is received it is inevitable that the proposals may vary from those consulted upon. Further consultations will be undertaken as the programme develops.

Risk

- 219 The report addresses risk and a risk management process is in place. This is an extensive and complex project and it is important that all “stakeholders” understand what is expected of them and how the proposals will affect them so that legitimate concerns can be addressed within realistic timescales.
- 220 The cost of the project development is being met by the council – this will include external technical advisors and is likely to be an extensive commitment. The project costings will cover this but, obviously, if individual schools do not proceed, then these non-school specific costs would have to be borne by the remaining projects. Consideration is being given as to whether any steps could be taken to mitigate against this risk. Similarly, post contract, the contractors, and funder’s non-specific project costs may have to be apportioned between a decreasing base of projects.

(Joanna Bunting – Legal Services)

Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within this report
Raising Standards	Yes	15-18, 25-26, 62-63
Equal Opportunities	Yes	Equality Impact assessment included as Appendix E. 9,13-14,17,26-28,33,47,212, Appendix B - 19
Policy	No	
Sustainable and Environmental	Yes	58-61
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

2. Background Papers – Local Government Act 1972

The BSF Strategic Business Case and Outline Business Case will be lodged in the Members' area

3. Consultation

Legal and financial as noted above

4. Report Author/Officer to Contact

Brian Glover – BSF Project Director – 7725
Keith German – BSF Project Manager - 7727

Objectives of Leicester City Council's Local Education Partnership (LEP)

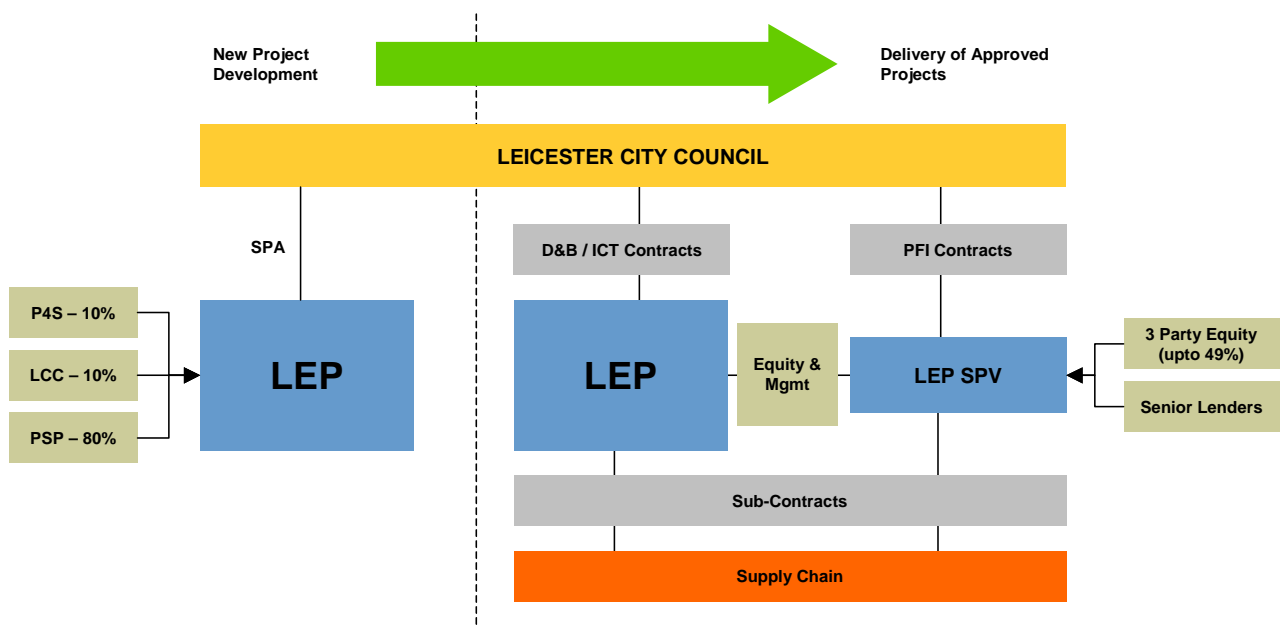
- 1 A LEP workshop was convened with representatives of the Project Board, Project Management Group, Schools and corporate departments, which concluded that Leicester City Council does not currently have the expertise, or the capacity, to manage and deliver such an ambitious programme, and therefore the requirement for a delivery vehicle of this nature would appear to be desirable. The DfES and PfS are encouraging Councils to follow this route as a condition attached to the funding, to ensure that there is a robust delivery vehicle through which the funding can be channelled.
- 2 The LEP model has been developed specifically for the delivery of the BSF programme and, as such, is a new approach to the delivery of major Capital investment. The closest parallel is the 'LIFT' programme that has been operating nationally within the Primary Health Care Sector for a number of years.
- 3 A number of alternatives to the LEP have been considered within the context of the Leicester situation. These are briefly set out below:
 - An alternative LEP model with the LEP developing and delivering all of the projects and carrying all the prime commercial risk. However, this model is least attractive to the Private Sector and seriously jeopardises the possibility of finding a suitable partner.
 - A further alternative LEP model with the LEP acting as a Development Company. Whilst this may be attractive to the Private Sector, there are potential downsides for the LA, such as
 - Loss of control on the performance of approved schemes
 - Making the partnership less effective as the LA would have no role in the delivery of schemes.
 - The delivery of schemes would be undertaken outside of the LEP; therefore the LEP structure would only be temporary.
 - Creation of multiple points of contact.
 - More difficult integration across the projects.
 - Use of existing Public/Private arrangements – A suitable vehicle does not currently exist in Leicester.
 - 100% PFI – Due to the mix of funding coming from the DfES, PFI is only available for the substantial new builds, which form about 25% of the overall programme.
- 4 On the basis of information provided by Partnerships for Schools, four of the other wave 1 authorities are not pursuing a LEP model due to their particular circumstances, where they have existing PPP arrangements in place, have 100% PFI (usually a smaller programme), have existing PFI contracts for schools, or where they are undertaking the programme in a single phase due to the limited scale of their proposals.

