
Report to
Cabinet
Council

21st October 2008
28th October 2008

Joint Report of

Director of Children, Learning and Young People and Director of Finance and Legal Services

Title

Building Schools for the Future (BSF); The Outline Business Case (OBC)

1 Purpose of the Report

- 1.1 To seek approval to the proposals set out in the Coventry Building Schools for the Future (BSF) Outline Business Case (OBC) due to be submitted formally to the Department of Children, Schools and Families (DCSF) and Partnerships for Schools (PfS) during November. DCSF are the Government department leading the BSF Programme nationally. PfS are the vehicle responsible for managing the delivery of the BSF Programme.

2 Recommendations

That Cabinet:

- 2.1 Recommends to Council the approval of recommendations 2.2 to 2.14.

That Council:

- 2.2 Approve the OBC document for submission to Partnerships for Schools (PfS) and the Department of Children, Schools and Families (DCSF), the Executive Summary for which is included at Appendix A.
- 2.3 Authorise the commencement of the procurement process for the BSF Programme sample schemes, subsequent to the approval of the OBC by PfS and DCSF.
- 2.4 Note and approve the affordability gap management strategy for the OBC (Appendix B).
- 2.5 Approve the draft Section 151 letter (Appendix C) and delegate authority to the Director of Finance and Legal Services to finalise this letter within the financial principles stated in this report.
- 2.6 Approve the indicative BSF investment strategy as set out in sections 3.2 to 3.4.
- 2.7 Approve proposals to establish an ICT Contract Management structure before Financial Close as set out in section 3.4.

- 2.8 Approve proposals for Facilities Management services to Design & Build schools, as set out in section 4.2.
- 2.9 Re-affirm the Council's commitment to adopt the Local Education Partnership (LEP) model for its BSF procurement.
- 2.10 Delegate authority to the Director of Children Learning and Young People and the Director of Finance and Legal Services, in consultation with the Cabinet Member (Children Learning & Young People) and Deputy Leader to agree any minor changes to the OBC and supporting documentation prior to its submission to PfS and DCSF.
- 2.11 Delegate authority to the BSF Programme Board to:
- (i) agree the evaluation criteria for the procurement process based on the BSF evaluation methodology including the selection process for:
 - (a) prequalification;
 - (b) the invitation to participate in Competitive Dialogue (ITPD) and
 - (c) the invitation to continue dialogue (ITCD)
 - (ii) agree the long list of bidders to whom the ITPD will be issued;
 - (iii) agree the short list of bidders (following evaluation of ITPD submissions) to whom the ITCD will be issued;
 - (iv) deselect one of the bidders (if appropriate) prior to call for final tender following the evaluation of the ITCD submissions.
 - (v) Approve any changes to programme team costs on the basis that these will be recovered from schools.
- 2.12 Delegate authority to your officers to enter into detailed contractual negotiations with the shortlisted bidders to whom the ITCD is issued during the competitive dialogue process.
- 2.13 Note and approve the draft OJEU (Official Journal of the European Union) Notice (Appendix E).
- 2.14 Note that further reports will be brought to Cabinet seeking inter alia approval of the final business case and appointment of preferred bidders, award of contract, contract management structures to implement the BSF Programme and disposal of surplus school sites. At this present stage, the Council is making no legally binding decisions.

3 Information/Background

3.1 Building Schools for the Future (BSF)

- 3.1.1 BSF was launched in 2003 as a major Government initiative aimed at transforming teaching and learning in secondary education. To enable this it plans to spend £45 billion over a 15 year period either re-building or remodelling every secondary school in England. There would also be significant investment in ICT.
- 3.1.2 BSF is a national programme, and the Department for Children, Schools and Families established Partnerships for Schools (PfS) as the national programme manager to assist all Local Authorities (LAs) to deliver BSF at local level.
- 3.1.3 The programme is to be rolled out in a number of waves (1 to 15) with only a limited number of LAs allowed into each wave. Initially, the programme was prioritised for those areas in most need but this criteria alone led to significant delays. PfS introduced a "Readiness to Deliver" criteria for Wave 4, and Coventry City Council, with its excellent track record of delivering complex PFI projects, was awarded Wave 4 status in the national programme.

3.1.4 In Coventry, the BSF programme covers 21 Secondary and Special secondary schools across 17 sites. The construction value is around £315m and anticipates half of our secondary schools will be re-built and half will be re-modelled from 2012 onwards. There will be additional funding of £30million for ICT. Each school has produced "change management plans" for BSF, and a Transformation project under the leadership of CLYP has been launched to ensure the change process is achievable, deliverable and sustainable. Ultimately, BSF is all about improving the life chances for the young people of Coventry.

3.1.5 BSF is a very complex and resource intensive process. To get to procurement stage, the Council has to submit and obtain approval for two Strategic Business Cases. Strategy for Change part 1 (SfCpart 1) – setting out what we planned to do to transform education and learning - was approved in 2007 whilst Strategy for Change part 2 (SfCpart 2) – setting out how we planned to achieve it – was submitted in December 2007.

3.1.6 Strategy for Change Part 2 (SfC2) was approved by the Department for Children, Schools Families (DCSF) on 14th July 2008. A copy of the approval letter and conditions are included at Appendix F. Approval of SfC2 was delayed by approximately 6 months whilst the Council held difficult and protracted discussions with the Office of the Schools Commissioner (OSC) over whether structural change is the best way to address improvement in schools perceived to be underperforming by the OSC. That issue has now been subsumed into the "National Challenge," where the Council's proposals to accelerate performance in seven schools in the City has recently been rated as "Outstanding".

3.1.7 The Council's agreed "Diversity & Choice" strategy with the OSC at SfC1 has already been fully implemented. Five schools – The Westwood, Barr's Hill, Stoke Park, Whitley Abbey and Lyng Hall have all obtained Trust status. Woodway School has recently re-opened as Grace Academy, and the Sidney Stringer School is progressing with plans to become an Academy from September 2010 and relocate to new buildings in 2011. Members may recall that the procurement of the new Sidney Stringer Academy is now proposed to be undertaken outside of the main BSF procurement and as such, members are to receive a separate report updating them on this project.

3.1.8 The 6 month SfC2 approval delay has adversely impacted on procurement costs (see section 3.6 later) with anticipated Commercial Close being achieved in September rather than May 2010 (Appendix G).

3.2 Outline Business Case (OBC)

3.2.1 Approval of SfC2 enables the Council to progress to OBC stage. The OBC has to demonstrate that the Council's BSF proposals are affordable and deliverable at this point in time.

3.2.2 Officers, together with the Council's external BSF Advisors have developed a first draft of the OBC, which was informally submitted to Partnerships for Schools (PfS) on 15th October 2008. The Executive Summary for the OBC is included at Appendix A, whilst a full hard copy of the OBC is available for viewing in room 250, Civic Centre 1 and in electronic form in Members lounges. Assuming that the OBC is approved by Council and Cabinet, it will be formally submitted to PfS in late November. The Main Review Panel (MRA) – the formal review panel made up of representatives from PfS, DCSF, Partnerships UK and HM Treasury will then formally assess the submission.

- 3.2.3 Approval by MRA of the OBC secures in principle funding for the whole of Coventry City Council's BSF programme, which will be in the form of PFI credits to support the new build schools and conventional DCSF grant to fund the Design and Build (D&B) re-modelling schemes and ICT. However, this OBC will also focus in more detail on the sample phase 1 schemes, which are to be used to test the design and cost certainty of bidders under competition. There is to be less focus on the remaining phase 1, 2 & 3 schemes, as in reality these are to be worked up together with our eventual Local Education Partner (LEP), and be subject to further OBCs.
- 3.2.4 OBC approval also permits the Council to advertise in the Official Journal of the European Union (OJEU) for a Local Education Partnership (LEP) and commence the formal procurement process.
- 3.2.5 BSF procurements for Local Authorities are normally split into funding waves (e.g. Birmingham are in wave 2 and wave 5 of the National Programme) but for Coventry, PFS decided to fund all of the City's 23 BSF schools in wave 4. Whilst this is good news in that funding for all schools can be secured as part of this OBC, it means we have had to provide more planning and technical information at a much earlier stage in the process. This has impacted on our Programme Team and procurement costs (see section 3.6).
- 3.2.6 Our single wave is in fact split into 3 distinct construction phases and is designed to reflect what level of construction activity our Local Education Partner can manage as we move through the programme. The priority of schools was agreed as part of our SfC2 approval, although Barrs Hill has since moved from phase 1 to phase 2. This is because the length of time envisaged to obtain planning consent would have delayed approval of the OBC by several months. Because we are already progressing the planning application for Tile Hill Wood school, we are proposing to move that school from phase 2 to phase 1.
- 3.2.7 The programme currently rolls out as follows:

Phase 1	Funding Scheme	Construction
Woodlands	£20m Grant	Feb 11 - Feb 14 (36 months)
The Westwood*	£9m Grant	Jul 10 - Mar 12 (20)
President Kennedy / Broad Spectrum*	£43m PFI	Jul 10 - Jun 12 (24)
Ernesford Grange / Broad Spectrum	£32m PFI	Jul 11 - Jun 13 (24)
Cardinal Wiseman Catholic	£12m Grant	Apr 11 - Oct 13 (30)
Tile Hill Wood	£30m PFI	Jun 11 - Feb 13 (24)
Lyng Hall	£8m Grant	Jun 11 - May 13 (22)
Phase 2		
Barrs Hill	£14m Grant	Apr 12 - Jan 15 (30)
Cardinal Newman Catholic/ Corley	£35m PFI	Feb 12 - Jan 14 (24)
Whitley Abbey	£5m Grant	Jan 12 - Jul 13 (18)
Finham Park	£29m PFI	Apr 12 - Mar 14 (24)
Foxford	£13m Grant	Jul 12 - Jun 14 (24)
Phase 3		
Bishop Ullathorne Catholic	£14m Grant	Nov 12 - Apr 15 (30)
Coundon Court	£18m Grant	Nov 12 - Apr 15 (30)
Stoke Park	£9m Grant	Jan 13 - Dec 14 (24)
Blue Coat CE	£8m Grant	Oct 12 - Sep 15 (36)
Woodfield	£16m PFI	Apr 14 - Jul 15 (12)
TOTAL across 3 phases	£315m	

*Denotes phase 1 sample schemes

Note: Funding scheme amounts have been rounded.

Broad Spectrum Schools are special schools that cater for a wide range of children with learning difficulties, some of whom are severely disabled and many with additional medical or physical needs.

3.2.8 It should be noted that the schools delivered through PFI will actually receive funding based on PFI Credits i.e. by means of an annual revenue grant from Government to part fund payments to the PFI contractor. The anticipated level of PFI credit is £362.9m, which translates into a revenue grant over the life of the PFI contracts totalling £678.4m.

3.2.9 The funding allocation in all cases is based on the estimated scheme value identified in the table above, and further assumes:

1. The BSF funding allocation from Government is to be used to pay for sprinkler installations in all new buildings under BSF. Where existing school buildings are to remain, no retro-fitting of sprinklers is proposed as part of the refurbishment.
2. The Council is to provide "clean sites" for the construction company
3. BSF requires the construction partner to achieve energy provision from 10% renewable sources and environmental compliance to BREEAM "Very Good" across the BSF schools estate.
4. It is important the Council retains flexibility over individual school funding allocations to ensure the overall programme remains affordable. Allocations to individual schools may need to change as the programme progresses and this will need to be developed through subsequent OBCs approved by Cabinet and submitted to Government.

3.2.10 To provide assurance in the OBC that indicative BSF solutions for the sample and phase 1 schemes are deliverable, outline planning applications will be submitted from October 2008 onwards in respect of President Kennedy/Broad Spectrum school, The Westwood, Woodlands (full planning application), Cardinal Wiseman, Tile Hill Wood, Lyng Hall and Ernesford Grange/Broad Spectrum school. Because of green belt or other site concerns, we are also submitting planning applications for subsequent phase schemes at Barr's Hill, Finham, Woodfield and Cardinal Newman/Corley relocation school schemes. A programme of local residents' consultation events is being held at all these schools to support the planning applications process.

3.3 Funding for BSF and school population considerations

3.3.1 In February 2008, we reported to members that funding for our BSF Programme had been uplifted to £296.9m for buildings and £32.2m for ICT. This funding supports all the individual school schemes and anticipated the likely pupil capacity requirements up to the year 2016. Members raised questions over the ability of the secondary school estate to meet capacity beyond 2016, reflecting both the current pressures on primary schools and planned city growth for 2020. Over the summer months, officers from the BSF team and School Place Planning team have held a number of meetings with PfS, with the result that our BSF schools (including Caludon Castle, Grace Academy and Sidney Stringer Academy) are to be planned for a total capacity of 23,651 pupils. Numbers on roll (January 2008) were 20,728. Officers are confident this outcome adequately reflects expected city growth forecasts to 2016, which take into consideration population movements and housing needs so far as can be predicted from the data available. However, these are not at the levels anticipated in the Regional Spatial Strategy, since PfS will not fund growth at this higher predicted level.

In the event that any school needs to expand in the future to accommodate increased pupil demand, the DCSF still anticipates Targeted Capital Funding (TCF) being made available for this purpose.

- 3.3.2 The OBC funding position has increased from **£296.9m** to **£315m**. Within this total funding allocation the following major additional funding types are anticipated to be secured from PfS through the OBC approval process:
- site abnormalities - £6.8m,
 - hydrotherapy pools - £0.9m
 - carbon reduction funding - £4.4m
- 3.3.3 The ICT element attracts additional funding of £30m which takes our gross funding for BSF at OBC stage to **£345m**. The ICT funding has reduced from the £32.2m previously reported because ICT works at Woodway Park (the Grace Academy) are now being funded by DCSF separately.
- 3.3.4 We have also been holding separate discussions with PfS about the possibility of funding a new post 16 Pupil Referral Unit (PRU) facility in the City, and we are currently awaiting a decision from the DCSF as to whether additional funding for this facility is available.
- 3.3.5 We are also in separate discussions with PfS which aim to secure additional VAT funding for the three conventionally voluntary aided schools included in the programme. VAT regulations mean that there is the risk that the VAT incurred on the construction cost on the new build elements of these schools may not be reclaimable by the Council.
- 3.3.6 In addition, we aim to secure separately **£24.2m** capital funding and **£2m** ICT funding for the Sidney Stringer Academy.

