

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Executive Lead Member for Children's Services
Date:	11 March 2010
Title:	Building Schools for the Future – Strategy for Change
Reference:	1352
Report From:	Director of Children's Services Director of Property, Business and Regulatory Services

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1. Executive Summary

- 1.1 The purpose of this report is to seek approval of the submission to Partnerships for Schools (PfS) of the County Council's Strategy for Change (SfC) for the first phase of Building Schools for the Future (BSF), in Havant and Horndean.
- 1.2 Building Schools for the Future is a national programme intended to rebuild, remodel, or refurbish all secondary and secondary age special schools in England. This report seeks to explain the context and aims of the SfC for Phase 1 of BSF in developing the programme in Hampshire. Approval of the Strategy for Change is a key stage in progressing the BSF programme, as it sets out the aspirations and delivery proposals for the first phase of investment in Hampshire schools. The SfC sets out the County Council's ambitions for improvement following BSF investment and how these ambitions can be achieved. It also addresses key delivery issues, such as project resources, deliverability, capital funding and procurement strategy.
- 1.3 Following approval of the SfC by Partnerships for Schools, the County Council is required to submit an Outline Business Case, which will set out in greater detail specific investment proposals at each school. This is scheduled for submission to PfS by 16 July 2010.

2. Contextual information

- 2.1 Previous reports have set out the context of BSF as a transformational programme attracting substantial central government investment in secondary and secondary age special school buildings and ICT. The County Council's Expression of Interest for inclusion in the national BSF programme, which was submitted to PfS in December 2008, identified ten

geographically based phases of investment across Hampshire. These were prioritised, as requested by PfS, according to educational and social need. The Havant and Horndean area emerged as the highest priority area and forms Phase 1 of the programme.

- 2.2 Phase 1 of BSF includes six mainstream secondary schools, three secondary age special schools and one education centre. One of the special schools and the education centre have buildings which have been recently completed, so can expect to receive minimal investment through BSF. The overall amount of capital investment expected from central government for Phase 1 is about £80m; the exact amount will be determined once designs are developed and costed. Allocations will be made according to the cost indices prevailing when financial arrangements are concluded. As reported in January 2010, there is likely to be a significant capital funding gap, which is discussed in more detail in section 5.
- 2.3 Following submission of a Readiness to Deliver in May 2009, the County Council was invited to join the national programme for its first phase in July 2009. A formal Remit Meeting followed in October 2009, which set out PfS's aspirations for BSF investment in the area, which would be set out in a Strategy for Change, to be submitted to PfS by 12 March 2010. The draft Strategy for Change is attached for approval, at Appendix 1. The document to be submitted to PfS will include a large number of mainly technical appendices. The version appended to this report includes a map of the area and key performance indicators (KPIs). Other appendices will be available in the Members' Room for one week prior to the decision day.

3. BSF Strategy for Change

- 3.1 The BSF programme is highly structured and regulated and the process of securing investment requires a number of key processes to be completed by local authorities and schools. Following the Remit Meeting the two most significant milestones are the Strategy for Change and the Outline Business Case. Both of these need to be approved by PfS before the procurement stage can begin.
- 3.2 The SfC is intended to set out the County Council's aspirations for what BSF will deliver and to establish a framework for delivery. It builds on work carried out by individual schools to produce School Strategies for Change (SSfCs), which set out their local aspirations and plans. Preparation of SSfCs was preceded by extensive discussions with schools and other partners and supported by a series of internal workstream groups, which focused in specific programme areas, e.g. learning, communities and ICT.
- 3.3 The SfC takes as its starting point the approved Children and Young People's Plan, 2009–12 (CYPP). Its focus, therefore, is on issues across the whole range of Children's Services and not those related solely to schools as providers of secondary education. Its approach is aspirational, with KPIs set for 2020, with milestones for 2015.
- 3.4 The SfC is organised in two parts, A and B, in line with PfS guidance on its preparation. Part A (sections 1 to 9) sets out the overall aspirations and

outline delivery plans for BSF; Part B (sections 10-14) addresses resourcing and funding issues and includes an early outline of potential investment plans for each school, which will be developed further through the Outline Business Case. Each section includes a delivery strategy, which summarises key aims in three project areas: change management, building design and ICT. This emphasises the principle that the investment programme flows from the proposed outcomes set out in the SfC, and in School Strategies for Change, and that building and ICT investment need to be supported by a robust programme of change management if the anticipated outcomes are to be achieved. Key Performance Indicators are listed at the end of each section of Part A and are summarised in Appendix 2 of the SfC.