5 In addition, it is anticipated that by adopting such a joint venture, Leicester City Council will be able to reap the following benefits:

- Creating a long-term strategic partnership that is assured a stream of work over a maximum of 10 years, if it meets national and local benchmarks, will reduce the number of discrete serial competitions and hence lower bid costs.
- The LEP in being the exclusive single point of contact that manages the diverse array of supply chain providers over the concession period is best placed and commercially incentivised at risk to manage the supply chain to maximise cost efficiencies.
- The LEP carries the commercial risk of integrating a large and diverse supply chain necessary to deliver a variety of contracts – PFI, Design, build, operate and manage (DBOM) and Facilities management – including ICT.
- The LEP is designed to create a permanent (beyond when its exclusivity has elapsed) local business by joining up BSF funding with other local initiatives (e.g. children and leisure services) for area regeneration. The LEP will be able to contribute additional development resources at risk (both capital and people) to ensure that projects are well scoped and joined-up.

6 As such, and in accordance with the guidance produced to date, it is recommended that the creation of a Joint Venture LEP offers the best solution to the challenge of delivering this long-term capital investment programme, with it having as its express purpose one very specific objective - **to enable delivery of the BSF programme in the most effective and value for money manner possible.**

7 The LEP will operate as an Integrated Service Provider with SPVs (Special Purpose Vehicles). This is shown diagrammatically below:



- 8 By developing this option, BSF will continue to receive the full support of PfS as well as benefiting from the procurement efficiencies of using Standard Documentation. In addition, this decision provides potential Private Sector Partners with certainty and clarity as to Leicester City Council's LEP, which may in turn increase the council's 'attractiveness' to bidders.
- 9 A key strength of the proposed LEP structure is that it provides the council (and its future Private Sector Partner) with a flexible and scalable delivery vehicle that can be adapted to the requirements of the BSF programme as it develops.
- 10 As such, the decision over which services are procured by the LEP is one that will need to be revisited regularly throughout the life of Leicester's BSF programme to ensure that the needs of the project are being met. Leicester City Council will control the direction and scope of the LEP through the Strategic Partnering Agreement.
- 11 It is clear, however, which services are necessary to kick-start the BSF programme in Leicester, and commence the delivery of the first phase of capital investment to the city's schools. The principles underlying the development of the Leicester LEP are as follows: -
 - The LEP will be a single point of contact for the procurement of design and construction for the BSF School programme.
 - The LEP will manage FM services to all BSF schools, covering building maintenance, cleaning, caretaking and grounds maintenance, subject to demonstration of VFM.
 - The LEP will manage the delivery of ICT managed services within the secondary schools, subject to demonstration of VFM, and will ensure a consistent approach to ICT across all secondary schools of a high standard.
- 12 The standard facilities maintenance contract will not include catering or the transfer of third party income to the private sector. Any decision with regard to these will be left with the schools' governing bodies to determine on an individual basis.
- 13 The LEP is therefore expected to need a combination of executive, financial and performance management skills. A technical advisory team will be appointed to work with the project team, schools and advisory groups to prepare the technical and output specifications, which will be managed by the BSF Project Management team.
- 14 The LEP will have a secondary education focus, and if it proves successful, other education projects could be brought forward for implementation via the LEP following a VFM analysis. This would be subject to a further decision by elected members.
- 15 The private sector partner will assist the council in liaising with other key stakeholders in the city and therefore integrate the schools programme with other potential community services including LIFT, to deliver the extended school philosophy. Whilst BSF will not provide any funding towards the extended school

proposals, some of these other uses may bring in further direct funding streams, which may make the schemes more affordable.

- 16 With a major increase in capital investment and also the focus on lifecycle maintenance of the new facilities, the programme will offer significant additional employment opportunities for the local population through design, construction, FM and the managed operation of the new schools.
- 17 The LEP will, however, have implications on some services currently being provided within schools and the city council – those staff who are directly affected by services provided under the LEP will have an option to transfer with protected terms and conditions (TUPE).
- 18 The Local Government Act 2003 which enshrines the principles of the Code of Practice on Workforce matters (the ODPM guidance) requires that the private sector partner seeks admitted body status to the Local Government pension scheme or provides a pension that is broadly comparable.
- 19 Staff directly affected by the programme will be those employed by schools, involved with Cleaning, Caretaking, Grounds Maintenance and ICT. In respect of the first four schools, the total number of staff affected will be in the order of 45 FTE. Other staff would be affected as a consequence of schools currently using internal City Council teams and this will include departmental and central support services. This may lead to redundancy or early retirement costs, which will be modelled and resourced when more detailed information becomes available. The Corporate Director of Education and Lifelong Learning will bring forward a further report on the implications of this, once formal proposals have been developed.
- 20 These proposals have been subject to soft market testing, with the responses being integrated into an appendix of the final SBC. This process has been undertaken through discussions with a range of Private Sector organisations and through a questionnaire issued to a wider group. This sought feedback on the proposals set out in the SBC and confirmation that the proposed scope would be attractive to the Private Sector once the procurement process is underway. Feedback has been extremely positive, with a clear desire to focus on the educational outcomes of the programme and general acceptance of the programme scope, phasing and delivery model proposed.