3.4 The ICT Contract for BSF

- 3.4.1 The funding level for BSF is now at £30m, which includes ICT funding for the Sidney Stringer Academy (section 3.3.6) and Caludon Castle (Caludon Castle school did not receive ICT funding as part of its PFI scheme).
- 3.4.2 The BSF team have agreed with PfS in principle that all of the allocated ICT funding can be drawn down at the start of the BSF Programme. This is very good news particularly for our phase 2 and 3 schools, as it will allow them to benefit from ICT investment in their existing buildings and from the business efficiencies that are delivered as a consequence of the altered phasing, whilst still leaving monies in reserve to fund their eventual ICT requirements for the final BSF solution.
- 3.4.3 PfS's approval of the OBC is caveated on the Council committing to put in place a robust client side ICT management structure ahead of financial close to co-ordinate the implementation of early ICT investment. Coventry has met with ICT providers and other BSF Councils to try and identify the level of resources required.
- 3.4.4 The proposed ICT management structure requires both implementation and governance resources, with responsibilities allocated as follows:
- Implementation team responsibilities will include working with the LEP to ensure that the deliverables described in the ICT Services Contract are properly implemented to the standards required. There will be a requirement to oversee

ICT devices decant and installation (where the LA is providing legacy equipment to the LEP) and to help ensure that the LEP resource is effectively delivering the integrated solution. The implementation team will help to manage the interface between ICT and construction/FM.

- Governance team responsibilities are directly related to contract management with the LEP. Experience from current BSF and other schools PFI programmes shows that this resource requirement is easy to under-estimate.

The structure illustrated below is designed to:

- Deliver continuity between the procurement and active phases of the process (the Programme Manager will be in post prior to Financial Close, to ensure an understanding of the contract and deliverables)
- Provide the basis for a 'joined up' approach between the implementation and governance teams
- Give flexibility to the LA in terms of how it wishes to deploy implementation resource (for example, via contract rather than full time employees)
- Ensure that relationships and reporting arrangements are suitable and effective so that the LEP delivers on its obligations under the contract.

Taking into account the size and scope of Coventry's BSF ICT solution, the following structure is considered to be appropriate:



3.4.5 The requirement for the Authority to deliver effective ICT management for the term of the ICT Services Contract will be the subject of significant negotiations with the LEP. The authority is mindful of the need to incentivise the LEP to deliver cost effective implementation and governance services.

In the circumstances the cost estimate for these services is predicated on the assumptions that:

- the LEP will deliver a robust Implementation programme (Schedule 4 of the ICT Services Contract); and,
- the LEP reporting and governance systems shall be transparent and subject to regular oversight.

Both of these principles will be embedded in the procurement processes.

3.4.6 A cost estimation for this structure being in place 12 months prior to Financial close has been included in our Programme Team / procurement costs (Appendix D) and Members are asked to support in principle the early ICT resourcing proposals. The final management structure, post grading, costs and funding sources have yet to be determined, but will be reported to Members at a future meeting.

3.5 Affordability

The core Government funding for BSF is designed to support most but not all of the financial commitment anticipated being required to deliver the programme. Other than the Strategic Partnering Agreement (SPA) and Shareholders Agreement (SHA), the three main BSF contracts are the PFI contract for the new-build schools, the Design & Build contract for the re-modelled schools and the ICT contract. Each of these contracts anticipates a gap between the funding and the actual cost. This is partly due to specific costs that the Government does not allow to be paid for by the core BSF funding (e.g. project contingency) and partly due to the fact that existing schools budgets are insufficient to fund the level of facilities management and lifecycle requirements that will be necessary under the BSF contracts. Through the OBC, the Council needs to demonstrate how these gaps will be met. Appendix B sets out the Council's proposed affordability gap management strategy. The Council is proposing that funding gaps are to be met from the headroom in the Dedicated Schools Grant (DSG), Schools revenue budgets and Schools Devolved Formula Capital (DFC). We are actively consulting with Schools over these proposals. School Governing bodies will need to sign letters of financial commitment for the OBC and the Council's Section 151 Officer is required to confirm the programme as affordable at OBC stage based on the supporting affordability analysis (Appendix C). Schools Forum has also considered the proposals that affect Dedicated Schools Grant headroom. See also Finance, section 5.5 below and the affordability strategy (Appendix B).

3.6 Managing the BSF procurement process

3.6.1 The Council agreed with schools in February 2008, a funded budget of £5.235m for the BSF Programme Team and Procurement costs up to Financial Close. As a direct result of delays to our SFC part 2 approval and, a change in Government guidelines requiring LAs to undertake more work to de-risk projects before they go to the market, we are now predicting costs to Financial Close of £7m. Appendix D sets out a breakdown of the predicted costs, of which is for internal Officer costs, planning application fees and the ICT contract management costs as described in 3.4 earlier.

3.6.2 PfS are now advising LAs procuring BSF to budget 3% of the capital value of their project as the likely total procurement cost up to Financial Close. In Coventry's terms this equates to over £9m. However, we believe that coupled with the Council's previous experience of delivering complex PFI projects and careful management of external consultants, we can deliver the project to financial close at less than a cost of £9m. Programme expenditure is reported to BSF Programme Board on a regular basis.

3.6.3 The Council will need to ensure appropriate contract management and project development resource is put in place to interface with the LEP post Financial Close. 4Ps are undertaking national research at present to develop resourcing recommendations for BSF LAs and we will report back to members on this at a future meeting. In the meantime, we are discussing options with schools to fund both the procurement to £7m up to financial close and an estimated £0.732m per annum post financial close.

3.7 Competitive Dialogue Process

Upon the approval of our OBC, the OJEU Notice (see Appendix E) will be published in early January 2009. Prequalification of interested bidders is anticipated to take place by March 2009. The first stage of the competitive dialogue process will then commence with the issue of the ITPD documentation to the long listed bidders.. Evaluation of the ITPD submissions will be carried out by evaluation teams consisting of officers supported by external technical, legal and financial advisers together with other stakeholders.

A shortlist of bidders limited to the minimum number needed to ensure genuine competition will be issued with the ITCD documentation, the second stage of the competitive dialogue process. This stage will require detailed negotiations with each of the short listed bidders by your officers, to enable bidders to submit final tenders by February 2010, as once final tenders have been submitted no further dialogue can be conducted other than clarification of bids.

4 Proposal and Other Option(s) to be Considered

4.1 Local Education Partnership (LEP)

4.1.1 It was a condition of our entry into wave 4 of the national BSF programme, that Coventry City Council agree to adopt the LEP model for it's BSF procurement. Appendix H1 includes a copy of a report taken to Management Board on 24th September 2008, which briefly re-iterates the LEP rationale. This Appendix also includes the draft Partnering Services Specification which both sets out the responsibilities between the LA and the LEP and indicates (at section 6 of that document) possible additional projects and/or services that the Council may want the LEP to undertake during the life of the LEP contract. This section crucially informs the draft OJEU notice (Appendix E) and therefore potentially avoids the Council needing to undertake expensive repeat procurements in the future, provided the LEP has the capacity and skills to undertake additional projects at the time and is performing well under the partnership agreement.

4.1.2 The OBC requires the Council to confirm its support of the LEP model.

4.2 Facilities Management (FM) services for Design & Build schools

4.2.1 In February 2008, we advised members that unlike the new-build PFI schools (where building fabric maintenance, cleaning, catering, grounds maintenance and repairs are automatically provided for the duration of the contract), the Council was required to put forward an appropriate maintenance model for the conventionally funded re-modelling Design & Build school schemes. After consulting with schools, and financially modelling a number of different scenarios we have agreed to put forward a proposal where:

- i) D&B schools retain responsibility for delivering all "soft" maintenance services (e.g. cleaning, catering, grounds maintenance, caretaking) although once in place, schools could purchase these services direct from the LEP if they so wished.
- ii) D&B schools retain responsibility for repairing and maintaining existing school buildings, even where some areas might receive significant BSF funding for upgrading. Schools will look to collectively contribute to an annual sinking fund to maintain these areas.
- iii) D&B schools will ask the LEP provider to price for maintaining all new blocks built on their site, broadly to an equivalent standard of the PFI schools. This

proposal will require ring fencing of existing annual maintenance budgets plus an additional sum to be top-sliced from the headroom in the Dedicated Schools Grant (DSG).

4.2.2 This proposal is probably at the lower end of DCSF expectations, and possibly open to challenge at OBC evaluation stage. Nevertheless, we believe it represents a realistic and affordable approach for the D&B schools to commit to long term maintenance. It is our intention to test this approach through the BSF tendering process to ensure the proposal is deliverable and represents VFM.

4.2.3 The affordability gap management strategy in Appendix B sets out in more detail the financial implications.

4.3 Market interest in Coventry's BSF scheme

To date the BSF team have held over 25 face to face interviews with potential bidders. Many of these bidders are already established LEP partners in LA BSF schemes elsewhere. Enthusiasm for Coventry's BSF scheme remains high despite the current economic downturn and we are confident that there will be strong interest when we go out to the marketplace. We are maintaining an ongoing dialogue with these interested parties and plan to hold a formal bidders day in early January 2009.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Best Value	✓	
Children and Young People	✓	
Climate Change & Sustainable Development	✓	
Comparable Benchmark Data		✓
Corporate Parenting		✓
Coventry Community Plan	✓	
Crime and Disorder		✓
Equal Opportunities		✓
Finance	✓	
Health and Safety		✓
Human Resources	✓	
Human Rights Act		✓
Impact on Partner Organisations		✓
Information and Communications Technology	✓	
Legal Implications	✓	
Neighbourhood Management		✓
Property Implications	✓	

	Implications (See below)	No Implications
Race Equality Scheme		✓
Risk Management	✓	
Trade Union Consultation	✓	
Voluntary Sector – The Coventry Compact		✓

5.1 Best value

The BSF programme is to be delivered in accordance with best value principles. DCSF, PFS, Partnerships UK and HM Treasury are required to approve the OBC before procurement begins. The procurement will be undertaken through competitive dialogue utilising standardised documentation for the national programme, against which PFS have developed a sophisticated benchmarking model. Commercial and Financial Close can only be achieved once the Final Business Case is approved, adopting the same approval process as for the OBC. Later phases of our BSF programme will be subject to a similar OBC approval.

5.2 Children & Young People

BSF will make a significant contribution to improving outcomes for children and young people as set out in the Children & Young People's Plan. The new facilities and ICT provided through BSF will enable a step change in teaching and learning, facilitated through the Transformation Framework, a major initiative within the BSF aimed at creating a sustainable change management programme. BSF is providing students with a wonderful opportunity to be involved in an exciting design process and many of our BSF schools are already engaging students in this way. Crucially, BSF will provide excellent facilities for children of all backgrounds and abilities with access to extended services and support when and where they need it. Investment through BSF will enable schools to maximise offerings under the new 14 to 19 diploma curriculum, focussing on how more specialised facilities need to be harnessed to deliver the new entitlement for 14-19 year olds in the federations or city-wide provision.

5.3 Coventry Community Plan

BSF supports the key objective of the Coventry Community Plan to "*bring together resources, energy and creativity of key organisations, groups, communities and people to work to meet the economic, social and environmental needs of the City of Coventry and the health and well-being of its people*". The Council is committed to "*a city where people feel safe and confident and no-one is disadvantaged by the neighbourhood in which they live*". The plan sets out the City's priorities for investing in young people, with targets to reduce the number of young people who leave school without any qualifications, and to meet the government's educational attainment targets for young people. Specifically, BSF will support priorities 1 to 4 of the Community Plan.

5.4 Coventry Council's Climate Change strategy

- 5.4.1 Coventry's BSF Programme aims to reduce the City's carbon footprint by replacing old school buildings with modern, energy efficient facilities, with co-located schemes maximising opportunities to share common facilities.
- 5.4.2 Private sector bidders will be encouraged to recognise the Council's adopted Climate Change strategy as part of their tender returns. The BSF national programme expects

all new schools to meet CO2 reduction targets and BREEAM "Very Good". Energy supplies are to come from a minimum of 10% renewable sources.

5.4.3 However, half of Coventry's BSF schools will be re-modelling projects only and opportunities to reduce the carbon footprint here will be far more challenging, particularly as no additional funding is available. It should be noted that recognising the Children's Plan, LAs are expected to consider utilising school buildings as more inclusive community facilities and multi-agency hubs, open longer hours than the traditional core school day. Thus gross energy costs and carbon emissions across the schools estate are expected to grow.

5.5 Finance

5.5.1 Affordability

The detailed affordability implications are set out within the main body of the report and in Appendix B.

A summary of the cost and funding implications for the PFI and D&B contracts is provided in Table A below. The affordability gaps stated will be funded through a Dedicated Schools Grant (DSG) topslice.

Table A: Summary of revenue cost and funding implications over the life of the PFI and D&B contracts

£m	Contract term Cost	Contract term PFI grant	Schools existing budgets plus interest	Contract term affordability gap	Affordability gap in first full year (£m) April 2007 prices
PFI	(908.9)	678.4	150.6	(79.9)	(2.00)
D&B	(83.3)	Not applicable	40.9	(42.4)	(1.05)

There is also a requirement for schools to contribute towards the costs of the ICT Managed Service contract.

Schools will be required to make contributions from their Devolved Formula Capital (DFC) allocations to fund a capital gap on the D&B schools, an element of programme team costs, LEP set up costs and the Hard FM and lifecycle sinking fund for D&B schools.

5.5.2 Value for Money (VfM)

The Council's OBC sets out the detailed qualitative and quantitative VfM analysis and sensitivities required for the PFI schools within the BSF programme using HM Treasury guidance. This analysis concludes that the PFI projects will provide value for money. It is proposed that the project progresses on the basis that the relevant schools are procured through PFI.

5.5.3 Accounting View

In tandem with the OBC development, Grant Thornton, the Council's financial advisors, have prepared an initial accounting view for the PFI schools. This is based on a fully developed set of demand assumptions provided by the Authority. The Audit Commission, the Council's auditors, will also provide a view on the Grant Thornton paper prior to formal submission of the OBC to Government. The Grant Thornton

work confirms that the PFI projects are likely to achieve an off balance sheet outcome under the current accounting regulations.

5.6 Human Resources

BSF will impact on a number of colleagues providing support services at school sites. Under the LEP, where the private sector partner is commissioned to provide ICT and Facilities Management services, colleagues currently undertaking these roles may well be subject to TUPE. This will mainly be the case for those schools in the PFI project. Early guidance on TUPE has been issued to all Head teachers in the BSF programme and BSF is now a regular item on the Teacher and Support Staff Unions meeting agenda. Initial indications suggest the impact on colleagues in City Services and City Development for BSF will be minimal, but this may change if the LEP is asked to undertake additional services.

