

MEETING:	SCHOOLS FORUM
DATE:	7 DECEMBER 2009
TITLE OF REPORT:	PROPOSED USE OF DEDICATED SCHOOLS GRANT UNDERSPEND – BUILDING SCHOOLS FOR THE FUTURE
ASSISTANT DIRECTOR PLANNING, PERFORMANCE AND DEVELOPMENT	CHRISTOPHER BAIRD

Wards Affected

County-wide

Purpose

To agree to use Dedicated Schools Grant (DSG) under spend to enable Herefordshire to make best use of any Building Schools for the Future programme initiatives and money, to improve educational provision for children and young people in Herefordshire.

Key Decision

This is not a Key Decision.

Recommendation(s)

THAT Schools Forum agrees to commit £500,000 to £700,000 to support Herefordshire's development of school provision through the Building Schools for the Future (or alternative) programme.

Key Points Summary

- Building Schools for the Future (BSF) is the national programme to rebuild and refurbish every secondary school in England to provide modern teaching, learning and extended services facilities fit for the 21st Century. The vision stretches well beyond the “traditional” boundaries of education and school function, to be at the centre of communities and the services that support them. The impact is designed not simply for secondary age schools and their pupils, but to benefit the other schools in the area (i.e. primary schools through enhanced opportunities for their pupils and staff), and the wider community.

Further information on the subject of this report is available from
Christopher Baird, Assistant Director Planning, Performance and Development, 01432 260 264

- The government has rolled out the BSF programme via a prioritised list. Herefordshire was not due to benefit from BSF till 2014 at the earliest. This was revised in 2009 and potentially Herefordshire could benefit from the programme at an earlier point. However, the dramatic changes to the world and national economy have brought the programme into question. Formally the DCSF have said that there are no current changes to BSF, but in other formal and informal communications it may be that BSF continues, but in a revised format including possible a change of name. Whatever detail emerges, local authorities are still being advised to prepare and plan for entry into the programme.
- Herefordshire does not currently have the resources identified to adequately prepare and manage a BSF programme which is significant in scope and intensity of work. The Children and Young People's Directorate is setting out the development of Directorate resources over the next three years, with the expectation that we will engage and deliver the BSF programme, alongside other school capital programmes. This is in the context of a Council requirement to plan for at least 5% year on year reductions to the Directorate budget. The Dedicated Schools Grant (DSG) under spend provides an opportunity to contribute to the significant costs that BSF incurs locally. Other local authorities have made use of significant funding from DSG to help deliver the programme. This under spend provides a very timely opportunity for Schools Forum to commit substantial funding to improve teaching and learning provision for children and young people in Herefordshire.
- Funding would be used to establish a BSF Programme team, in line with national expectations, but to use the money prudently to take into account of any changes in the programme itself as a new government term begins.

Alternative Options

- 1 Schools Forum can decide what amount to commit to the programme. The Forum could also decide not to commit any funding. However, there is an expectation locally and nationally that funding is pulled together from a number of different sources. Whilst also exploring funding via Council central budgets, Herefordshire's ability to respond and manage the BSF programme would be severely compromised if money from DSG were not also found.

Reasons for Recommendations

- 2 Herefordshire should establish a team to prepare for BSF programme. BSF is not simply a programme to rebuild and refurbish high school provision, but expects to deliver community transformation across the whole age range. Initial work is expected to develop a strategy for BSF and engage schools and communities. This should follow on from the work of the Herefordshire Schools Task Group, whose final report is being considered by Herefordshire Cabinet in November 2009. The Cabinet decision will provide the strategic framework for the development of education and learning provision in Herefordshire, something that the BSF programme will require.
- 3 The DCSF expects to approach Herefordshire in 2011/2012 and expects that much of the preparatory work will have been done by then. The DCSF estimate is that for a £85 million project, the local area will have to spend c.£2.4m. However, other local authorities have found that costs on such a programme have actual been more in the region of £4.3m. Funding such amounts has proved a challenge for many areas, and a combination of DSG, Council funding and prudential borrowing has been used. The Directorate proposes to begin Herefordshire's approach through the appointment of a Programme Manager, with administrative support and then expand this as required. The DSG under spend provides an opportunity to "bank" some necessary funding for this development, which would provide a level of funding for Herefordshire