Creating Leicester City Council's LEP

- 21 The precise shape of the LEP will ultimately be determined by the partners and the future PSP during the procurement process, and it will be up to them to propose how they envisage staffing the LEP. However, in order to plan appropriately, a possible staffing structure has been developed alongside a view on how the LEP might operate, which is detailed below.
- 22 The LEP, whilst not directly delivering any core services itself, will clearly require an operational management structure with which to develop projects and oversee supply chain activity.
- 23 The likely staffing requirements of this LEP management structure are as follows:

- LEP Chief Executive or General Manager
- LEP non-exec Chair (a PfS requirement)
- Director of Finance
- Business and Performance Manager
- Admin and Financial Controller Support

- 24 The annual costs of providing this proposed LEP structure, which are recoverable against the delivery of projects, are estimated by PfS to be in the region of £300,000 at 2004/5 prices, once all four phases are running. This is made up of the running costs of the LEP and SPV's and would include staffing and running costs, management fees and other annual operating costs for running the LEP programme.
- 25 Any additional services transferred to the LEP would obviously incur additional expense, and as a shareholder the Council would be required to find its share of working capital and operating costs.

Appendix B – Pupil Place Planning

Risks associated with the BSF 2010/11 pupil place planning

- a) There are risks with the forecasts. These were prepared based on autumn 2004 data and it is quite possible that there will be significant gains or further losses to city schools by 2010/11. Changing the capacity would undoubtedly alter the forecast for individual schools.
- b) Information relating to pupils generated by new developments is notoriously difficult to estimate accurately. There are a number of problems:
 - I. Developers alter their plans at short notice. Any major change in the balance of flats and houses would affect the estimated pupil numbers.
 - II. Our methodology is based on 2001 Census data. The further from 2001 the less accurate the pupil yield ratios are likely to be.
 - III. There is a specific issue relating to pupil yield estimates for developments containing flats. The Census predicts a low ratio of 3.7% at secondary level but since there is not a great deal of experience with this type of development the number of pupils generated could be considerably higher. External consultants suggest the pupil yield ratio that is being used is reasonable.
 - IV. Works may not start on time hence pupil gains may not arrive when they have been planned for in the BSF bid.
 - V. As the notes suggest a conservative approach has been used in the assumptions allowing for only 38% of the possible housing gains. If it turns out this assumption was wrong the BSF bid would need to be amended to reflect this.
 - VI. It cannot be assumed that the projected pupils from these developments will choose to go to city schools. If significant numbers do choose to go to county schools then obviously this will reduce the estimates of gains to city schools.
- c) There are risks with the assumptions made relating to city pupils who are going to be attracted back to city schools. The attract back figures for the City Academy could be viewed as particularly ambitious. If these turn out to be wrong then the schools could end up with overcapacity although this may be offset by underestimates for housing gains.

Appendix C - Phasing

- 1 The phasing of secondary school investment requirements has been addressed by assessing three main criteria; educational achievement, building need, and the property implications of the inclusive vision.
- 2 Schools were initially grouped based on the robust assumptions of student growth and popularity. Where student growth and demand is seen as being sustainable these schools have been progressed in the first two phases. Within the groupings priority was then assessed on the above stated criteria.

Educational Standards

- 3 Educational Standards were assessed using the percentage of students achieving 5 GCSEs grades A* - C. The scoring system used for this criterion followed the rule that the lower the percentage of achievement the greater the need for investment and therefore the higher the scoring. In order to address the issue of underachievement, this was given a higher weighting.

Building Need

- 4 Building need was assessed at each school using the most recent AMP data. All schools were revisited for the compilation of data in the Strategic Business Case. An assessment of the complete data was made and an overall rating was allocated to each school. That rating was then assigned a point score with the greater the need for improved building stock receiving the higher weighting.

Property implications of Inclusion

- 5 The Education Vision has an impact on the facilities that are provided at each school. The development of schools with additional resources (SARs) and of facilities to manage challenging behaviour are at the forefront of the Leicester BSF programme, to which end those schools where an inclusion facility is required receive an extra weighting to reflect this.

Phasing risk

- 6 A further analysis was carried out on schools to identify those with residual risks in terms of funding, school rolls and interest in pursuing an academy route. One issue that is still not resolved fully is the position with VA schools and their governors' contribution, which is the reason that St. Paul's and English Martyrs are placed within the latter phases. There is an opportunity to review this over the life of the programme should circumstances change, as the SBC is reviewed on an annual basis.
- 7 On completion of this process the results were checked to ensure that, where possible, there was development in each zonal collaborative in each phase, there was a mix of rebuild and remodelling, that each phase offered the full range of procurement routes, that logistical problems on campus were minimised.