5.7 Information & Communications Technology

- 5.7.1 The ICT investment proposals for BSF will dovetail with the Council's corporate ICT strategy and for schools, the SIMS service will continue to be managed corporately.
- 5.7.2 The Council's BSF team has acquired E-Box project management collaboration software to provide both document version control software and support the complex evaluation and clarification process required for BSF. This will also enable easier auditing of the BSF project.

5.8 Legal Implications

- 5.8.1 The OBC is not legally binding at this stage.
- 5.8.2 BSF will require the Council to enter into a minimum 10 year Strategic Partnering Agreement (SPA) with the LEP, and under which a number of key contracts will operate, namely:
 - A PFI contract for the new build schools
 - A Design & Build Contract for the remodelled schools
 - A Facilities Management contract for the Design & Build Schools
 - A managed service ICT contract for all schools - the ICT managed service contract is normally for a 5 year period with an option to extend for a further 5 years.
- 5.8.3 Much of the legal work will need to focus on project specific and individual land issues relevant to each school site. This is because under BSF much of the risk transfers to the LEP partner, although the responsibility for providing clean sites for development and unforeseen ground risk remains with the Council.
- 5.8.4 Each school governing body is required to sign a contract with the Council at Financial Close, confirming their agreed financial commitments. For OBC, letters of indicative commitment are required from schools, based on their calculated financial requirements at this point in time. Letters of general support for the BSF project are required from Voluntary Aided Church bodies.
- 5.8.5 Five of our BSF schools have recently obtained Trust status and the legal implications of this in terms of the final BSF contracts are currently being worked through with our external advisors. Our intended Broad Spectrum schools are planning to put in place interim federated governance arrangements and it is possible

governance arrangements at some other schools may change between OBC and Financial Close.

5.9 Property Implications

5.9.1 The proposed affordability strategy assumes a contribution of £5m from capital receipts. To generate this, we have identified four surplus sites for potential disposal at:

- Alice Stevens
- Baginton Fields Special School site
- The former Dartmouth Special School
- Wainbody Wood site of Woodfield Special School
- Corley Special School site

5.9.2 Subject to obtaining appropriate planning approvals, we anticipate that the combined disposal value of the first four sites is around £12.6m although an external valuation has been commissioned. Bearing in mind the current economic position, we have assumed a value of £10m for planning purposes. Under the national programme rules for BSF, the Council is allowed to retain 50% of the capital receipt value (the other 50% is retained centrally by the DCSF), hence our rationale for adopting £5m as a capital receipt contribution to our local BSF project. We may need to revise these assumptions, based on the independent valuation and housing market conditions moving forward. The Corley site is in Green Belt and therefore its open market value may be restricted to its current use value.

5.9.3 We are currently assessing other opportunities to generate surplus land value from our BSF school sites, and any update on this will be reported to members at a future meeting.

5.10 Risk Management

See section 6 below

5.11 Trade Union Consultation

The City Council will, through established forums, actively involve Trade Union bodies in addressing the implications of the emerging BSF Programme.

6 Monitoring

6.1 A programme governance structure is now well established for BSF including Programme Team and key workstreams, Members Scrutiny Review Group and Programme Board. Programme Board reviews high level project risks on a regular basis and this feeds into the Corporate Risk reporting process. Outside of the formal governance arrangements, the BSF team meet with the Secondary Heads group on a regular basis to review progress and requirements for BSF.

The Audit Commission are the Council's external Auditors for BSF. In addition, the Council's internal audit team review all our project management, standing order compliance and governance procedures.

The Council's OBC submission is currently subject to a Government (4ps) Gateway 1 review (13th to 15th October) and the action outcomes from this review are to be appended to the final version of the OBC.

7 Timescale and expected outcomes

7.1 Timescales

Appendix G sets out the current key milestones through to expected opening of the first new school. We believe the timetable represents a realistic assumption of the likely timescale from OJEU to Financial/Commercial Close and it broadly reflects the Governments own suggested timescales. In the short term, our ability to meet our intention to OJEU in January 2009 may be dependent upon a successful outcome to the outline planning applications for the sample and phase 1 schemes.

In the latter stages, achieving full planning permissions often causes delays but if all goes well we can expect to reach financial close in 2010 with the first new schools opening in 2012.

7.2 Expected outcomes

Education KPIs were agreed as part of the SFC part 2 approvals process. The LEP Partnering Services Specification (see Appendix H2) sets out the expected outputs from the Local Education Partnership.

	Yes	No
Key Decision	√	
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	√ Scrutiny Review Group 12 September 2008	
Council Consideration (if yes, date of Council meeting)	√ 28 October 2008	

List of background papers

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Papers open to Public Inspection

Description of paper

Hard copy of draft OBC and appendices

Location Room 250

1 EXECUTIVE SUMMARY

1.1 Background

Building Schools for the Future (BSF) will enable Coventry schools to significantly improve attainment and meet the City Council's twin targets of achieving excellence and equity. Excellence is viewed as ensuring that every student makes the maximum possible progress, and that the City achieves top quartile estimates for each of the key published progress measures. Equity is seen as ensuring that every child born from today has access to a high standard of education in a 21st century Coventry school.

There will be greater diversity in schools and choice under BSF. Two of the City's schools have opted to become City Academies and a further five schools are to become Trusts. A key element of the Council's inclusion strategy will be to offer much greater learning opportunities to young people with special education needs (SEN). Two new Broad Spectrum SEN schools are to be co-located at President Kennedy and Ernesford Grange schools respectively.

The BSF investment will make a key contribution to the achievement of these twin excellence and equity targets. It will enable every city school to reach the challenging targets for 2016, as agreed for Strategy for Change Part 2 (SfC2). The BSF investment will help schools to achieve this by:

- Facilitating a system-wide focus on effective school improvement strategies linked to the agreement of challenging targets for 2016, recognising the National Challenge and including robust targets for key underachieving groups;
- Enabling young people to meet their personal targets and aspirations by enhancing the range of curricular opportunities and by facilitating innovative approaches to curriculum access and delivery;
- Much earlier ICT investment for all schools, regardless of their position in the Construction programme;
- Providing stimulating and ICT rich learning environments, which are linked to a clear vision of practical ways to provide a more personalised curriculum;
- Enabling the effective use of ICT to track students' progress, create a rich and innovative curriculum, and foster more independent learning;
- Facilitating the provision of all 14-19 Diplomas, so that greater numbers of students can successfully achieve applied learning qualifications;
- Helping schools to develop more inclusive provision, including more effective collaborative support for disaffected students;
- Provision of high quality 21st century learning environments which are flexible, adaptable, suitable and sustainable and which support Coventry's Transforming Education Change Management Programme.
- Collective partnership targets for improvement agreed with our Local Education Partnership (LEP) partner

There are only two changes to our educational and estates strategy since the approval of the Strategy for Change Part 2:

- **Post 16 PRU provision**

Following discussions with *Partnerships for Schools*, it is proposed to use discrete BSF Funding to create a facility with a capacity of 150 at any one time to meet the needs of these young people. Qualifications will be compliant with Foundation Learning Tier (FLT) specifications although, at level 2 and beyond, the wider Qualifications and Credit Framework (QCF) will provide further accreditation possibilities. The facility will attract additional BSF funding of approximately £3 million and will be co-located with existing facilities on a yet-to-be determined site. The facility will comprise a major but single element of an extensive programme to transform learning and outcomes for hard-to-reach young people who struggle to participate. A fuller explanation is given in 2.2.6.

1.2 The Project

Our BSF project is ambitious, achievable and affordable. We envisage a three phase, one wave investment strategy broadly in accordance with the table set out below;

Phase 1	Funding Scheme	Construction
Woodlands	£20m Grant	Feb 11 - Feb 14 (36)
The Westwood	£9m Grant	Jul 10 - Mar 12 (20)
President Kennedy / Broad Spectrum	£43m PFI	Jul 10 - Jun 12 (24)
Ernesford Grange / Broad Spectrum	£32m PFI	Jul 11 - Jun 13 (24)
Cardinal Wiseman RC	£12m Grant	Apr 11 - Oct 13 (30)
Tile Hill Wood	£30m PFI	Jun 11 - Apr 13 (18)
Lyng Hall	£8m Grant	Jun 11 - May 14 (22)
Phase 2		
Cardinal Newman RC/ Corley	£35m PFI	Feb 12 - Jan 14 (24)
Whitley Abbey	£5m Grant	Jan 12 - Jul 13 (18)
Barr's Hill	£14m Grant	Apr 12 - Jan 15 (30)
Finham Park	£29m PFI	Apr 12 - Mar 14 (24)
Foxford	£13m Grant	Jul 12 - Jun 14 (24)
Phase 3		
Bishop Ullathorne RC	£14m Grant	Nov 12 - Apr 15 (30)
Coundon Court	£18m Grant	Nov 12 - Apr 15 (30)
Stoke Park	£9m Grant	Jan 13 - Dec 14 (24)
Blue Coat CE	£8m Grant	Oct 12 - Sep 15 (36)
Woodfield	£16m PFI	Apr 14 - Jul 15 (12)
TOTAL	£315m	
Community Schools		
Trust Schools	Grant funded	
Church Schools	PFI funded	

The level of PFI Credit sought is £362.9m. The level of ICT funding sought is £30m and is in addition to the £315m detailed in the table above.

Coventry will be putting two sample schemes to the market. The new build sample is at President Kennedy School, which will be one of the sites hosting a Broad Spectrum co-located SEN school. Coventry's BSF team has undertaken extensive market testing and we understand our project is potentially very attractive to the

market place. Our European procurement offering is to be based on the PFS standard LEP model approach, for a range of partnering services to include:

- Exclusivity for a LEP partner to deliver partnering services for a strategic investment programme under a 10 year contract for the delivery of education facilities;
- A Private Finance Initiative (PFI) new build sample project for President Kennedy/ Broad Spectrum SEN school.
- A Design & Build (D&B) refurbishment/re-modelling project for The Westwood school
- An ICT Managed Services contract to include those services covered by the ICT Output Specification
 - Full technology refresh, student devices, laptops for teachers, SEN equipment, printers, projectors and Interactive White Boards (IWB)
 - Specialist devices including 360 degree and 3-D projection
 - Service fully managed with centralised Data Centre, helpdesk, school technician support, user training and learning support
 - ICT integrated with buildings providing telephony, access control, e-registration and buildings information for curricular use
 - Governed by the ICT Payment Mechanism
- A PFI contract including "hard" and "soft" Facilities management services to include [insert scope]
- A "hard" Facilities Management service for the D&B schools to include [insert scope].
- Potential for D&B schools to buy into the LEPs "soft" FM services contracted predominantly to the PFI schools
- The opportunity to deliver education facilities on a non-exclusive basis outside the scope of the main BSF funded projects (including, but not restricted to, the primary capital programme)

The Council will adopt the traditional PFI approach to FM and Lifecycle with all Hard and Soft FM services and lifecycle costs being the responsibility of the LEP, the only exception will be for catering to be included as optional.

Facilities Management & Lifecycle D&B Projects

The Council intends to avoid a "two tier" approach to FM Services and Lifecycle for PFI and D&B schools, however it is acknowledged that this provides some considerable challenges in terms of affordability. The approach therefore has been for individual non PFI schools to continue to be responsible for 'Soft FM' services within their schools, and for the LEP to be responsible for the management of Hard FM and Lifecycle within the given affordability constraints. The Council will also consider the creation of a sinking fund for an element of D&B school lifecycle management

1.3 Value for Money

Our approach to Value for Money is based on the HM Treasury quantitative and qualitative protocols. The indicative VfM shown by the models is 11.09% across the phases. The VfM assessment concludes that the PFI projects offer value for money and demonstrates PFI as the optimal procurement route.

The HM Treasury VFM guidance is not required for the anticipated D&B contracts. Here, VFM is to be assessed in the context of both the scheme cost and the procurement route, so that the target price and guaranteed maximum price submitted by the LEP bidder can be confirmed for the Final Business Case (FBC)

1.4 Affordability

The Council's Section 151 Officer confirms that the project is affordable based on the modelling work undertaken at OBC stage and School Governing Body financial commitments for the sample and phase 1 schemes are included at Appendix 9.

1.4.1 PFI schools

For the PFI element the Council has adopted both a prudent view of construction costs and long term interest rates. This is reflected in the proposed contributions which are a £2m per annum indexed topslice from Dedicated Schools Grant (DSG) and 10% (indexed) contributions from the PFI schools' DSG.

1.4.2 D&B schools

We have taken an equally prudent approach to the D&B schools. Allowing for construction cost increases and adopting a 5% contingency overall, the Council predicts a capital funding gap of £8.1m. This is to be funded by the Council's retained share of capital receipts (£5m) with the balance coming from schools Devolved Formula Capital (DFC).

The Council is also proposing a pragmatic solution for maintaining the non-PFI schools estate. £1.05m (indexed) is to be top-sliced from the DSG to fund FM and lifecycle maintenance for new buildings, with a further £0.5m per annum (rising to £0.75m per annum) being set aside from DFC to maintain the existing buildings. School contributions from DSG towards the cost of the D&B FM contracts equate to 2% of DSG (indexed) per annum.

Finally, the timing of the construction payments compared with the timing of the available funding means that there are "negative" cashflow implications for the construction period between April 2014 and March 2015. At the peak, there is a bankrolling requirement of c£4m. The Council will propose to fund this through Prudential Borrowing and charge the borrowing costs to schools.

1.4.3 Total PFI and D&B revenue costs and DSG funding strategy

A summary of the cost and funding implications for the PFI and D&B FM contracts is provided in Table A below. The affordability gaps stated will be funded through a Dedicated Schools Grant (DSG) topslice.

Table A: Summary of revenue cost and funding implications over the life of the PFI and D&B contracts

£m	Contract term Cost	Contract term PFI grant	Schools existing budgets plus interest	Contract term affordability gap	Affordability gap in first full year (April 2007 prices)
PFI	(908.9)	678.4	150.6	(79.9)	(2.00)
D&B	(83.3)	Not applicable	40.9	(42.4)	(1.05)

The proposal to fund the required elements from DSG headroom are as follows:

- £500k taken from headroom in each year between 2010/11 and 2015/16 (6 years)
- a smaller contribution required in 2016/17 (the 7th year) of £460k
- Ongoing contributions throughout the life of the BSF programme built into the baseline, indexed.

