

## **Council – 8 November 2010**

### **Notice of Motion - Background to Building Schools for the Future**

#### **Introduction**

Set out below is a Notice of Motion from Councillors Nazir, Robertson, Burley, Sarohi, Westley, Barton and Oliver to Council on 8th November 2010:

*This Council welcomes the decision of the Secretary of State for Education to reinstate the building projects at Darlaston and Shelfield secondary schools, following the significant concerns caused by the unnecessary delay.*

*However this Council remains appalled by the actions of the Secretary of State in cancelling the Walsall Building Schools for the Future wave 6a programme affecting the future of six of our secondary schools (Joseph Leckie, Frank F. Harrison, Alumwell, Pool Hayes, Shire Oak and Streetly).*

*This Council believes that this decision will disadvantage thousands of young people in Walsall, and along with other Government proposals, will increase the development of a two tier education system for our Borough.*

*This Council therefore calls on the Secretary of State to reverse this short-sighted decision, and to reinstate the above Building Schools for the Future programme - which would have been implemented under a Labour government.*

This paper sets out the background to the Education Secretary Michael Gove's announcement on the 6<sup>th</sup> August 2010 to reinstate a series of school projects across England. He gave the go-ahead to 33 local authority Building Schools for the Future (BSF) "sample" school projects in 14 council regions and another 44 academies across England that had been on hold.

The six Walsall schools (Joseph Leckie, Frank F Harrison, Alumwell, Pool Hayes and Shire Oak) that formed Wave 6a of the BSF programme in Walsall were stopped as part of the cessation of the national programme.

The two schemes reinstated in Walsall are the academies at Darlaston and Shelfield which were approved to proceed as planned. The expression of interest for the University Technical College (UTC) on the Sneyd school site has been approved by the DfE and we have now formally entered the feasibility stage. A consultancy team from the DfE will be working with the sponsors and the local authority to work up the detailed business case. A site visit by PfS has taken place but we are not likely to know the capital allocation until early in the New Year

The Education Secretary also announced the creation of a capital review led by Sebastian James, Group Operations of DSG International plc, to look at all areas of the Education Department's capital spending in the next Spending Review period (2011-12 to 2014-15).

## **1 Background information**

The new Coalition Government established in May 2010 has made it clear that deficit reduction and sustained economic recovery is the most urgent issue facing Britain. That is why the Government had to take difficult decisions on many of the capital investment programmes including the BSF programme.

The Education Secretary announced on the 5<sup>th</sup> of July 2010 the closure of the BSF programme all projects that were past the financial close stage were given the go ahead to proceed, with other schools earlier in the process stopped. Bringing an end to the BSF programme, he said in the light of the public finances, it would have been irresponsible to carry on regardless with an inflexible and needlessly complex programme.

In addition to this a further group of schools and academies required more detailed assessment by the DfE because they were at crucial points of development. These included sample schools (BSF projects at an advanced stage which had not yet reached 'financial close) and academy projects in advanced stages of capital planning with Partnership for Schools (PfS).

He has also set up of a review team to consider the likely direction of future capital spending on schools in England. The aim of the national review is to ensure that future capital investment in education is better value-for-money; less bureaucratic and more cost-efficient. Its priority is to ensure that every school place is fit for purpose and that rising numbers, especially in primary education, are addressed. Its objective is to increase the amount and pace of improvement that can be achieved for any given level of spending, and in turn support the Government's ambitions to reduce the deficit.

## **2 Academies Approval**

The DfE worked with academy sponsors after the announcement on the 5<sup>th</sup> July to ensure they could move forward with their academies. The 44 academies at the most advanced stage in their capital planning with PfS were approved on the 6<sup>th</sup> August and will receive their capital now.

Michael Gove, Education Secretary, said

'I'm delighted that the sample schools and academy projects are going ahead, and I hope that local authorities and schools will welcome this news. This is good news for those schools.

I know how hard councils and schools have worked on these projects and I have been anxious to ensure we can do everything we can, in difficult economic times, to support the crucial work of raising educational standards. Planning for these projects is well advanced and we are keen they should proceed without further delay. I'm determined that we press ahead with the Academies programme and want all those schools identified as future academies to enjoy the freedoms and benefits academy status brings.

We will also work with councils, sponsors and the construction industry to ensure we bear down on costs and bureaucracy so every new school is built in as cost-effective and efficient a way as possible and I am delighted that they have already responded so positively to this challenge.'

Clearly the support of new academies is high on the Education Secretary's agenda as it fits into his objective of ultimately transferring schools out of Local Authority control. At the heart of this Government's vision for education is a determination to give school leaders more power and control. Not only to drive improvement in schools - but across the education system as a whole.