Preferred options

- 1 Options were generated for all schools based around the three main opportunities for light refurbishment, heavy refurbishment and substantial new build that BSF capital brings. The appraisal of these options was undertaken to identify a preferred option for each of the schools. Criteria used to assess the options were based on advice from the DfES in the 'Finding the Right Solution' document and recent BSF Guidance on completing the Strategic Business Case. The following is an overview of the appraisal criterion: -

Environment

- 2 Many of the schools in Leicester do not provide an environment that is suitable for the continued long-term delivery of education. This may be because of poor décor and furnishings, outdated equipment, building fabric, or building design and layout. This criterion looks to identify the level of improvement made to the environment within each school compared to its current state.

Support of Vision

- 3 This criterion looks at how far each option goes to supporting the inclusive vision with new facilities or the improvement to existing facilities to encourage improved achievement.

Operational Efficiency

- 4 The day-to-day efficiency of a school may be restricted by the internal layout of classrooms and corridors. For instance classrooms spaced a long distance apart may delay the arrival of pupils and therefore create disruption. This criteria looks to assess the improvements in operational efficiency made by each option in terms of improving pupils' behaviour or aiding staff members ability to manage the learning environment.

Security

- 5 The BSF programme will look to improve security at schools while maintaining an inviting environment for children, staff and the local community. Options have been assessed depending on how far they can improve the level of security at each school without restricting the access for communities, staff and children.

Deliverability and Risk

- 6 All of the options that have been generated for the schools have a degree of deliverability and risk attached to them. The deliverability of an individual project will depend on the extent of works, phasing implications and available space for new buildings. This criterion is an assessment of the difficulty in completing the building programme outlined in each option.

Disruption

- 7 All options will generate a degree of disruption that will need to be managed through provision of temporary accommodation, phasing, and potential temporary dispersal.

Capital Costs

- 8 Capital costs indicate the initial capital outlay for each option. New build, remodelling and refurbishment options will generate different levels of construction costs and this criterion attempts to identify that fact.

Building Areas

- 9 All school areas have been calculated using guidance from BB98, which has also informed the proposed design and layout of school facilities. Due cognisance has been taken of the inefficiencies of existing school designs, and these have been agreed with PfS. Additional space has been agreed for facilities to address the inclusion agenda asset out in paragraph 47 of the main report.
- 10 The options for each school are based upon the three BSF guidance options of light refurbishment, heavy refurbishment and wholesale rebuild. Each of these high level options is expanded upon to take account of localised school issues including forecast student numbers, which determines the future size of schools, and hence the requirements for buildings to support that forecast number.

Appendix E – Equality Impact Assessment

Form 1 – Equality Impact Assessment - list of FPP

(Please follow guidance from page 6 to 9 when filling in the all forms)

Service/Business Unit N/A

Division EDUCATION AND LIFELONG LEARNING

Department BUILDING SCHOOLS FOR THE FUTURE

Suggested list of FPP- can be taken from business/ service plans	High corporate/dept priority?	Likely to have a moderate or high risk of unequal outcomes or unmet needs?	Currently being developed or reviewed?
Building Schools for the Future Strategic Business Case (SBC).	High department priority.	Moderate risk of unequal outcomes.	Proposal is being developed and is out to consultation.

Equality Impact Assessment – Initial assessment screening

Questions to help identify inequality, unmet needs or unequal/adverse outcomes of chosen FPP.