1.4.4 ICT

Appropriate school per pupil contributions have been secured for the ICT Managed Service Contract, at £16 per pupil for the interim service period, rising to £120 per pupil once the school is in receipt of the full ICT Managed Service.

1.4.5 LEP set up costs

The Council is proposing to fund the LEP set up costs (£0.257m) and working capital costs (£0.1m) via DFC and corporate working capital respectively, but is not seeking direct investment in the PFI Company.

1.4.6 DFC proposals

We have developed a cashflow model to identify sufficient DFC resources to fund required elements over the life of the BSF programme. These costs include the D&B capital contingency, D&B hard FM and Lifecycle costs sinking fund, prudential borrowing costs on the D&B cashflow issue, LEP set up costs and an element of programme team costs. This means the following contributions from DFC:

- 50% from all BSF schools DFC allocation from 2009/10
- Then for PFI schools, 100% from the year before services commencement until 2018/19 when the DFC requirement reduces to 70%
- For D&B schools the 50% contribution continues until 2018/19 when the DFC requirement reduces to 36%.

1.4.7 School commitment

The Council's affordability strategy is predicated on contributions from schools. We have briefed secondary and primary headteachers on the implications. Governing Bodies and Headteachers at the BSF schools have given the required commitments (see Appendix 9). Schools Forum has also approved the DSG topslice proposals.

1.5 Readiness to Deliver

The Council has a very strong organisation structure to procure BSF. Based fundamentally on the 4ps recommended models for BSF, Coventry has the supplementary disciplines of ICT, Communications and Facilities Management on the core team. A strong internal resource is supplemented by external advisers currently very active in the BSF national programme, including:

- Bevan Brittan (Legal)
- Grant Thornton (Financial)
- Mouchel (Education & ICT)
- Gardiner Theobald/IID (Technical, Design & FM)

Internally, the core team includes PRINCE 2 accredited Project Managers, and a wealth of previous experience in delivering BSF and complex PFI schemes. A budget of £5.235m has been allocated to achieve Financial Close and we are currently consulting with 4ps, BSFi and PFS to determine optimal resourcing structures for the LEP operational phase, for which the Council has budgeted £1m per annum.

Early investment of ICT is a key element of the strategy and this OBC proposes a commitment to put in place a properly resourced management structure to co-ordinate the implementation plan.

Our Readiness to Deliver has been tested through the 4ps Gateway Review process and the action plan from the recent Gateway 1 review is included at appendix [] Our procurement milestone plan has been shared with potential bidders so that the Council is comfortable that the timescales are achievable. Our BSF proposition for a LEP partner is fundamentally standard, with no other projects required, and therefore both sides will be able to rely on the adequacy of the standard commercial documentation. Our pro-active approach to site planning issues, that exceeds the minimum guideline requirements, will ensure planning issues are de-risked so far as is reasonably possible before going to the market.

Moving forward, the BSF team intend to take advantage of the relevant 4ps training modules for BSF (e.g. competitive dialogue, PFI negotiation) and our strong governance arrangements (Programme Board, Members Scrutiny Review Group) will play an increasingly important role in guiding the core team through the procurement phase.

Above all, our stakeholder engagement plans remain crucial in underpinning a successful procurement, and are pivotal to our overall communications plan. These include for example, full and regular dialogue with BSF Schools, Diocesan bodies, local residents, Trade Unions and Sport England.

1.6 Leading and Managing Change

Coventry recognises that change management is the vital ingredient in ensuring educational transformation takes place across the city, with facilities and ICT investment the strong enablers that will help improve the outcomes of generations of young people in Coventry.

To this end the Council has produced a BSF Transformation Framework evolving around 7 key themes and 33 key components. The Transformation Strategy Group, made up of BSF headteacher representatives and Education Advisers interface directly with the established BSF Programme Board so that the Educational Transformation remains a constant non-negotiable throughout the commercial challenges of the procurement and then beyond into the LEP delivery phase.

At a practical level, these pillars of transformation are the guiding tools for the sample scheme design development. At President Kennedy, the new build sample scheme, a key element of the Council's vision for transformation is the Broad Spectrum SEN co-location strategy that will provide opportunities for hundreds of SEN pupils to directly access mainstream facilities. Here, the design development is lead by forward thinking headteachers from both mainstream secondary and SEN schools, with validation and challenge to the process provided by experienced Education professionals holding the transformation themes as precious to the emerging brief.

Moving forward, the Council expects bidders and our eventual LEP partner to help us translate the transformation principles into innovative and exciting environments that promote excellent leadership and learning.

1.1 Coventry's BSF programme

All schools (the "wave") will be split into three Phases, with two sample schemes within Phase 1. There will be an OBC for each Phase, which will formalise the funding requirements and give authority from Government to procure. PfS are providing capital funding through PFI Credits for those schools to be procured through PFI and capital grant for the schools to be delivered through conventional design and build (D&B) contracts. There is also an allocation for ICT hardware and infrastructure, which brings the total funding allocation to an indicative £345m (£315m capital and £30m ICT). The Swanswell Academy is excluded and is the subject of a separate OBC. The anticipated level of PFI Credit is £362.9m.

1.2 The requirements of the Outline Business Case (OBC)

The OBC will need to demonstrate that Coventry's wave is affordable, represents value for money and is deliverable. PfS's financial requirements for the OBC are explicit and require the estimated affordability for Coventry's whole wave (i.e. all Coventry's BSF School projects across the three phases) to be determined. This leads to the establishment of funding gaps on the PFI schools and the D&B schools. It also means establishing the costs and funding for the ICT Managed Service solution. The Council needs to include letters from all Governing Bodies confirming their commitment to fund required elements of the scheme, from Schools Forum agreeing the Dedicated Schools Grant (DSG) topslice and confirmation from the s151 Officer that the wave is affordable based on the supporting affordability analysis.

1.3 Process for establishing the affordability position

We have used information from our technical advisors to establish:

- the construction/remodelling costs of the schools based on the sample designs;
- the likely costs of hard facilities management;
- the likely costs of soft facilities management (for the PFI schools only); and
- lifecycle costs.

We have established the schools existing budgets and have then worked with our financial advisors to identify if there are gaps between available funding and the costs under BSF.

The affordability implications detailed will not be fixed until each financial close.

1.4 Funding implications

1.4.1 PFI schools

The "shadow bid" model which aims to predict the price bid back from bidders, shows an annual revenue affordability gap when compared against PFI grant and existing revenue budgets for those services included within the contract. This is largely due to the costs of lifecycle and hard facilities management, which will need to be fully provided for under the PFI contract.

The annual gap for the total PFI projects is £2.0m (2007/08 prices). This gap will be phased, increasing as each new phase of schools is delivered (see Table 1).

Table 1: Existing budgets and annual affordability gaps for PFI schools (April 2007 prices)

Phase	Annual existing school budgets (£m)	Annual revenue affordability gap (£m)
Sample	0.81	0.71
1	1.19	0.53
2	1.15	0.60
3	0.18	0.16
Total	3.33	2.00

Governing Bodies have been asked to provide in principle approval to ringfencing existing annual revenue budgets of £3.33m as a contribution towards the PFI annual costs, this represents 10% of their DSG. We propose to fund the annual revenue funding gap of £2.0m by a Dedicated Schools Grant (DSG) topslice from all schools.

1.4.2 Design and build (D&B) schools

There are three funding gaps in relation to D&B schools:

- A capital funding gap of £8.1m, which we propose is funded from the £5m anticipated capital receipts from BSF surplus school sites and the remainder from Devolved Formula Capital (DFC). This relates to costs that PfS will not fund and cannot be reduced by altering the schemes.
- A gap of £1.05m per annum between existing revenue budgets of £0.92m (2% of DSG) and the costs of hard facilities management (FM) and lifecycle under the D&B contract for the buildings receiving BSF investment. We propose to ringfence existing budgets and topslice the £1.05m per annum gap from all schools. This gap will be phased, increasing as each new phase of schools is delivered (see Table 2).

Table 2: Existing budgets and annual affordability gaps for D&B schools (April 2007 prices)

Phase	Annual existing school budgets (£m)	Annual revenue affordability gap (£m)
Sample	0.05	0.08
1	0.28	0.39
2	0.20	0.25
3	0.39	0.33
Total	0.92	1.05

- There will be a requirement to fund hard FM and lifecycle within unaffected buildings at D&B schools. We propose to set up a sinking fund using DFC and set aside £0.5m per annum initially to fund the hard FM and lifecycle priorities, increasing this to £0.75m per annum from 2015/16 onwards.

Finally, the timing of the construction payments compared with the timing of the available funding means that there are "negative" cashflow implications for the construction period between April 2014 and March 2015. At the peak, there is a bankrolling requirement of c£4m. The Council will propose to fund this through Prudential Borrowing and charge the borrowing costs to schools.

Governing Bodies at the D&B schools have been asked to sign up to the required DSG contributions.

A summary of the cost and funding implications for the PFI and D&B contracts is provided in Table 3 below. The affordability gaps stated will be funded through a Dedicated Schools Grant (DSG) topslice.

Table 2: Summary of revenue cost and funding implications over the life of the PFI and D&B contracts

£m	Contract term Cost	Contract term PFI grant	Schools existing budgets plus interest	Contract term affordability gap	Affordability gap in first full year (£m) April 2007 prices
PFI	(908.9)	678.4	150.6	(79.9)	(2.00)
D&B	(83.3)	Not applicable	40.9	(42.4)	(1.05)

1.4.3 ICT Infrastructure and Managed Service contract

The costs of the ICT Infrastructure and hardware can be accommodated within the PfS funding of £30m (excluding the Sidney Stringer Academy). Schools will be requested to contribute £16 per pupil in the initial years, rising to £120 per pupil to cover the costs of the ICT Managed Service Contract. Governing Bodies will sign ICT letters of commitment to these contributions at OBC stage.

1.4.4 Local Education Partnership (LEP) costs

The government considers that managing large-scale investment in a local area, over an extended period, requires a new approach to procurement. The "old" way of putting individual building projects out to tender is seen as unlikely to produce value for money or secure a flow of well-designed and constructed buildings in a programme of this scale and complexity. The standard delivery mechanism required by PfS is the establishment of a Local Education Partnership (LEP). The LEP is a public private partnership of three organisations:

- A private sector partner (PSP) (usually a consortium of private companies)
- The local education authority (LEA)
- Partnerships for Schools (PfS)

The local authority has a contract with the LEP called the Strategic Partnering Agreement, which gives exclusive rights to the LEP to deliver projects for a fixed period, likely to be 10 years. The local authority, in its role as client and commissioner, will formally consult stakeholders (including schools) through the Strategic Partnering Board.

The LEP has several funding requirements that the Council would ordinarily contribute towards. These are currently estimated as:

- LEP working capital requirements of up to £100k – Council to fund corporately.
- LEP investment of £257k – to be funded from DFC.
- Direct investment in the PFI Companies – The Council to forego this optional investment and instead the investment arm of PfS will take up this stake.

1.4.5 BSF Programme Team costs

The BSF Programme Team is funded up until financial close by a budget of £5.235m. Of this, schools are contributing £4.4m from a combination of DFC, a DSG topslice and a credit union loan. It has recently become apparent that additional resources may be required up until financial close. This is largely due to delays in achieving SFC2 approval and additional requirements in relation to planning and other detailed information required at OBC stage. Funding for these additional costs (estimated at £1.76m) will need to be met by schools. A funding strategy is in the process of being developed and will be presented for relevant approval at a later date.

The Council will need to consider and allocate resources for the Programme team beyond financial close. Experience from other BSF projects is that a robust "client side" is needed to both manage the ICT implementation and services contract plus negotiate the individual schemes that will be delivered through the LEP post the first financial close. National programme research, being led by 4Ps, is currently being undertaken in this area. Early indications suggest we will require similar levels of internal resourcing as currently being provided, but with less reliance on external advisors. Estimated costs for the period 2010 to 2016 are £1m per annum. At this level, these costs can be funded from the existing BSF Programme Team budget of £0.29m per annum and by extending the current arrangement with schools for a DSG topslice of £732k, which has been approved by Schools Forum.

1.4.6 Overall DFC implications

We have developed a cashflow model to identify sufficient DFC resources to fund required elements over the life of the BSF programme. This means the following contributions from DFC:

- 50% from all BSF schools DFC allocation from 2009/10
- Then for PFI schools, 100% from the year before services commencement until 2018/19 when the DFC requirement reduces to 70%
- For D&B schools the 50% contribution continues until 2018/19 when the DFC requirement reduces to 36%.

1.4.7 Overall DSG topslice implications

The proposal to fund the required elements from DSG headroom are as follows:

- £500k taken from headroom in each year between 2010/11 and 2015/16 (6 years)
- a smaller contribution required in 2016/17 (the 7th year) of c£460k
- Ongoing contributions throughout the life of the BSF programme built into the baseline, indexed.

1.5 Summary of funding implications

Funding issue	Proposed Solution
PFI schools and D&B schools revenue gap	Ringfence existing budgets (10% DSG for PFI schools and 2% DSG for D&B) and the remaining revenue affordability gaps will be funded by a DSG topslice from all schools.
D&B schools capital gap	The capital gap on D&B schools will be funded through capital receipts and DFC. The sinking fund that will pay for lifecycle works in the unaffected areas of D&B schools will be funded by DFC.
ICT Managed Service	Annual contributions from DSG totalling £16 per pupil in 2010/11-2011/12 (or an extra year for those schools in the latter phase) and £120 per pupil for the remainder of the contract.
LEP costs	Funded by a mixture of corporate working capital and DFC.

It should be noted that the only corporate funding requirements are from the existing BSF programme team budget and the funding of the working capital arrangements for the LEP, all other aspects will require funding from schools.



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October 2008

Dear Tim

BUILDING SCHOOLS FOR THE FUTURE PROGRAMME- WAVE 4

I have reviewed and accepted the Outline Business Case and the decisions made by the Council to manage and to meet the potential affordability gap associated with the programme, as determined by the supporting affordability analysis.

The OBC for the programme has been developed by an experienced project team, supported by external advisors. The financial advisors have been appointed through the Council's Financial Advisory Framework Contract. The technical and legal advisors have been appointed from the PfS framework list. The advisors include:

- Financial advisors – Grant Thornton LLP
- Technical advisors – Gardiner and Theobald LLP
- Legal advisors – Bevan Brittan

In addition, the Council has appointed IID as its design advisors and Mouchel Parkman as its ICT advisors.