Introduction and Background

- 4 BSF is the Government's 10 to 15 year programme of rebuilding and refurbishing every secondary school in England to provide modern teaching, learning and extended services facilities fit for the 21st Century. It is not just about improving the fabric of school buildings, but aims to create transformational change to enable schools to deliver the whole Every Child Matters agenda. It aims to allow local communities, including primary age pupils to benefit from the improved resources and co-ordinated services that are expected to be delivered for children. The BSF programme also includes special schools catering for secondary age pupils and Pupil Referral Units.
- 5 Along with all local authorities, Herefordshire submitted an expression of interest for BSF to the Government in 2003 and was due to begin the programme in 2014 - 16. However, in 2008 the DCSF invited revised expressions of interest to be submitted by the end of November 2008 by authorities that had yet to enter into the programme for all their schools. Herefordshire submitted a revised expression of interest, following DCSF guidance, for an initial project covering six schools for a rebuild/refurbishment programme worth c.£80m and a follow on project for the remaining 11 schools (including three pupil referral units), totalling c. £100m.
- 6 The programme expects that around 50% of the combined floor area of the schools included in the projects will be rebuild, 35% major refurbishment and 15% minor refurbishment. The schools in this initial project were not required to be geographically coherent, but the project was required to aim for educational transformation and be an integral part of an overarching strategy for change for all secondary sector provision.
- 7 Each Local Authority's initial project, as detailed in their revised expression of interest submitted in November 2008, was assessed against the following criteria by Partnerships for Schools, the non-departmental public body set up to deliver the national BSF programme:
 - Social and educational need, including:
 - a. National Challenge schools;
 - b. less well performing schools;
 - c. areas of deprivation;
 - Building need, (suitability and/or condition);
 - Contributing to local or regional regeneration, including opportunities for co-location with other public services;
 - School reorganisation;
 - Sustainable communities, and new housing and population growth.
- 8 For educational need, the DCSF used as proxy the most recent data on the percentage of pupils in each school receiving 5 A*-C GCSE's including English and Mathematics. For social need the DCSF will now use the Tax Credit Indicator (TCI) rating for the school. The DCSF confirmed that school performance and social need were the key factors in determining the initial order for local authorities to enter the programme. Herefordshire was placed 63 out of 70 based solely on social deprivation and standards.
- 9 Further feedback from the DCSF and Partnership for Schools is that they aim for all Local

Authorities to enter into BSF in the next three to four years. The DCSF and Partnership for Schools are likely to contact Herefordshire within two years to assess Herefordshire's readiness to enter the BSF programme. Partnership for Schools will expect to see detailed evidence of Herefordshire's "Readiness to Deliver". This is a key stage of BSF that requires extensive and detailed planning and consultation with a range of interested groups, and includes:

- Early consultation with all stakeholders (both internal and external) concerning the potential BSF provides for education and community transformation.
- Robust pupil place planning at 11-16, 16-19 and special educational needs.
- Identifying both financial and human resources to provide the essential capacity required to deliver BSF to time and the requisite quality.
- Securing senior political and corporate support from across the Council.
- Early consideration of the likely issues that will affect delivery of BSF on existing sites (e.g. planning, choice of sample schemes etc.) or the logistics of the process for procuring new sites should this be necessary.
- Considering how the local response to the National Challenge relates to proposed BSF investment.
- Establishing and maintaining a dialogue with the Office of the School Commissioner.
- Aligning any statutory consultation, where there are clear school organisation issues, with the BSF project plan.
- Accessing the Expert Client Programme to develop capacity further, including undertaking a skills audit. The Expert Client Programme is currently provided by 4ps, the local government project delivery specialist body.

10 Partnerships for Schools will assess Herefordshire's readiness to deliver across all of the following key areas:

- The transformational overview
- Deliverability
- Investment Strategy
- Affordability
- Resources and Capability
- Benefits Realisation

11 The DCSF will expect that resources have been identified to deliver the programme. These are detailed under financial implications and cover a range of activities and specialist areas across Directorates in the Council. Initial work will require project development and management, in particular a fully resourced Project Board and Project Team, to include a full time Project Director (usually appointed at Head of Service level), Education and ICT leads, legal, financial, technical and procurement support together with plans for the leadership of PE & Sport and Culture and a Design Champion.