### **3 Future of Capital Investment in schools**

The Government has been clear that the end of the BSF programme does not signal the end of new school buildings. BSF accounted for just a third of all the money spent on education capital investments. The Government is committed to ensuring there will be a fairer, more effective and more efficient system for allocating capital money to schools, to best meet the need of the schools system during the next spending period.

The Chancellor announced on the 20<sup>th</sup> October in the CSR the commitment to spend £15.8 billion on 600 unspecified schools within England during the next spending period. What has become clear is that the 600 schools mentioned in the CSR are the 547 unaffected plus the 44 sample schools and academies approved in August. Those programmes where schools have not yet been built are facing 40% cuts in capital budgets. What remains unclear is what is going to happen to those that were stopped in July which include our schools

The statement below was published on the Department for Education's (DfE) website shortly after the CSR. We are currently seeking clarification from Partnership for Schools (Pfs) and the DfE on what this means for schools in Walsall.

*"There will be a 60% reduction in real terms in capital spending over the Spending Review period. Following the decision to end the wasteful BSF programme there will be enough funding to meet demographic pressures and to address maintenance needs. The independent review of education capital will ensure that the Department for Education's capital budget is allocated in the most cost-effective way and targeted where there is most need. Over the Spending Review period there will be a total of £15.8 billion of capital spending. The average annual capital budget will be higher than the average annual capital budget in the 1997-98 to 2004-05 period"*

On 5 July the Secretary of State for Education announced a review of all areas of the Department for Education's capital spending. Its purpose is to change the way schools building are delivered so that waste of both time and money is eliminated as far as possible.

The DfE also set up a Call for Evidence process and took views on the above proposals by the 17<sup>th</sup> of September 2010. These views have been fed into the review process and used to inform the CSR on the 20<sup>th</sup> October. A final report and recommendations is expected to be completed by the end of 2010.

Whilst it is not clear yet of the final outcomes of this Capital Review there have been indications of the direction of travel as follows:

- The new process for allocating capital will start April 2011
- All capital investment will be reduced by 50% and consolidated into one funding stream
- Priorities will be basic need and condition of the existing estate. With a policy priority linked to academies and free schools
- ICT will have a much lower priority with less funding
- Education transformation no longer a key driver with focus on buildings being fit for purpose. (Suitability, Sufficiency within affordability constraints)
- Reduced engagement with schools and stakeholders to accelerate the design process
- Simpler and shorter business cases
- Greater emphasis on speed of delivery and building more for less money
- Focus on delivering more standard buildings e.g modular design
- Mechanism for funding allocation based on national algorithm/formulae
- Setting up of local panels to decide on allocation of funds (Local Panel to consist of all providers - Local Education Authority, Academies, Free Schools and Voluntary Aided Schools)
- Use of local, regional, national frameworks and strategic partnering arrangements to deliver value for money projects.
- Reduce statutory requirements for scope, building size and standards to deliver fit for purpose environments within affordability limitations.

The procuring body for any new programme is most likely to be the Local Authority but this could change during the coming months. What is clear is that there will be a significant reduction in the amount of capital that will be invested in schools, delivered via a simpler design and procurement route and set against a new set of funding criteria. There have been indications that PfS is in the process of trialing three different education capital projects using the Academy framework to establish if the procurement time can be halved from 50 weeks to 25 weeks.

The BSF programme was bureaucratic, expensive and slow in delivering new or refurbished schools. Providing we can obtain significant funding for our primary and secondary estate targeted at those pupils and communities in greatest need then the decision to cease the programme nationally will prove to have been the right one.

The lack of clarity of the shape of any new programme of investment in schools has obviously left those authorities, schools and communities impacted by the cessation of the BSF programme concerned as to the extent and timing on any future capital investment.

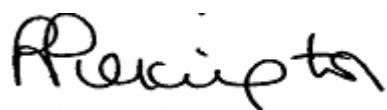
Cabinet on the 13<sup>th</sup> of October approved the principal of proceeding with secondary estate condition surveys and the preparation of the basic data necessary to prepare for the outcomes of the Capital Review. It also approved the principal of inviting the secondary schools to contribute funds to assist with this process.

This will enable us to have a clear picture of the condition of the entire education estate in Walsall and prepare any targeted investment programme that the Coalition Government will require in the future.

This potential investment will become clearer during 2010/11 and any response from the Council in regards to the current situation will be premature until the outcomes of the Capital Review process.

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A handwritten signature in black ink, appearing to read 'Pauline Pilkington'.

Pauline Pilkington  
Executive Director  
Children's Services

29th October 2010