The overall programme and OBC can be categorised into the following packages:

PFI Funded Schools

A detailed financial analysis has been carried out on the project. Our financial advisors have estimated the unitary charge using their Shadow Unitary Charge model shown in Appendix 5 of the OBC. It was concluded that these models delivered a sufficiently robust and prudent shadow unitary charge. The Council therefore decided to use these models for the purpose of calculating the affordability position. There are four phases of PFI schools in Coventry's Wave (sample schools

plus 3 Phases) and therefore four individual shadow unitary charge and affordability models. The FAM shows a total PFI credit of £362.9m.

The analysis showed that before additional contributions, there was an affordability gap of £79.9m (Table A column B) over the contract term with a gap of £2m (April 2007 prices) in the first full year once all schools have reached services commencement (Table A column C). The Council has agreed with Schools Forum that schools will fund a base recurrent indexed (by RPIx) contribution of £2m per annum through a topslice from Dedicated Schools Grant (DSG) headroom, in order to make the project affordable on the basis of the assumptions used. Individual PFI Schools have also committed to pay 10% of their DSG going forward towards the cost of the unitary charge (included in Table A column A).

The Council has included input assumptions into the shadow bid models to allow for a 5% capital contingency of £9.2m at Qtr 1 2008 prices to meet project risks.

Table A: Closing the affordability gap (April 2007 prices)

			A	B	C
Phase	Contract Term Unitary Charge (£m)	Contract term PFI grant (£m)	Schools existing budgets plus interest (£m)	Contract term affordability gap (£m)	Affordability gap in first full year (£m)
Sample	(211.7)	149.8	34.4	27.5	0.71
Phase 1	(302.4)	228.2	53.2	20.9	0.53
Phase 2	(310.5)	234.7	51.3	24.6	0.60
Phase 3	(84.3)	65.7	11.7	6.9	0.16
Total	(908.9)	678.4	150.6	79.9	2.00

Estimated lifecycle costs £63.7m (nominal) over the contract term and FM costs of £3.5m per annum (Qtr 1 2008) have been included in the affordability analysis for the PFI schools. Governing body commitments in principle to meeting the FM and lifecycle costs through their DSG contributions are included at Appendix 9 of the OBC.

The analysis assumes the following annual contribution (Table B) from schools in meeting the unitary charge.

Table B: Schools budget contributions towards the unitary charge

Phase	Annual Indexed delegated budget contributions from school (at April 2007 prices) (£m)
Sample	0.81
Phase 1	1.19
Phase 2	1.15
Phase 3	0.18
TOTAL	3.33

In accordance with the PfS OBC guidance, the level of budget allocation and contributions from the schools in Table B above has been agreed in principle by each school and has been confirmed in a letter of support contained in Appendix 9 of the OBC. The schools have signed up to meeting an element of the affordability gap which relates to facilities management and lifecycle costs from their annual delegated revenue budgets. The schools' contributions to the unitary charge will be increased in line with inflation (RPIx) year on year. The Authority agrees to the allocation from the overall school budget.

The PFI modelling assumptions are based on the following:

- Financial close: Phase 1 sample school (President Kennedy + Broad Spectrum) 1 July 2010, Phase 1 non sample schools 1 July 2011, Phase 2 schools 1 February 2012 and 1 April 2010, Phase 3 school 1 May 2014.
- Concession length: construction plus 25 years
- Sample scheme opens in July 2012, Phase 1 non-sample schemes opens in July 2013, Phase 2 schemes open in February and April 2014, Phase 3 scheme opens in May 2015.
- Inflation: Facilities Management (FM) 2.5%, schools contribution 2.5%, all other costs 2.5%
- Senior debt swap rate of 5.59%, inclusive of a 90bps buffer
- Annuity grant interest rate 5.5%
- The interest rate risk until financial close for the non-sample Phase 1 and Phase 2 and 3 schemes remains with the Council. The interest rate risk for the sample school lies with PfS i.e. PfS funding will increase to account for any interest rate changes between now and financial close subject to long stop dates.

In accordance with accepted practice a number of sensitivities have been performed on the above information. The results are shown in Table C below:

Table C Sensitivity analysis of affordability

	Affordability gap in first full year (£m)	Change per annum (£m)
Base position (as per Table A column C)	2.0	N/a
Increase in capital costs by 5%	2.8	+0.8
Increase in swap rate by 50 basis points	2.7	+0.7
Decrease in swap rate by 50 basis points	1.3	-0.7
FM increase by 5%	2.2	+0.2
Lifecycle cost increase by 5%	2.1	+0.1
Interest rate on positive balances reduced by 0.5%	2.0	Negligible (£9k increase per annum)
Exclusion of contingency (5% on capital cost)	1.3	-0.7

Capital construction costs have been tested by our technical advisors by benchmarking against other school PFI schemes in the region. Risk is inherent within construction process. In producing the capital cost forecast the Authority has, as part of the risk management process, made due allowance for design development. It is however, prudent to make contingency plans for unexpected increases in capital costs which cannot be foreseen or are out of the Authority's control.

With assistance from our technical advisors and ultimately the preferred bidder we are confident that there is scope to reduce 'non net' areas in order to arrive at a viable scheme without compromising on the principles of BSF or the requirements of BB98. As part of the tendering process we will encourage bidders to provide innovative solutions which improve value and to look at variant bids which provide a more cost effective building. The Authority would seek to do this without damage to the core education curriculum or the transformation objectives. The co-located schools (the Broad Spectrum schools at President Kennedy and Ernesford Grange) may offer floor area savings by sharing non curriculum areas such as dining spaces, kitchens and offices. FM and Lifecycle (LC) charges are based on median current rates supplied by technical advisors who have a thorough knowledge of the market. They advise that the highest and lowest market rates would vary around this median by about +/- 10-20% depending on the service, specification, market appetite and whether all the schools take the services together, although a few vary up to 50% they are for the less significant services and most ranges are between +/- 10-20%. The affordability analysis assumes that schools will take the full range of hard FM, lifecycle, soft FM, replacement of furniture fittings, equipment and catering services through the contract.

At the time of submitting this OBC, swap rates were 4.69% p.a. (October 2008), but it is recognised that long term interest rates cannot be predicted with any certainty. Accordingly the swap rate used in the Unitary Charge model is set prudently at 5.59% (inclusive of a 90bps buffer on 25th September 2008). Analysis of 15 year swap rates between May 2008 and October 2008 shows the following:

Swap length	6 th October 08	Mean May 08 to October 08	Maximum May 08 to October 08	Minimum May 08 to October 08
15 year	4.69%	5.17%	5.57%	4.69%

On the basis of this historical trend, although clearly previous rates are not necessarily indicative of the future, by using 5.59%, there may be a reasonably comfortable margin for upward movement. If swap rates at financial close were higher than 5.59%, the Authority would work with the preferred bidders and the schools to reduce cost inputs to produce an affordable project. In response to a request from PfS, the Council has modelled the impact of an increase in swap rates from 5.59% in the OBC to 6.09%. The results are shown in Table C.

At a swap rate of 6.09% our first call would be on the contingency, which would then reduce to £0 p.a. However, it should be noted that the swap rate modelled in the base scenario already includes a very prudent 90bps buffer.

The Council has reviewed the above sensitivity analysis and is confident that the project remains affordable. Overall, the financial assumptions have been prudent, which should provide headroom for unexpected cost increases. A contingency of up to £0.7m p.a. on the Unitary Charge is available for project risks. The Council will monitor costs during the development of the project documentation. It is the intention of the Council to disclose full affordability information to bidders and be absolutely clear that it intends to manage affordability robustly within its envelope.

A VfM assessment has been carried out in accordance with HM Treasury and PfS guidance. The indifference point analysis shows, with all other things being equal, that:

	Indifference Point %			
	Sample	Phase 1	Phase 2	Phase 3
Capital Cost Indifference Point	-14%	-19%	-17%	-14%
Unitary Charge Indifference Point	10%	14%	13%	12%

- Initial capex under the PSC option would need to decrease by at least 14% across the phases, whilst capex under the PFI option remains unchanged, for the Authority to be indifferent between the two procurement methods.
- The Unitary Charge under the PFI option would need to increase by at least 10% across the phases, whilst all other costs under the PSC option remain unchanged, for the Authority to be financially indifferent between the two procurement methods.

The indicative VfM shown by the models are 11.09% across the phases. The VfM assessment concludes that the PFI project offers value for money.

Conventionally funded schools

The remaining projects in Wave 4 are proposed for PfS grant-funded remodelling, refurbishment or minor works. The capital construction costs for the design and build schools totals £167.2m, the FAM funding totals £158.9m at construction start. The difference of £8.1m (net of £0.2m interest) represents the 5% project contingency at construction start. The Council proposes to fund this through the receipts from surplus BSF sites (£5m) and Devolved Formula Capital contributions from schools. The timing of the construction payments compared with the timing of the available funding means that there are "negative" cashflow implications for the construction period between April 2014 and March 2015. At the peak, there is a bankrolling requirement of £4m. The Council will fund this through Prudential Borrowing and charge the borrowing costs to schools through a contribution from DFC.

The proposed hard Facilities Management and lifecycle services for the conventionally funded schools are estimated to cost £1.97m pa at April 2007 prices. The existing spending on FM and LC services totals £0.92m p.a. The gap of £1.05m p.a. at April 2007 prices will be met through a DSG topslice from all schools.

In order to provide hard Facilities Management and lifecycle services within the unaffected areas of D&B schools, the Council proposes to establish a D&B sinking fund. The D&B sinking fund will require £0.5m from 2012/13 to 2014/15 rising to £0.75m from 2015/16 for the remainder of the contracts and will be funded through DFC.

ICT

The affordability of the ICT project has been assessed with the support of Mouchel consultants. The Coventry ICT solution is based on all schools starting their managed service contract in 2012 or 2013 with the contract ending in 2018 – the "Unified Services Model" option. The overall project affordability is based on this option. Mouchel have concluded that the ICT managed service is affordable based upon the assumptions used and following soft market testing.

The ICT hardware spend requirements can be met within the funding envelope of £32m (including the Sidney Stringer Academy funding of £2m).

The ICT managed service will require contributions from schools. The contributions proposed use experience from other BSF projects and are sufficient to meet the projected costs that will be bid back. Schools will be required to contribute £16 (indexed by RPIx) per pupil during 2010 and 2011 (the interim services period) for those schools receiving their ICT Managed Service from 2010, and during 2010, 2011 and 2012 for those schools receiving their full ICT Managed Service from 2013. This will pay for the initial change management and data centre costs. School contributions will rise to £120 (indexed by RPIx) per pupil in 2012 or 2013 for the remainder of the contract term based on 2016 pupil numbers. This equates to a total contribution of £2.5m per annum once all schools are receiving the full managed service. The schools have agreed to this contribution (Appendix 9 to the OBC).

Affordability – general

It is acknowledged by both the schools and the Council that the final proposals will not be known until well into the competitive dialogue process. To the extent that the bidder proposals differ from the estimates used to derive the affordability calculations above, discussion will be held with the schools to determine an equitable settlement in relation to any significant changes to the assumed affordability positions.

LEP Investment

The Council will be investing up to £100,000 in the LEP's capitalisation with the option to make further investments to maintain the Council's share if investment requirements increase over time. This will be funded corporately.

The Council will inject 5.1% of the required equity and 1% of the risk capital required by each of the PFI SPVs. This investment will be made via the LEP and is estimated to be £257k, this will be funded through DFC. The Council does not intend to take the option of also investing directly in the PFI SPVs.

The Council's investments are summarised below:

Summary of the Authority's investments		
	Amount	Projected Date
LEP		
LEP Investment - working capital	£100k	July 2010
PFI		
Sub debt & equity via the LEP	£257k	£60k in 30 June 2012 £82k 31 July 2013 £92k in 31 March 2014 £23k in 31 July 2015

Other

An initial assessment of the likely accounting treatment of the PFI project has been undertaken by Grant Thornton. The Authority's External Auditor has reviewed the initial accounting assessment and has provided the required letter at Appendix 8 of the OBC.

Conclusion

A copy of the formal Executive approval to the OBC has been included in Appendix 9 of the OBC. For the PFI schools, I confirm that the Council's approach to managing and meeting the recurrent affordability gap of £2m p.a. is to topslice DSG from all schools. For the D&B schools, I confirm that the Council's approach to managing and meeting the recurrent affordability gap of £1.05m p.a. is to topslice DSG from all schools.

For the ICT managed service, a contribution from the schools of £16 per pupil (at April 2007 prices) for interim services rising to £120 per pupil once full services have commenced. These contributions are expected to provide an affordable contract.

In addition, the Council will fund a 10% equity investment in the LEP, estimated at £0.257m through DFC.

Running costs of the LEP have been estimated at £0.1m p.a. over an initial period and this is included within the Wave 4 PFI unitary charge.

Overall, the financial assumptions have been prudent, which should provide headroom for unexpected cost increases. A contingency of up to £0.7m p.a. has been allocated by the Council and we are confident that all the processes outlined above will deliver an affordable project. Throughout the programme, the focus will remain on delivering core requirements and the original vision to support the transformation agenda. I confirm that the Council's approach to managing the affordability of the BSF project and the necessary contributions required from the Council and schools to meet these commitments are being factored in the Council's medium and long-term financial strategy in respect of the Council's and the individual schools budgets.

The Council is fully committed to the BSF project and, working with Coventry schools, will seek to ensure that any remaining affordability gap will be met and the project delivered.

Yours sincerely

Chris West
Director of Finance and Legal Services and s151 Officer

Building Schools for the Future Programme

BSF Programme expenses and procurement costs to Financial Close – as at October 2008

INTERNAL	Budget Heading	Agreed Budget (26/02/2008)	Latest Forecast	Variance	Spend to date
	Core Project Team	£1,403,200	£1,636,647	+£233,447	£496,596
	Legal	£85,300	£91,023	+£5,723	0
	Financial	£137,500	£120,594	-£16,906	0
	Education	£40,000	£140,000	+£100,000	£25,000
	ICT	0	£144,804	+£144,804	
	Schools Support/other	£240,000	£240,000	0	0
	Communication & Consultation	£51,500	£48,054	-£3,448	£7,368
	Client Design Advisor	£59,400	£73,130	+£13,730	£8,248
	Planning applications	£75,000	£187,000	+£112,000	0
	Other staff	£74,000	£104,503	+£30,503	0
	Overheads	£164,200	£206,946	+£42,746	£40,287
	Misc	£50,400	£118,012	+£67,612	£13,100
TOTAL	£2,380,500	£3,106,618	+£726,118	£590,599	

EXTERNAL	Budget Heading	Agreed Budget (26/02/2008)	Latest Forecast	Variance	Spend to date
	Technical	£492,000	£628,389	+£136,389	£252,682
	Financial	£270,200	£360,941	+£90,941	£36,533
	Education	£468,900	£509,584	+£40,684	£215,579
	ICT	£340,000	£439,642	+£99,642	£128,901
	Legal	£626,200	£753,454	+£127,254	£8,051
	Pensions advice	£120,000	£120,000	£0	0
	FM	£201,700	£221,776	+£20,076	£29,403
	Other advisors	£20,000	£68,498	+£48,498	0
	Site investigations	£170,500	£648,720	+£478,220	£231,792
	Misc	£145,000	£188,060	+£43,060	£107,588
TOTAL	£2,854,500	£3,989,064	+£1,134,564	£1,010,529	

EXPENDITURE TOTAL	£5,235,000	£7,095,682	£1,860,682	£1,601,128
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* Includes commitment payments due to external advisors.

