

Scrutiny and Performance Panel

Agenda
Item No. 8

8 November 2011

Priority Schools Building Programme

Ward(s) All

Portfolios: Councillor R Andrew, Children's Services

1. Executive Summary:

- 1.1 The Department for Education [DfE] is commencing a privately financed programme to provide new buildings for schools whose accommodation is currently viewed as being in the very worst condition. Local authorities and schools outside of local authority control were invited to apply to enter the programme.
- 1.2 The DfE expect to deliver the equivalent of rebuilding 100 secondary schools nationwide, but the programme was open to receive applications for all types of schools including primary and special schools. It is envisaged that the first 20% of schools included in the programme would open in 2014/15 with a further 20% opening each year thereafter for the duration of the programme.
- 1.3 As this programme is a Private Finance Initiative [PFI] arrangement there are a number of requirements that schools had to accept as part of the bid submission:
 - Each school will be part of a 27 year finance arrangement where Facilities Management will be provided by a third party
 - The contract will be procured by a central body
 - All schools will be based on standardised designs
 - Schools will contribute to annual revenue costs
- 1.4 When assessing which schools Walsall may be able to submit bids for, there were a number of criteria, against which, all schools needed to be measured against. The programme requires that
 - Schools which have received major investment in the last 15 years are unlikely to succeed and applications will need to show that:
 - Schools have sufficient long term pupil demand
 - Schools are in poor condition
 - Condition must be above 30% of the notional rebuilding cost

- 1.5 The Council identified the condition of its secondary schools during the BSF programme; the worst 4 schools identified were Willenhall, Joseph Leckie, Pool Hayes and Frank F Harrison. The Council has completed condition surveys for the primary estate over the last 3 years and the only primary school that meets the 30% criteria is Rushall JMI.
- 1.6 During these discussions it became apparent that to achieve the Academy Trust vision for Frank F Harrison and Hatherton Primary school it would be essential to submit a joint bid for inclusion onto the programme for Frank F Harrison and Hatherton Primary.
- 1.7 Following detailed discussions, all schools agreed, in principle, to support the Authority in submitting what is effectively an expression of interest for inclusion onto the programme.
- 1.8 A bid was submitted by Walsall prior to the closing date of 14 October for the following schools who agreed in principle to be included in this programme;
- Frank F Harrison Engineering College & Hatherton Primary [Co-located bid]
Joseph Leckie Community Technology College
Pool Hayes Arts & Community School
Rushall JMI
Willenhall School Sports College
- 1.9 As bids are effectively only an Expression of Interest with regard to inclusion onto the programme. There is no commitment from schools at this point in the process. There are a number of significant questions that the Authority have not received satisfactory answers to at this stage. As a result, it is proposed that before final sign up to this programme, should any of our schools be shortlisted, we provide detailed support to individual schools throughout the business case/financial discussions stages.
- 1.10 The financial liability for the Capital works and the payback over the life of the PFI arrangement is held by the DfE so neither the LA or individual school have any liability in this regard. The individual school/Academy is liable for the revenue costs associated with the PFI provider delivering the soft facilities management services [caretaking, cleaning, waste disposal and building maintenance etc] for the duration of the PFI agreement of 27 years.
- 1.11 The Priority Schools Building Programme is aimed at all schools [including Academies, free schools and sixth form colleges etc]. The funding announced in relation to this programme is a single pot irrespective of status of these establishments. As none of the schools that Walsall have submitted bids for are Academy schools at present, the only way a bid could have been made for these schools was through a co-ordinated LA bid.

2. Reason for scrutiny:

- 2.1 The Scrutiny and Performance Panel requested an update on the Priority School Building Programme across the borough and in particular information relating to which local schools the Authority has submitted bids for.

3. Recommendations:

That:

1. Scrutiny note the developments of the Priority School Building Programme.
2. Scrutiny receive a further report once the DfE announce the results of the schools to be included in the programme.

4. Resource and legal considerations:

- 4.1 The DfE have confirmed to finance colleagues that there is no Capital cost to the Local Authority under this PFI arrangement. Revenue implications for individual schools will be significant and the costs currently predicted by DfE are estimated at approximately £70/m² of new building area [based on gross internal area]. This cost is to cover soft facilities management charges such as caretaking, cleaning, waste management, security and building maintenance. This is one of the areas that would be finalised during discussions between chosen schools and the relevant PFI provider prior to final sign up and financial close.
- 4.2 Depending on the outcome of the above discussions issues around whether TUPE will apply to any staff will need to be considered and finalised.

5. Environmental impact:

- 5.1 The schools in the worst condition may be replaced by this programme. Any new buildings will comply with all of the latest regulations relating to environmental performance and would contribute to the Authorities carbon reduction commitment. Dependant on outcomes of detailed discussions with DfE access to community facilities and extended services in schools may be affected by this programme. Protecting the community facilities and use thereof is a key issue where both the Local Authority and individual schools need the DfE to provide some clarity.

6. Performance management:

- 6.1 It is not envisaged that this programme has any implications in relation to Performance Management.

7. Equality Implications:

7.1 It is not envisaged that this programme has any implications in relation to Equality Implications.

Consultation:

Appropriate consultation was held with Chairs of Governors, Headteachers, Property Services and Children's Services prior to the bid submission to the DfE.

Contact Officer:

Frank Barnes

Assistant Managing Director, Walsall Children's Services - Serco

01922 686319

frank.barnes@walsallcs.serco.com