

REPORT TO Children, Young People & Families
Policy and Performance Board

DATE: 6 January 2011

REPORTING OFFICER: Strategic Director – Children and Young
People

SUBJECT: BSF Update

WARD(S) Boroughwide

1.0 PURPOSE OF THE REPORT

- 1.1 To provide an update on the BSF Programme in Halton including the award of select bidder and the timetable for the construction and completion of the two sample schools..

2.0 RECOMMEDATIONS

- 2.1 That members note the appointment of the select bidder and the revised timetable for the completion of the two sample schools; and**
- 2.2 That members request a further update be provided on the progress of the development of the two sample schools after Financial Close.**

3.0 BACKGROUND

- 3.1 On 6th August 2010 the Secretary of State announced that all 33 local authorities 'sample school' projects in 14 council areas would now proceed. The local authorities were named as Barking and Dagenham; Blackpool; Camden; Derby City; Ealing; Halton; Hartlepool; Hertfordshire; Lambeth; Oldham; Poole; Somerset; St Helens; and Wandsworth.
- 3.2 Schools that were part of the Academy Programme at the time were put into one of two categories: ones that were granted capital now, of which there were 44 and ones that will be decided in the Spending Review, of which there were 79. The Ormiston Bolingbroke Academy fell into the later category.
- 3.3 The Academy along with Local Authority representatives have recently met with Partnership for Schools (PfS) to discuss their options but a decision on funding for the academy is not expected until the end of December 2010.
- 3.4 The immediate consequences of the Coalition Government BSF announcements were:
- Due to the uncertain position that this placed all future capital

projects Warrington indicated their desire to formally end the partnership. Therefore the Selected Bidder would only be procured to provide a Halton LEP.

- With the exception of the Legal Advisors and the Halton BSF Programme Director all other BSF advisors were issued termination notices.

3.5 The longer term consequences of the Coalition Government BSF announcements were:

- Each of the contracts for the BSF advisors were reviewed and new contracts drawn up to complete the programme of work. Initial savings of £300,000 have been identified to date. The amount of support needed after the two sample schools have reached financial close has now been significantly reduced.
- The exclusivity of the Local Education Partnership (LEP) has been removed. It was also advised that the LEP needed to be procured to keep as close to the original Official Journal of the European Union notice as possible. This would mitigate the risk of any potential procurement challenge. The LEP, however, would no longer have exclusive rights to all capital work in the council.
- Through further dialogue with the bidders the LEP structure and size has now been significantly reduced. The costs of the LEP structure will now be absorbed by the projects as they come on line and the LEP size will grow and reduce as needed.
- On the 5 November the Council was issued with a directive by PfS to carry out an option appraisal to look for further saving from the sample schemes.

“Where a scheme is at an advanced stage of development (e.g. rapidly approaching or beyond Stage 2), we should still examine how savings might be achieved within the current design, e.g. by varying the specification for components and/or finishes, etc., but not explore radical revision (e.g. significant redesign). “

To facilitate this both bidders were issued with the instructions to carry out a value engineering exercise and produce an options paper by the 2 December for the Council to consider and agree with PfS before it is submitted to the DfE on the 20 December 2011

3.6 As a consequence of the decision by the Secretary of State to only approve the development of the two sample schools in Halton and as a result of the notification from Warrington of their decision to withdraw from the partnership, the decision

was taken to ask both bidders to take a few weeks to discuss the revised proposals for the changed scheme and to resubmit a supplement to the Final bids which had been submitted in June 2010. The supplement only covered the areas that were changed by the reduction in the programme and it was agreed that the scores would be added to the final bid scores for the unchanged elements to reach a final result.

- 3.7 This supplementary second stage allowed for a week of meetings and a presentation by the bidders and bids were then received on Tuesday 19th October 2010 and were evaluated by Halton Local Authority and the Advisor teams
- 3.8 Following evaluation of both bids on 2nd December 2010, Executive Board approved the appointment of the Local Transformational Partnership as the selected bidder for the Halton Building Schools for the Future Programme.
- 3.9 The next stage of the process for the development of the two sample schools is to complete Financial Close. Although it was initially planned that financial close and contract award would be completed by 4th April 2011 there are indications that funding could be lost if Financial Close is not completed by 31st March 2011. The timetable for the programme is therefore as follows:

Planning Permission Packs Submitted	17 th December 2010
Prepare the Commercial and Legal Packs	3 rd December 2010-31 st March 2011
Submit Final Business Case	10 th February 2011
Receive Planning Permission	21 st March 2011
Receive approval for Final Business Case	31 st March 2011
Contract Award	4 th April 2011

- 3.10 Construction will then start on the two schools in April 2011 until December 2012 and it is planned that both schools will be operational in their new facilities in January 2013.

4.0 FINANCIAL IMPLICATIONS

- 4.1 The LTP submission demonstrated very good value for money. Notably, they had very low Local Education Partnership (LEP) Setup costs and the Bid costs had been significantly reduced.

5.0 IMPLICATIONS FOR THE COUNCILS PRIORITIES

5.1 Children and Young People

The Building Schools for the Future programme will deliver transform secondary provision for children and young people and improve the facilities for the secondary workforce and the communities the schools serve.

5.2 Employment Learning and Skills in Halton

The winning bidder has confirmed through their KPIs that they will provide placements and mentoring of local Young people by working closely with the college.

The programme itself will provide two excellent schools for learners. Standards will

improve providing greater employment prospects for Halton's Children and Young People and the wider community.

5.3 A Healthy Halton

In developing its secondary schools for the future the authority will demonstrate how it will enable schools to meet the school sports targets through its capital investment and achieve high nutritional standards and encourage healthy eating. Opportunities to increase extended services through schools and provide more integrated health provision will be developed through BSF.

5.4 A Safer Halton

Schools for the future will be designed to ensure that children, staff and other community users feel safe and secure on schools sites.

6.5 Halton's Urban

Through the BSF Halton schools will become a major resource for communities they serve and will be designed to offer shared community facilities, linking to other wider regeneration projects as well as being the focus for the local delivery of children's services.

6.0 RISK ANALYSIS

6.1 There is a specific risk register for the BSF Programme which identifies all key risks.

6.2 All risks will be review and managed out during the period of contract development between Selected Bidder announcement and Financial Close.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 There are none arising in relation to this report. Equality and Diversity issues are at the heart of the BSF programme and to a large extent remain the drive for the design and implementation of the Programme. This position will be fully sustained.

8.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972

8.1 Funding Guidance, available from Ann McIntyre, OD-Children's Organisation and Provision, 1st Floor Eccleston Building, Grosvenor House

Strategy for Change Part 2 Guidance, , available from Ann McIntyre, Operational Director Children's Organisation and Provision, 1st Floor Eccleston Building, Grosvenor House

Outline Business Case (for approval to procure a LEP to deliver investment in the Secondary School Estate), available from Ann McIntyre, Operational Director Children's Organisation and Provision , 1st Floor Eccleston Building, Grosvenor House