Funded by:

FUNDED BY:	Source	Previous Forecast	Latest Forecast	Variance	Income to date
	Core budgets	-£849,000	-£849,000	0	-£675,314
	School contributions	-£4,386,000	-£4,386,000	0	-£987,039
	Other	0	-£100,000	-£100,000	-£50,000
TOTAL	-£5,235,000	-£5,335,000	-£100,000	-£1,712,353	

Summary:

SUMMAR	Source	Agreed Budget	Latest Forecast	Variance
	Expenditure	£5,235,000	£7,095,682	+£1,860,682
	Funding	-£5,235,000	-£5,335,000	-£100,000
TOTAL	0	£1,760,682	£1,760,682	

As at Period 5 2008/09

INTERNAL	Budget Heading	Notes
	Core Project Team	<ul style="list-style-type: none"> Core BSF team including costs of ongoing non-BSF work eg Caludon PFI contract mgt, Caludon additional PFI credits project and S Stringer Academy strategic lead function. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays.</i>
	Legal	<ul style="list-style-type: none"> Costs of additional internal legal support to be met by Programme. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Financial	<ul style="list-style-type: none"> BSF Finance Manager costs to be met by Programme from approx October 08. Reduced costs due to delay in recruitment and review of grading for the post. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Education	<ul style="list-style-type: none"> To fund back-filling of Snr Education Advisor post for 1.5 years assumed. <i>Includes new estimate for senior education advisor to lead education transformation for 12 months.</i>
	ICT	<ul style="list-style-type: none"> <i>Now includes cost estimate of ICT contract implementation and management</i>
	Schools Support/other	<ul style="list-style-type: none"> Costs of school's backfill Up to £15k per school from 2008/09 agreed.
	Communication & Consultation	<ul style="list-style-type: none"> Delay in appointment of Comms Officer (appointed April 08 - shared with Corporate Comms). <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Client Design Advisor	<ul style="list-style-type: none"> Internal officer appointed and only charged to Programme on hours worked. Revised estimate.
	Planning applications	<ul style="list-style-type: none"> <i>Revised requirements of PfS. Application fees for Phase 1 schools.</i> <i>Increased planning application fees from April 2008</i>
	Other staff	<ul style="list-style-type: none"> Includes allowance for other internal staff including procurement support, planning officers, clerical etc. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Overheads	<ul style="list-style-type: none"> Includes office overheads, training, recruitment, room hire, printing, IT support etc. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
Misc	<ul style="list-style-type: none"> School visits, highways investigations, internal costs and general contingency included. <i>Also includes expenses/costs related to tendering and dialogue stages eg room hire, admin support. Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i> 	

EXTERNAL	Budget Heading	Notes
	Technical	<ul style="list-style-type: none"> Includes small contingency for other works, additional work for Caludon PFI Credits project <i>and additional costs of preparation of planning applications due to revised PfS requirements</i> <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Financial	<ul style="list-style-type: none"> Includes small contingency for other works and additional work for Caludon Add Credits project. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Education	<ul style="list-style-type: none"> Includes small contingency for other works. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	ICT	<ul style="list-style-type: none"> Includes ICT Project management and Consultancy costs. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Legal	<ul style="list-style-type: none"> Includes significant contingency for other works and additional work for Caludon Add Credits project <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Pensions advice	<ul style="list-style-type: none"> Not included in original budget estimate but now considered a likely cost
	Facilities Mgt (FM)	<ul style="list-style-type: none"> Includes FM Project management and consultancy services. <i>Allows for impact of delay to Financial Close for programme as a result of SfC2 delays</i>
	Other advisors	<ul style="list-style-type: none"> Estimate for additional CABE design input, insurance advice, highways advice etc.
	Site investigations	<ul style="list-style-type: none"> <i>Srveys including topographic, archaeological, environmental, acoustic, asbestos, ground condition surveys etc site surveys of schools.</i> <i>Significant additional and increased requirements of PfS over range and detail of surveys across a wider range of schools than originally proposed.</i>
Misc	<ul style="list-style-type: none"> School visit costs, procurement package, Bidders day costs, etc 	

User Name: Pauline Day
Organisation: Coventry City Council
Email: pauline.day@coventry.gov.uk

Please click on the link below to tie this notice to a Response List using the Management suite.

[Relate to Tender](#)

Services Competitive Dialogue Procedure Notice

SECTION I: CONTRACTING AUTHORITY

I.1) NAME, ADDRESSES AND CONTACT POINT(S) Official name: Coventry City Council, Director of Children Learning and Young People's Services, Postal Address: Civic Centre 1 Earl Street, Town: COVENTRY, Telephone: 024 7683 1508, E-mail: ashley.simpson@coventry.gov.uk, Contact Point(s): For the attention of: Ashley Simpson, Postal Code: CV1 5RS, Country: UNITED KINGDOM, Fax: General address of the contracting authority (URL): www.coventry.gov.uk, Address of the Buyer Profile (URL): www.coventry.gov.uk/buyerprofile

I.1.1) Further information can be obtained at As in I.1.

I.1.2) Specifications and additional documents (including documents for a Dynamic Purchasing System) can be obtained at As in I.1.

I.1.3) Tenders or requests to participate must be sent to As in I.1.

I.2.1) Type of contracting authority Regional or local authority

If 'other' please specify

I.2.2) Main activity or activities

General Public Services

Education

If 'other' please specify

I.2.2) The contracting authority is purchasing on behalf of other contracting authorities? Yes

SECTION II: OBJECT OF THE CONTRACT

II.1) DESCRIPTION

II.1.1) Title attributed to the contract by the contracting authority UK-COVENTRY: Building Schools for the Future Project

II.1.2) Service Category 11.

II.1.2.1) Main place of performance Coventry

NUTS Code UKG33.

II.1.3) The notice involves A public contract

II.1.4) Information on framework agreement (if appropriate)

Number

OR, if applicable, maximum number of participants to the framework agreement envisaged

II.1.4.1) Duration of the framework agreement (if appropriate)

Period in year(s)

OR month(s)

Justification for a framework agreement the duration of which exceeds four years

II.1.4.2) Estimated total value of purchases for the entire duration of the framework agreement (give figures only)

Estimated value excluding VAT

OR range: between

and

Currency

Frequency and value of the contracts to be awarded (if possible)

II.1.5) Short Description of the contract or purchase(s) The contracting authorities are seeking an innovative private sector partner or partners to participate and invest in a new Public Private Partnership vehicle (a 'Local Education Partnership' or 'LEP') to be established jointly with some or all of the contracting authorities. The LEP will provide (or arrange for the provision of) 'Partnering Services', which will include (but not be limited to) the development of a strategic investment programme for: a) Educational Facilities. These will be primarily secondary schools but the LEP

may also be requested to deliver primary schools and such other educational facilities that it may be appropriate for the local authority (or its successors in title) to procure such facilities for adult learning or special educational needs within or adjacent to schools b) Other community facilities which may or may not be integrated or co-located with such educational facilities and which may include, for example, facilities for health, social care, leisure (including libraries), offices and joint service provision c) Any other facilities to be provided by 1 or more of the contracting authorities in the exercise of the powers contained in section 2(1) of the Local Government Act 2000 (where such contracting authorities are entitled to rely on such powers) or any other empowering legislation replacing it (together the 'Relevant Facilities') in the contracting authorities' area. These Partnering Services will also comprise of the following services (a) strategy advisory services; (b) programme management services; (c) project development services; (d) procurement consultancy services; and (e) procurement and delivery or management of all services required to deliver the strategic investment programme for the Relevant Facilities (including through the provision, integration and management of supply chain arrangements). It is anticipated that such services may include: (i) architectural services; (ii) engineering services; (iii) construction services; (iv) technical services; (v) building services; (vi) hard facilities management services; (vii) soft facilities management services; (viii) information communication and technology ("ICT") services; (ix) educational support services; (x) education programme development services; (xi) education strategy services; (xii) sports, leisure and library facilities operations for a period of up to 15 years. The Relevant Facilities, which may be a mixture of new build and refurbished facilities, will be delivered under the Private Finance Initiative (PFI) and/or design and build arrangements; and (xiii) estate rationalisation and property management. This may include the delivery of the Relevant Facilities through separate SPVs established by the LEP. Where an SPV is established, the shareholders in such SPV may include the LEP, third party equity providers and supply chain members. The contracting authorities may contract directly with the LEP or, where an SPV is established, with the SPV. The LEP may also be required to provide for, or arrange for the provision (through supply chain arrangements) of, the management and/or integration of the Partnering Services, design and build and construction contracts, facilities management services, support services and ICT services (this list is not exhaustive) where the contracting authorities' existing arrangements are either transferred or expire. Further details are contained in the information memorandum and pre-qualification questionnaire (see section VI.3 for details of how to obtain these)

II.1.6) Common Procurement Vocabulary (CPV)

Main Object: 74140000-2.

Additional Object: 45210000-2.

Additional Object: 74610000-8.

Additional Object: 74141800-7.

Additional Object: 45214200-2.

Additional Object: 77314000-4.

Additional Object: 80000000-4.

Additional Object: 74200000-1.

Additional Object: 45314000-1.

Additional Object: 74231500-2.

Additional Object: 50961000-9.

Additional Object: 74142000-6.

Additional Object: 74731000-2.

Additional Object: 45214000-0.

Additional Object: 50700000-2.

Additional Object: 70000000-1.

Additional Object: 72000000-5.

Additional Object: 74873000-9.

Additional Object: 55524000-9.

Additional Object: 45453100-8.

Additional Object: 75200000-8.

Additional Object: 74141100-0.

Additional Object: 72514300-4.

Additional Object: 77320000-9.

Additional Object: 93411400-6.

Additional Object: 92610000-0.

Additional Object: 45111000-8.

Additional Object: 74264100-8.

45000000

45212000

II.1.7) Contract covered by the Government Procurement Agreement (GPA)? Yes

II.1.8) Division into lots No

If yes, tenders should be submitted for

Lot No

II.1.9) Variants will be accepted Yes

II.2) QUANTITY OR SCOPE OF THE CONTRACT

II.2.1) Total quantity or scope (including all lots and options, if applicable) The estimated capital value of the initial projects covered by this procurement is in the region of £xxx MILLION GBP. Further projects arising in the first[X]year period may result in the total estimated capital value (including the initial projects) being approximately £X million GBP. Additional projects not yet identified may arise during the term of the LEP depending on the contracting authorities' strategies with a value up to £18 million.

If known, estimated value excluding VAT (give figures only)

OR range: between

and

Currency

II.2.2) Options (if applicable) Yes

If yes, **description of these options** The partnering contract between the private sector partner and the contracting authorities will be for a period of 10 years with an option to extend (exercisable during the initial 10 year term) for a further 5 years.

If known, **provisional timetable for recourse to these options: Period in month(s) or day(s) (from the award of the contract)**

Number of possible renewals (if any):

or Range: between

and

If known, in the case of renewable contracts, **estimated time-frame for subsequent contracts: in month(s) and/or days (from the award of the contract)**

II.3) DURATION OF THE CONTRACT OR TIME PERIOD FOR COMPLETION

Either: Period in months 180

And / or days (from the award of the contract)

Or: Starting

And/or ending

SECTION III: LEGAL, ECONOMIC, FINANCIAL AND TECHNICAL INFORMATION

III.1) CONDITIONS RELATING TO THE CONTRACT

III.1.1) Deposits and guarantees required (if applicable) The contracting authorities reserve the right to require deposits, guarantees, bonds or other forms of appropriate security.

III.1.2) Main financing conditions and payment arrangements and/or reference to the relevant provisions regulating them See sections III.1.3 and VI.3. Some projects may be delivered using the UK government's private finance initiative (PFI).

III.1.3) Legal form to be taken by the grouping of economic operators to whom the contract is to be awarded (if applicable)

The contracting authorities are seeking a private sector partner or partners to participate and invest in the LEP which will take responsibility for and manage a supply chain of providers. The contracting authorities reserve the right to require groupings of contractors to take a particular legal form or to require a single contractor to take primary liability or to require that each party undertakes joint and several liability irrespective of the form of the LEP. This may include the LEP establishing a special purpose vehicle (SPV) which will contract directly with the contracting authorities for the delivery of specific projects. Where an SPV is established the shareholders in such SPV may include the LEP, third party equity providers and supply chain members.

III.1.4) Other particular conditions to which performance of the contract is subject (if applicable) Yes

If yes, **description of particular conditions**

The LEP and its supply chain will be required to actively participate in the achievement of certain social and/or environmental policy objectives. Accordingly, particular contract conditions may relate to social and environmental considerations which may include (but are not limited to) conditions regarding renewable energy, carbon reduction and local training initiatives.

III.2) CONDITIONS FOR PARTICIPATION

III.2.1) Personal situation of economic operators, including requirements relating to enrolment on professional or trade registers

Information and formalities necessary for evaluating if requirements are met

Information and formalities necessary for evaluating if requirements are met In accordance with Articles 45 to 50 of Directive 2004/18/EC and Regulations 23 to 25 of the Public Contracts Regulations 2006 and as set out in the pre-qualification questionnaire available from the address in section I.

III.2.2) Economic and financial capacity

Information and formalities necessary for evaluating if requirements are met (If applicable) In accordance with Article 47 of Directive 2004/18/EC and Regulation 24 of the Public Contracts Regulations 2006 and as set out in the pre-qualification questionnaire which is available from the address in section I.

Minimum level(s) of standards possibly required (if applicable) As set out in the pre-qualification questionnaire which is available from the address in section I.