Name (or area) of FPP : Education & Lifelong Learning – Building Schools for the Future

In stating your answers please explain as follows:

If you tick box 1 or 4 please state reason why
 If you tick box 2 or 3 please state further action required

1. Is equality a theme running across the different areas of the **FPP**?

Yes	Partly	No	N/A
✓			

The strategic business case identifies the need to adhere individual learning needs of all learners 11-16. It specifically identifies the needs to ensure all buildings created from BSF capital programmes are Inclusive and meet as far as possible DDA and SENDA

2. Does the **FPP** incorporate objectives of the Corporate Equality strategy, Department Equality Action Plan?

Yes	Partly	No	N/A
	✓		

The SBC will comply with Corporate Equality Strategy and Department Equality Action Plan but are not be incorporated into the SBC

3. Do these objectives cover areas of Race, Gender and Disability? (impact of **FPP** on other equality areas can also be assessed e.g. sexuality, religion and/or belief, age and social class)

Yes	Partly	No	N/A
✓			

The SBC, in particular the sections covering the Corporate and Education Vision (sections 1,2 and 3) identify the importance of ensuring all our schools serving secondary age children are inclusive (section 1.3, 1.4, 3.2, 3.3, 3.4, 3.5, 3.5, 3.8, 3.10)

Yes	Partly	No	N/A
✓			

4. Does the **FPP** make reference to the diversity of the population it serves?

The SBC in its corporate vision makes clear reference to diversity of population in the city (section 1.2, 1.4)

Yes	Partly	No	N/A
✓			

5. Does the **FPP** include conducting EIA as part of the planning, review and evaluation processes?

As part of the annual review process an EIA will be completed (section 1.6)

Does consultation of the **FPP** take place with

- Internal groups

We have sent an invitation to all members of ELL to meet with us to discuss the SBC. We have sent all SMG a copy of the SBC and a request to release staff to attend consultation meeting.

Yes	Partly	No	N/A
✓			
✓			
✓			

- External groups/organisations

We have sent out approximately 1700 copies of our consultation document. These have been sent to a wide range of groups including school head teachers and governors, unions, voluntary and community groups, etc. in addition we will speak at approx 25 consultation meetings.

- Council departments

All department heads have received a copy of the SBC and have been asked to consult colleagues in their department and feed back. A presentation day has also been organised for council staff.

7. Have decisions been made on the communication/distribution of information around the **FPP**?

Yes	Partly	No	N/A
✓			

There has been a widespread communications/consultation exercise involving articles in LINK and FACE, SBC on the intranet, SBC on the web, CD ROMs available to all council staff and wide range of stakeholders, CD ROMs available to public through libraries, public meetings, targeted meetings with stakeholder groups, all parents of secondary age children have received a letter and opportunity to view documents at their nearest secondary school. The programme has also been promoted via the local media, including radio and press.

8. Do these take into account the different communication needs of the diverse groups and individuals?

Yes	Partly	No	N/A
	✓		

The SBC is in English but we have produced a simplified version to aid understanding. Letters home to parents had sentences produced in 7 languages stating alternative languages and formats will be available. The SBC is available on the web for those able to access at home and in libraries and schools to cross the digital divide. The document was in Arial 14. We were unable to produce this in Braille, however we included a sentence on the reverse of the leaflet, translated into 5 languages, stating that recipients can call an enquiry telephone number to request the information in an alternative format or language.

Equality Impact Assessment - Partial/Full Assessment

When considering undertaking a partial/full assessment, it is essential to seek the advice and involvement of the department Equality Officer, who may suggest further more specific questions to be asked around the FPP chosen for the EIA.

Any further questions can be written in the space below (use additional sheets if necessary)

Form 2 Part B

From the answers stated in Form 2 have you found (please indicate in relevant section below):

For New FPP

Evidence of any potential inequality, unmet needs?

Yes	Partly	No	N/A
	✓		

Complex document even in simplified form was difficult for some to understand.

Evidence of any potential unequal/adverse outcomes?

Yes	Partly	No	N/A
		✓	

.....

For Current FPP

Evidence of any inequality, unmet needs?

Yes	Partly	No	N/A

.....
.....
.....

Evidence of any unequal/adverse outcomes?

Yes	Partly	No	N/A

.....
.....
.....

The information derived from the above should now be prioritised as equality objective/targets on **Form 3 overleaf**