12 Herefordshire had carried out little work since its submission in 2003, due to the original BSF timescale for the county suggesting that work would not be required until closer to 2014 - 2016. There was also an expectation that the Schools Review of 2007/08 would establish a clear and sustainable direction for future secondary and associated special school provision in the county. The Herefordshire Schools Task Group has now establishing draft proposals for

the development of educational provision in Herefordshire and these are being considered by Cabinet in November 2009. The revised expression of interest submitted in 2008 was based on a discrete piece of work carried out by a consultant and consulted upon with schools. Though of high quality it was not extensive enough to fulfil the requirements of the DCSF Readiness to Deliver stage. Significant work is therefore still required.

- 13 Herefordshire does not have the capacity within existing resources to carry out the necessary preparatory work so that we can benefit from the BSF programme when contacted by Partnership for Schools in the revised BSF timetable. The DCSF and Partnership for Schools have recommended that we carry out the work required, and start as soon as practicable, so that we can speedily move through the Readiness to Deliver stage of the BSF programme when we are contacted.

Key Considerations

- 14 The above paragraphs establish the key considerations, alongside the community and financial sections below. The local authority is determined to make the most of any national programme to benefit the children and young people of Herefordshire and establish high quality, sustainable provision. This paper provides Schools Forum with an opportunity to contribute to this.

Community Impact

- 15 The delivery of the BSF programme in Herefordshire will deliver a number of strategic aims. Primarily it will provide a vehicle to support and enact the work that comes from the Herefordshire Schools Task Group and subsequent Cabinet decisions. It will also deliver aims contained in the Community Strategy, Local Area Agreement, and Children and Young People's Plan 2008 - 2011 as well as contributing to a number of other associated strategic plans and targets. The vision for BSF is transformational and from a Government perspective is hugely wide ranging and ambitious. A successful BSF project must have a strong emphasis on community use and extended school facilities. It must provide first class education facilities for students and provide assets for the wider community, serving the needs of adult education and community groups, particularly in the evenings and at weekends.

Financial Implications

- 16 Herefordshire's expression of interest covered an initial programme of c.£80m with a follow on programme, commencing possibly two to three years after the initial programme, of c.£100m. These are capital sums and the DCSF has been quite clear that this money must not be used for revenue funding.
- 17 There are revenue implications in terms of preparing and delivering the projects. As a general estimate being used by the DCSF, Local Authorities have had to commit the equivalent of around 3% of the capital figure as revenue to prepare and deliver projects. This equates to £2.4m for an initial £80m project and a further £3m for a £100m follow on project. However, feedback from Local Authorities in the BSF programme have confirmed that costs are much more than this, and that the true programme costs for a project is more likely to be c. £4 to £4.5m. The additional costs include the range of specialist posts the programme demands (indicated in paragraph 11) as well as other costs such as new roads, or access changes.
- 18 Local Authorities have set in place a variety and combination of funding sources such as prudential borrowing, use of Schools Budget, school balances and Council reserves to fund BSF. In Herefordshire we have begun to explore a range of funding streams. School balances have been investigated, but for the high schools and special school in the initial

expressions of interest these are already spent or committed, with the exception of John Kyrle High School, who stated at the time that they would be willing to contribute to the funding. Whilst very welcome this would release c. £100k, far short of the suggested costs. CYPD is working with the Director of Resources and the Chief Executive to assess the future requirements of BSF, in its current or future guise, and to explore different funding possibilities, including prudential borrowing.

Legal Implications

- 19 Any resources committed by Schools Forum would have to comply with financial regulations covering the use of under spend from DSG.

Risk Management

- 20 Risks associated with BSF are being considered by the Assistant Director for Planning, Performance and Development, the Director of Children's Services, the Director of Resources and the Chief Executive. Given the current financial climate the Authority is assessing the possibilities of any future BSF programme, the need to prepare alongside the need to make the best use of public finances. Schools Forum will be kept informed of the use of any money that is committed by the Forum to the preparation for this programme. Schools will be kept more generally informed of the BSF programme, opportunities and risk through the respective head teacher groups.

Consultees

- 21 Schools were consulted on the revised expression of interest in 2008.

Appendices

- 10 None

Background Papers

- None