III.2.3) Technical capacity

Information and formalities necessary for evaluating if requirements are met (If applicable) In accordance with Articles 48 to 50 of Directive 2004/18/EC and Regulation 25 of the Public Contracts Regulations 2006 and as set out in the pre-qualification questionnaire which is available from the address in section I.

Minimum level(s) of standards possibly required (if applicable) As set out in the pre-qualification questionnaire which is available from the address in section I.

III.2.4) Reserved Contracts (if applicable) No

III.3) CONDITIONS SPECIFIC TO SERVICES CONTRACTS

III.3.1) Execution of the service is reserved to a particular profession No

If yes, reference of the relevant law, regulation or administrative provision

III.3.2) Legal entities should indicate the names and professional qualifications of the staff responsible for the execution of the service Yes

SECTION IV: PROCEDURE

IV.1) TYPE OF PROCEDURE Competitive dialogue procedure.

IV.1.2) Limitations on the number of operators that will be invited to tender or to participate (when applicable)

Envisaged number of operators

Or Envisaged minimum number 3

and, if appropriate, maximum number 8

Objective criteria for choosing the limited number of candidates: As set out in the pre-qualification questionnaire which is available from the address in section I.

IV.1.3) Reduction of the number of operators during the negotiation or dialogue

IV.1.3.1) Recourse to staged procedure to gradually reduce the number of solutions to be discussed or tenders to be negotiated Yes

IV.2) AWARD CRITERIA

IV.2.1) Award criteria (please tick the relevant box(es)) B) The most economically advantageous tender in terms of: B2) the criteria as stated in the specifications, in the invitation to tender or to negotiate or in the descriptive document.

IV.2.2) An electronic auction will be used No

If yes, additional information about electronic auction (if appropriate)

IV.3) ADMINISTRATIVE INFORMATION

IV.3.1) File reference number attributed by the contracting entity (if applicable)

IV.3.2) Previous publication concerning the same contract

If yes:

IV.3.2.1) Notice number in OJ:

Of

IV.3.2.2) Other previous publications

Notice number in OJ:

Of

IV.3.3) Conditions for obtaining specifications and additional documents (except for a DPS)

Time-limit for receipt of requests for documents or for accessing documents

Time:

Payable documents No

If yes, Price (give figures only):

Currency

Terms and method of payment

IV.3.4) Time limit for receipt of tenders or requests to participate

Date

Time

IV.3.5) Date of dispatch of invitations to tender or to participate to selected candidates

IV.3.6) Language(s) in which tenders or requests to participate may be drawn up English

Other - third country

IV.3.7) Minimum time frame during which the tenderer must maintain the tender

IV.3.8) Conditions for opening tenders

IV.3.8.1) Date, time and place

Date

Time

Place (if applicable)

IV.3.8.2) Persons authorised to be present at the opening of tenders (if applicable)

If yes, authorised persons

SECTION VI: COMPLEMENTARY INFORMATION

VI.1) THIS IS A RECURRENT PROCUREMENT (if applicable) No

If yes, estimated timing for further notices to be published:

VI.2) CONTRACT(S) RELATED TO A PROJECT AND / OR PROGRAMME FINANCED BY EU FUNDS

If yes, reference to project(s) and / or programme(s)

VI.3) ADDITIONAL INFORMATION (if applicable)

There will be an open day held on XXXX at XXXX. If you wish to attend this open day, please contact Ashley Simpson

at the address shown in section I.1.

1. Section I.1 Coventry City Council is acting as lead contracting authority on behalf of the following contracting authorities (and their statutory successors and organisations created as a result of re-organisation or organisational changes). (a) Partnerships for Schools, 5th floor, 8-10 Great George Street, UK-London SW1P 3AE; (b) BSF Investments LLP, 8-10 Great George Street, UK-London SW1P 3AE; (c) the governing bodies of the following schools within Coventry City Council's area: Secondary Schools - Barr's Hill School and Community College, Radford Road, Coventry, CV1 4BU;

Caludon Castle Business Enterprise School, Axholme Road, Coventry, CV2 5BD; Coundon Court Secondary and Community College (with Technology Status) Northbrook Road, Coventry, CV6 2AJ; Ernesford Grange Community School A Specialist Science College Princethorpe Way, Coventry, CV3 2QD; Finham Park Designated Mathematics and Computing College, Green Lane, Coventry, CV3 6EA; Foxford Secondary and Community Arts College, Grange Road, Coventry, CV6 6BB; Lyng Hall Specialist Sports College and Community School, Blackberry Lane, Coventry, CV2 3JS; President Kennedy Community School A Humanities College Rookery Lane, Coventry, CV6 4GL; Sidney Stringer A Mathematics & Computing Specialist School, Cox Street, Coventry, CV1 5NL; Stoke Park School and Community Technology College, Dane Road, Coventry, CV2 4JW; The Westwood School a Technology College, Mitchell Avenue, Coventry, CV4 8DY; The Woodlands Secondary School and Sports College, Broad Lane, Coventry, CV5 7FF; Tile Hill Wood Secondary School & Language College, Nutbrook Avenue, Coventry, CV4 9PW; Whitley Abbey Community, Abbey Road, Coventry, CV3 4BD Woodway Park School and Community College, Wigston Road, Coventry, CV2 2RH; Community Special Schools - Alice Stevens Secondary School (Moderate Learning Difficulties), Ashington Grove, Coventry, CV3 4DE; Baginton Fields Secondary School (Severe Learning Difficulties), Sedgemoor Road, Coventry, CV3 4EA; Corley Centre, Church Lane, Corley Coventry, CV7 8AZ; Sherbourne Fields Primary & Secondary School (Physically Disabled) Rowington Close, off Kingsbury Road, Coventry, CV6 1PS; Woodfield School (Emotional & Behavioural Difficulties Secondary Site (including House 9) Hawthorn Lane Site Hawthorn Lane Coventry, CV4 9PB; Pupil Referral Units (PRUs) The Grange (Education Unit), Brownhill Green Road, Coventry, CV6 2EG; Chase Extended Learning Centre, Robin Hood Road, Willenhall, Coventry, CV3 3AN; Wyken Extended Learning Centre, Tiverton Road, Coventry, CV2 2DN; Hospital and Home Tuition Service, Whitmore Park Annexe, Rylston Avenue, Coventry, CV6 2HD; Pregnant Schoolgirl and Schoolgirl Mother Unit, Whitmore Park Annexe, Rylston Avenue, Coventry, CV6 2HD-; (d) any other maintained schools, whether existing or to be established, falling within Coventry City Council's jurisdiction as a local education authority; (e) the following Diocesan Authorities - Archdiocese of Birmingham Diocesan Schools Commission, 61 Coventry Road, Coleshill, Birmingham, B46 3EA; Coventry Diocesan Board of Education, 1 Hill Top, Coventry CV1 5AB; (f) Academies established or to be established within Coventry City Council's area; (g) Learning and Skills Council Coventry and Warwickshire; (h) Coventry NHS Primary Care Trust. Partnerships for Schools is the non-departmental public body established by the Department for Children, Schools and Families ("DCSF") to implement the BSF initiative. BSF Investments LLP has been established by the DCSF and Partnerships UK as the body which will invest equity in the LEP. More information on the BSF initiative is set out in the information memorandum available from the address given in section I.1.

2. Section I.2 Additional types of contracting authority: national agency/office, body governed by public law.

3. Section II.1.2(c) Additional service categories 7, 12, 14, 17, 23, 24, 25, 26, 27.

4. Section II.1.9 Variants will be accepted in addition to a compliant bid (as set out in the tender/contract documents) providing the contracting authorities' core requirements are met and providing they are in accordance with the tender/contract documents.

5. Sections II.2.2 and II.3 The partnering contract between the private sector partner and the contracting authorities will be for a period of 10 years commencing on or about May 2010 with an option to extend for a further 5 years (such option being exercisable during the initial 10-year term). The term of any design and build, PFI, facilities management, management services or ICT agreements or other agreements flowing from the partnership may extend beyond this period.

6. Section IV.3.3 The pre-qualification questionnaire (PQQ) and information memorandum are available upon request from the address specified in section I.1 from the date of dispatch of this notice to XXXXX. The E-box secure portal will be used throughout the procurement process. For access to the portal or for non-electronic copies of the PQQ, please use the address in Section I.1. It is anticipated that the invitation to participate in the dialogue will be sent to short-listed bidders by XXXX.

7. Section IV.3.4 Expressions of interest must be by way of completion and return of the PQQ by the date and time specified in section IV.3.4.

VI.4) PROCEDURES FOR APPEAL

VI.4.1) Body responsible for appeal procedures Coventry City Council?

Body responsible for mediation procedures (if applicable)

VI.4.2) Lodging of appeals (please fill heading VI.4.2 OR if need be, heading VI.4.3)

Precise information on deadline(s) for lodging appeals: This authority will incorporate a minimum 10 calendar day standstill period at the point information on the award of the contract is communicated to tenderers. This period allows unsuccessful tenderers to seek further debriefing from the contracting authority before the contract is entered into. Applicants have two working days from notification of the award decision to request additional debriefing and that information has to be provided a minimum of 3 working days before expiry of the standstill period. Such additional

information should be requested from the address in section I.1. If an appeal regarding the award of a contract has not been successfully resolved the (for Public Sector) Public Contracts Regulations 2006 (SI 2006 No 5) provide for aggrieved parties who have been harmed or are at risk of harm by a breach of the rules to take action in the High Court (England, Wales and Northern Ireland). Any such action must be brought promptly (generally within 3 months). Where a contract has not been entered into the court may order the settling aside of the award decision or order the authority to amend any document and may award damages. If the contract has been entered into the court may only award damages.

VI.4.3) Service from which information about the lodging of appeals may be obtained

VI.5) DATE OF DISPATCH OF THIS NOTICE

END OF NOTICE



department for
children, schools and families

Sanctuary Buildings
Great Smith Street
Westminster
London, SW1P 3BT

Tel: 0870 0012345
Fax: 020 7925 6000
info@dcsf.gsi.gov.uk
www.dcsf.gov.uk

Bev Messinger and John McGuigan
Acting Chief Executives
Coventry City Council
Council House
Earl Street
Coventry CV1 5RR

Direct line: 020 7925 6460

14 July 2008

Dear Bev and John,

Coventry's Building Schools for the Future (BSF) Strategy for Change Part 2

I am pleased to confirm our approval of Coventry's BSF Strategy for Change Part 2.

Following an earlier submission of this document, a revised version was submitted to Partnerships for Schools (PfS) and the Department in May of this year. While the revised submission was regarded as good overall, its approval is conditional upon several additional issues being satisfactorily addressed by the time your Outline Business Case is submitted to PfS and the Department. The attached annex highlights issues selected by our policy and external advisers as specific areas for development in the phase preceding submission of your Outline Business Case. This list should not be viewed as exhaustive. Your PfS contacts, led by your PfS Project Director, Richard Malyon, will discuss these issues with you in detail.

I look forward to receiving your Outline Business Case in due course, which is due to reach PfS by 15 October 2008. Please do not hesitate to contact me if you have any questions or wish to discuss progress on your project.

Yours sincerely

J. S. Ramsden .

Jenny Ramsden (Miss)
BSF Project Advisor
Schools Capital Division

cc Mark Fenton, BSF Project Director

Issues highlighted to be addressed during the development of and for the OBC.

The following issues have been highlighted by PfS and DCSF advisors as requiring further attention and development during the next phase.

- *Pupil Place Planning* – Clarification required to ensure that all references agree with the FAM for accuracy and consistency.

The LA also needs to agree with PfS (by end of July 2008) a plan for pupil places that ensures that schools are built with sufficient net capacity to accommodate planned admission numbers and allow for parental choice and pupil movements.

- *Extended Schools* – Clarity required to demonstrate the links between the LA vision to schools' visions for extended provision and demonstrate how this forms and provides an integrated approach to community services for each area.
- *Scope of Works* – Inconsistent approach identified to Coundon Court CLASP block. Construction of new traffic light road junction at Tile Wood School needs to be resolved. Further options appraisal evidence required and demonstration that transformation will not be inhibited through suggested approaches to these schools.
- *Planning Requirements* – Strategy for achieving adequate comfort with regard to planning required. Impact of co-location of special schools on green belt to be resolved.
- *Affordability* - Affordability position to be resolved and Section 151 Officer agreement required. The FAM needs to make it very clear which schools are in which phase of works, with the percentage new build column completed to reflect the actual decisions made, what procurement route has been decided for each school and the construction phasing dates identified.
- *ICT* – More clarity is sought on what is proposed to be done with the existing School Information Management System (SIMS) support services once the ICT service is procured through the LEP. This is important not only for smooth transition from a legacy to a new service but also to ensure that all relevant costs related to this transition are accounted for.
- *Diversity and Standards* – The local authority agrees to add consideration of implementing a Trust for Ernesford Grange earlier than the planned date of 2012 to the list of interventions set out on page 4 of Appendix 22A of the SfC Part 2 if the results at the school do not improve or fail to improve quickly enough to give confidence that they will reach the 30% floor target by 2011.