4. Summary of the Strategy for Change

Part A

Section 1 – Securing improvement through BSF – the County Council’s aspirations

- 4.1 This section of the SfC is key in setting the context and overall aims of the programme. It summarises the key objectives which are developed in later sections and relates the principles to those set out in the CYPP. It sets the scene for BSF as an integral part of the delivery strategy for the Children’s Services in Hampshire, rather than a separate initiative, and indicates how BSF can speed up and enhance the delivery of change programmes which are already under way.

Section 2 – The current position in Hampshire

- 4.2 Section 2 sets out the context of the Strategy for Change programme in Havant and Horndean, against the background of current social and educational factors in the county as a whole and in the Havant and Horndean area, which is the most deprived in Hampshire. It highlights the principle that BSF transformation strategy is based on a range of initiatives already under way and set out in the Children and Young People’s Plan.

Section 3 – Every school an excellent school

- 4.3 This section considers the role of schools in raising attainment, particularly for disadvantaged pupils. It describes how BSF investment will build on existing practice and developments to secure significant improvements in attainment, which are set out in the KPIs in paragraph 3.12.

Section 4 – Every school a learning school

- 4.4 The emphasis in this section is on the range of opportunities which the BSF programme offers to improve the infrastructure for learning and support the development of personalisation. The ability to develop high quality ICT provision through BSF also supports these aims. Anticipated outcomes include improved school attendance and engagement and increased rates of parental participation in children’s learning.

Section 5 – Every school a centre of innovation

- 4.5 This section is closely linked to section 4 and focuses on the curriculum, with proposals for developments to meet more diverse learning needs, now and in the future. The strategy focuses on maximising individual potential and reducing the number of young people who are Not in Education, Employment or Training (NEET), delivery of an appropriate offer and take-up of P.E., sport and cultural activities. It highlights the potential of investment in building and ICT to support curriculum developments, both on and off school sites.

Section 6 – Every school a centre of well-being for its community

- 4.6 This emphasises the importance of the role of the school in its community and opportunities to improve the well-being of the wider community. It includes references to the importance of collaborative working and the role of other partners in maximising the investment and transformational potential of BSF. The development of Local Children's Partnerships is a key element in the development and delivery of this aspect of the programme. Intended outcomes include improvements to emotional health and reductions in bullying and obesity among young people. Rates of teenage conception and substance and alcohol misuse are also addressed.

Section 7 – Every school an inclusive school

- 4.7 In the context of wider initiatives to reduce school exclusions, this section includes proposals for adapting Woodlands Education Centre to match its revised role of greater support for pupils in mainstream settings. Success in this area is also a key element in the wider aim of reducing the number of NEETS. Proposals for increased provision for ASD learners and for BESD girls are also included.

Section 8 – Every school a community leader

- 4.8 Effective leadership in schools is a key element in ensuring the success of the overall transformation programme. This section sets out proposals to ensure that strong leadership is provided within establishments and across the area. Development of leadership skills among students is also highlighted as an aim.

Section 9 – Every school an eco school

- 4.9 This section describes ways in which BSF investment can support sustainability, through the design of buildings and ICT provision and through sustainable behaviours.

Section 10 – Investment strategy

- 4.10 This section sets out the complementary procurement strategy that the County Council has been developing in collaboration with PfS and Improvement and Efficiency South East (IESE), known as the Regional Education Partnership (REP).

Section 11 – Deliverability

- 4.11 This describes the initial project proposals, including proposals for shared and co-located services and includes options summaries and preliminary drawings. Reference is also made to title issues and the extensive consultation that has underpinned the planning for BSF.

Section 12 – Affordability

- 4.12 Section 12 describes how the overall affordability has been assessed and a strategy for delivering the first project has been identified that deals with a potential level of funding shortfall, through:

- additional funding support from the core Children's Services capital programme and from repairs and maintenance budgets;
- taking the best opportunities that arise from the IESE innovative procurement arrangements based on collaborative working, with early contractor involvement;
- release of sites to generate capital receipts, which will be fed back into the programme;
- appropriate use of prudential borrowing where receipts are likely to be delayed and where opportunities for revenue savings can be identified;
- contribution of participating schools' devolved capital;
- continuous scrutiny of the project scope to manage remodel/refurbishment to the level of the funding allocation.

Section 13 – Resources and capability

- 4.13 This section confirms that the County Council is proposing to deploy its considerable in-house resource to develop its BSF programme and deliver the first and subsequent phases. Organisational diagrams recording governance, management structures, roles and responsibilities are also attached.

Section 14 – Benefits realisation

- 4.14 Section 14 confirms that the County Council understands that BSF can bring benefits wider than those that will be immediately derived from the capital investment, which are being actively pursued. This section also describes the specific KPIs that will be supported by the estate proposals.

5. Finance

- 5.1 As part of the process for setting the capital budget for 2010/11 to 2012/13, the January 2010 Children's Services capital programme report highlighted the anticipated capital funding shortfall for Phase 1 of BSF. This is usual for BSF projects nationally, with an assumption from PfS that local funding will always be contributed to enhance central government funding.
- 5.2 Capital grant in the region of £80m is expected to be received through PfS for the first project phase of the Building Schools for the Future programme. The actual cost of delivering the programme is envisaged to be higher than

this, with a potential funding shortfall of approximately £29m. The estimated funding gap for the ten phases of BSF varies, with the first phase being at the higher end of the range. This is largely because of the scale of construction work required at two schools in particular, and the number of schools of medium and relatively small size. The anticipated funding gap on the second phase is expected to be considerably smaller.

- 5.3 The funding gap will need to be met by the County Council and this requirement, together with a proposed mitigation strategy, was noted by Cabinet on 27 April 2009 and by the Executive Lead Member for Children's Services on 15 January 2010. Further opportunities to bridge the gap are being pursued, as indicated in paragraph 4.12.

6. Procurement strategy

- 6.1 The default procurement approach for BSF is a Local Education Partnership, in which the local authority has a minority stake, with private sector partners taking the lead role. As previously reported, the County Council is promoting with PfS an alternative procurement strategy, which it is believed will deliver more cost-effective outcomes in a shorter time-scale, while retaining local authority leadership. A Regional Education Partnership (REP) would be established to deliver this approach, which would be achieved through existing construction procurement frameworks established by Improvement and Efficiency South-East, expanded to cover the full range of BSF procurement activities. This would include ICT, facilities management and PFI for later project phases. The REP would be available to other authorities in the south of England entering the BSF programme. A shared service arrangement for participating authorities to provide mutual support for the development of education transformation strategies would also be included in the REP model.
- 6.2 Development of the REP model has been taking place in conjunction with PfS over recent months and is continuing, with a view to finalising agreement on the approach during the next stage of the BSF project, Outline Business Case, which is due for submission to PfS in July 2010. Updates on the development of the REP will be included in future reports.

7. Recommendation

- 7.1 That the Strategy for Change for Phase 1 of Building Schools for the Future, attached at Appendix 1, is approved for submission to Partnerships for Schools, subject to the Director of Children's Services being authorised to make minor drafting amendments prior to submission.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	no
Corporate Improvement plan link number (if appropriate):	
Maximising well-being:	yes
Corporate Improvement plan link number (if appropriate):	
Enhancing our quality of place:	yes
Corporate Improvement plan link number (if appropriate):	

NB: If the 'Other significant links' section below is not applicable, please delete it.

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

- 1.1 The proposals set out in the Strategy for Change can be expected to impact favourably on equality and diversity issues.

2. Impact on Crime and Disorder:

- 2.1 The proposals set out in the Strategy for Change can be expected to impact favourably on crime and disorder.

3. Climate Change:

- a) How does what is being proposed impact on our carbon footprint / energy consumption?

The BSF programme includes stringent energy consumption targets, which will apply both to new construction and to the refurbishment of existing buildings. The Strategy for Change includes key performance indicators for sustainability.

- b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The need to address climate change is considered in detail in the Strategy for Change and will continue to have high importance as the BSF project develops to the building design stage.