Coventry Building Schools for the Future Programme

BSF Programme Plan - Milestone Summary – September 2008

No	MILESTONE	DATE	COMPLETED
1	Programme Team and Board established	21 September 2006	✓
2	Members Scrutiny Panel established	7 December 2006	✓
3	Readiness to Deliver proposal submission	13 October 2006	✓
4	PfS/DCSF approval to Wave 4	15 December 2006	✓
5	Remit Meeting	18 January 2007	✓
6	Project Technical Advisors appointed	31 January 2007	✓
7	Draft PID Document	19 April 2007	✓
8	Final PID Document	30 June 2007	✓
9	Gateway 0 Review	16 May 2007	✓
Strategy for Change			
10	Strategy for Change Part 1 1 st draft	14 June 2007	✓
11	Strategy for Change Part 1 submission	31 July 2007	✓
12	PfS/DCSF SfC Part 1 approval	12 September 2007	✓
13	Strategy for Change Part 2 1 st draft	9 November 2007	✓
14	Strategy for Change Part 2 draft submission	21 December 2007	✓
15	Strategy for Change Part 2 Final submission	29 February 2008	✓
16	Strategy for Change Part 2 Re-submission	23 May 2008	✓
17	PfS/DCSF SfC Part 2 Final approval	14 July 2008	✓
Outline Business Case			
18	Soft Market Engagement	Dec 2007- Nov 2008	✓ (ongoing)
19	OBC 1 st draft to PfS	29 August 2008	✓
20	Gateway 1 Review	13 October 2008	
21	OBC initial submission	15 October 2008	
22	Cabinet – OBC approval	21 October 2008	
23	Full Council – OBC approval	28 October 2008	
24	PfS Peer Group OBC approval	5 th November 2008	
25	Final full OBC to MRA	19 th November 2008	
26	MRA approves OBC	10 th December 2008	
27	PfS/DCSF OBC approval	12 th December 2008	
28	Outline Planning approvals	End December 2008	
Dialogue Phase			
29	PQQ/ITPD Documents approval	Mid December 2008	
30	Publish OJEU Notice	Early January 2009	
31	Bidders Open Day	Late January 2009	
32	PQQ return	Early March 2009	
33	PQQ Long-List Finalised	Mid-Late March 2009	
34	ITPD – documents issued to Long list	Mid-Late March 2009	
35	ITPD – shortlist for ITCD agreed	Early May 2009	
36	ITCD - issued to ITCD shortlist	Early May 2009	
37	ITCD – shortlist for ITSFB agreed	Early January 2010	
38	ITSFB – issued to final bidders	Early January 2010	
39	Final Bids received	Late January 2010	
40	Gateway 2 Review	Late January 2010	
LEP Established & Construction Start			
41	Appoint Preferred Bidder	April 2010	
42	Establish Shadow LEP	April 2010	
43	Gateway 3 Review	April 2010	
44	PfS/PUK sign off	Late April 2010	
45	FBC approval	Early May 2010	
46	Commercial close	May 2010	
47	Construction/Refurbishment programme begins	June 2010	
48	1 st new School opens	Summer 2012	

GLOSSARY OF TERMS

DCSF	Department for Children, Schools and Families
FBC	Final Business Case
ITCD	Invitation to Competitive Dialogue
ITPD	Invitation to Participate in Dialogue
ITSFB	Invitation to Submit Final Bids
LEP	Local Education Partnership
MRA	PfS/DCFS Meeting to Review Approval
OBC	Outline Business Case
OJEU	European Journal
PfS	Partnership for Schools
PID	Project Initiation Document
PQQ	Pre-Qualification Questionnaire
PRG	Project Review Group
PUK	Partnerships UK
SfC	Strategy for Change

**Management Board Summary Report regarding:
Building schools for the future (BSF)**

24th September 2008

Report of Director of Children, Learning & Young People

Title: Partnering Services Specification for the BSF Local Education Partnership (LEP)

1 Purpose of the Report

- 1.1 The purpose of the report is to set out the likely scope of services to be delivered by the LEP under BSF, and to consider what additional services the LEP might deliver to Coventry City Council.

2 Reason for Management Board Consideration

- 2.1 The LEP model is the standard procurement route for all BSF schemes nationally. The attached document "Strategic Partnering Agreement Schedule 12 Partnering Services Specification" is a standard form document which confirms the scope of LA required services against which private sector consortia will bid under European competition rules. It forms part of the suite of tender documents but early communication to prospective bidders of the likely scope of LEP services enables them to form a view on the attractiveness of Coventry's BSF scheme and the type of consortia they need to form to best support our project. The final form of this document is subject to commercial and legal approval from Partnerships for Schools (Pfs) and our external Legal Advisers, Bevan Brittan.
- 2.2 Sections 1.1 to 1.8 of the document are where the contracting LA is able to define its project specific purposes for the Local Education Partnership, clarifying the expected role of the LA and also of the LEP against each activity. These sections have been drafted by Officers from CLYP. We would like Management Board to endorse these particular sections. Other sections of this document remain in standard form.
- 2.3 Section 6 "Additional Services" is where the Council can specify what additional services the LEP might also provide within the 10 year contract period. The opportunity here is for the Council to include possible additional future services, projects and or partnerships that could be delivered by the LEP. If the OJEU notice for the LEP includes these, the Council potentially has the opportunity to avoid separate and expensive procurements in the future. We would like Management Board to review the possible services proposed in this section and propose any further services for consideration.

3 Timescale/deadline

- 3.1 The Outline Business Case for BSF is being considered by Cabinet on 21st October 2008 and that report requires the Council to re-affirm its commitment to adopting the LEP procurement model for BSF.

4 Background

- 4.1 What is a LEP?

The LEP is a company that will provide long-term partnering services for the local authority so that the aims of BSF can be delivered. It is a joint venture company comprising the local authority, PFS and a private sector partner.

The local authority has a contract with the LEP called the Strategic Partnering Agreement, which gives exclusive rights to the LEP to deliver projects for a fixed period, likely to be 10 years. The local authority, in its role as client and commissioner, will formally consult stakeholders (including schools) through the Strategic Partnering Board.

- 4.2 BSF aims to establish strategic local investment programmes to support educational transformation through capital investment in school buildings and ICT. The government wants to harness the best of both the public and private sectors to deliver this outcome. Local Education Partnerships:

- Reduce the number of competitive procurements that have to be carried out and streamline the procurement process;
- Involve a strategic partner to deliver the long-term programme;
- Group schools together into large, high value packages;
- Optimise impact on educational outcomes by integrating building design and ICT;
- Use both design and build and PFI contracts; and
- May deliver more than one phase of work, with several years between the different Waves of BSF funding.

In addition, LEPs include only a small number of 'representative' schools in the initial competitive procurement process to speed up the initial procurement and save public and private sector bid costs. Detailed proposals for the remaining schools are left until the contract has been signed with the private sector partner.

Overall, the benefits are: better design quality, significant cost efficiencies, shorter timescales and improved educational outcomes. Some local authorities are also recognising the potential of the LEP in terms of procuring wider services than those just related to BSF. These include primary schools, health care and wider regeneration strategies.

- 4.3 What does a LEP do?

A LEP will work to the local authority's requirements, which will have been agreed with the schools involved. The starting point will be the Strategy for Change, updated through the Strategic Partnering Board (SPB). After the initial set up period for a BSF scheme the LEP itself will provide an input into the SfC and SPB.

A LEP has exclusive rights for 10 years to develop proposals for and deliver the design and build of BSF secondary schools in a local authority's area, with the potential for this to be

extended for a further 5 years. The LEP will also usually provide ICT, maintenance and other premises related services to some or all of these schools on a long-term basis.

As noted above, the LEP may also have the right to undertake other types of work if the local authority builds this option in at the OJEU stage. This could include delivering primary schools, health care and wider regeneration services.

A LEP will act as the single point of contact for the procurement, delivery and integration of all services required. It will organise a supply chain comprising the necessary skills and experience, e.g. design teams, builders, ICT providers, facilities management companies.

The private sector brings commitment to partnership, continuous improvement, development capital and supply chain management. In return, the public sector offers to the LEP a long-term programme of investment, exclusivity, repeat business and a role in project development.

4.4 Who is in the LEP?

Each of the three partners will nominate directors to the LEP Board. Because a LEP is effectively a private sector-led organisation, the Private Sector Partner (PSP) will have four members and the local authority and PfS one each. The directors will have to deal carefully with any potential conflicts of interest, and both the local authority and PfS have certain minority rights in the conduct of business.

As a limited liability company, the LEP issues share capital and has a constitution and structure appropriate to such a company. The PSP owns 80% of the shares in the LEP, and the local authority and PfS own 10% each.

5 Other specific implications

5.1

	Implications (See below)	No Implications
Area Co-ordination		
Best Value	✓	
Comparable Benchmark Data		
Corporate Parenting		
Coventry Community Plan		
Crime and Disorder		
Equal Opportunities		
Finance		
Health and Safety		
Human Resources		
Human Rights Act		
Impact on Partner Organisations		
Information and Communications Technology		

	Implications (See below)	No Implications
Legal Implications	✓	
Property Implications		
Race Equality Scheme		
Risk Management		
Sustainable Development		
Trade Union Consultation		
Voluntary Sector – The Coventry Compact		

5.2 Legal Implications
See sections 3 and 4 above

5.3 Best value
See section 4.2 above

6 Monitoring

6.1 The final version of the Strategic Partnering Agreement Schedule 12 Partnering Services Specification will be subject to approval by PfS and the Council's appointed external Legal Advisors.

7 Timescale and expected outcomes

7.1 The following Milestone Summary sets out the latest timetable for procuring a LEP for BSF. The OJEU notice will reflect the scope of services as set out in the Partnering Services Specification and encompass the possible additional services as set out in Section 6.

List of background papers

Proper officer: Colin Green, Director, Children, Learning and Young People

Author: Mark Fenton, BSF Programme Director

Telephone 024 7683 1609

(Any enquiries should be directed to the above)

Other contributors:

Ruth Snow, Head of Services for Schools, Children, Learning and Young People's Directorate (3621)

John Hayward, Senior Adviser, Curriculum, Development and Learning Strategy, Children, Learning and Young People's Directorate (7652 7413)

Martin Bonathan, Strategic Leader, SEN and Inclusion, Children, Learning and Young People's Directorate (1550)

Andy Walmsley, EiC Co-ordinator, Children, Learning and Young People's Directorate (4107)

Alice Davey, Head of Culture, Leisure and Libraries (2380)

Roz Lilley, Senior Solicitor, Litigation and Projects Team (3011)

Papers open to Public Inspection

Description of paper

Location

None



APPENDIX H2



Strategic Partnering Agreement Schedule 12 Partnering Services Specification

BSF STANDARD DOCUMENT
January 2008

APPENDIX H2

Contents

Partnering Services	Section	Page
Introduction		3
General requirements of a LEP	1	6
Strategic Business Case Development	2	12
New Project Development	3	25
Delivery of Approved Projects	4	31
Value for Money and Continuous Improvement	5	34
Additional Services	6	40

APPENDIX H2

PARTNERING SERVICES SPECIFICATION

Introduction

The main focus of this Partnering Services specification should be to achieve the transformational change in educational achievement which is central to the Building Schools for the Future programme and is detailed in the Strategy for Change (SfC) for the Coventry BSF Programme.

The Partnering Services Specification forms Schedule 12 of the Strategic Partnering Agreement under the terms of which these services will be delivered by the LEP to Coventry City Council. Partnering services will cover the following areas of activity:

- Development of the SfC for BSF in Coventry;
- New Project Development;
- Delivery of Approved Projects;
- Value for Money and Continuous Improvement;
- Additional Services

In fulfilling its role, the LEP is to work closely with the Local Authority (LA) and other local stakeholders, particularly end-users such as School Governing Bodies, head teachers, school staff, pupils, parents and the community. It will also need to be clear about the respective roles and responsibilities of the LEP and the LA in the partnership.

The Partnering Services Specification sets out clearly – for each area of activity mentioned above - the partnering services Coventry City Council will expect the LEP to provide, and the role and responsibilities of the LA itself.

The Partnering Services Specification looks to encourage the LEP to add value to the programme by complementing and supplementing local expertise and capacity, not duplicating it. Coventry City Council recognises the benefits that pooling their existing resources with PfS and private sector resources within the LEP can deliver in terms of developing and delivering BSF and potentially other major strategic programmes. The SPA and SHA allows for this with complete flexibility,

APPENDIX H2

e.g. capital resources can be put in as shareholder equity, and human resources can be put in through secondments or staff transfers. Coventry City Council also recognises there must be sufficient client side resources to play a very strong client role as the counter party to the SPA and in setting local authority requirements and approving New Project proposals submitted by the LEP going forward.

The decision on whether or not to seek Additional Services from the LEP will be entirely up to the Local Authority, in consultation with its schools, and should be made on a value for money basis. Keeping in mind that the LEP is intended to be a strong local business with substantial delivery capacity, LAs should consider seriously the potential benefits which procuring through the LEP can bring them.

APPENDIX H2

This document consists of the following sections:

- Section 1: Describes the expertise which will be required by the LEP to be an effective long term partner to the Local Authority and other local stakeholders in the BSF programme;
- Section 2: Describes the activities involved in developing the SfC for the Coventry City Council BSF programme;
- Section 3: Describes the activities involved in New Project Development
- Section 4: Describes the activities involved in Delivery of Approved Projects.
- Section 5: Describes the activities involved in delivering Value for money and Continuous Improvement;
- Section 6: Describes the potential “Additional Services” which Coventry City Council might ask a LEP to provide.

Sections 2 to 5 (which describe the core partnering activities) have the same layout. At the beginning of each section is a box as shown below which details the anticipated outcome for each area of activity.

Outcome expected:

This is followed by a specification detailed in 4 columns as shown below. An explanation of the purpose of each column is given below:

Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
<i>This column sets out a description of each area of activity related to the local BSF programme</i>	<i>This sets out the role and responsibilities of the LA for that area of activity, and what it would commit to doing to ensuring the partnership objectives enshrined in the SPA were met.</i>	<i>This sets out the role and responsibilities of the LEP for that area of activity, and what it would commit to doing to ensuring the partnership objectives enshrined in the SPA were met.</i>	<i>This details the output required for that area of activity to which the LEP and LA will each contribute as defined in the preceding columns</i>

APPENDIX H2

Section 1

General expertise and awareness required of a LEP in delivering Partnering Services:

In fulfilling its role as a long term strategic partner to the Local Authority and stakeholders, the LEP should:

Working with the LA and the Strategic Partnering Board (SPB)

- Contribute to building relationships with and working closely with local stakeholders, including school governing bodies, head teachers, school staff, unions, pupils, parents, Dioceses, Local Learning and Skills Council (LLSC), Connexions, Local Strategic Partnerships (LSP), Health, local businesses and the wider community etc. in order to ensure ownership and support for the Education Vision and Strategy for BSF in Coventry;
- Be aware of and understand the local Community Strategy and the LA's corporate vision and strategy;
- Be aware of and understand the LA's educational vision and strategy for BSF, and how this fits into the local community strategy and the LA's Corporate vision and strategy;
- Be aware of and understand each school's development/improvement plan;
- Be aware of and understand how secondary education and schools can contribute to delivering integrated children's services, community education/services, leisure services and regeneration in an area;
- Be familiar with national and local policies on secondary education, major LA strategic documents, local needs, targets, timeframes, the latest version of the SfC/SBC and relevant CPA reports for the LA, plus OFSTED reports for the LA and schools in the Area;
- Be aware of and understand the different collaborative and Federation arrangements between schools, academies and colleges in the LA and how they might impact on school organisation and school design

Learning and Teaching/Curriculum

- Be familiar with all major national and local policy initiatives as they impact on the curriculum, including The National Challenge and the 14-19 Agenda;
- Be aware of, understand and anticipate the long-term implications of future changes in curriculum, learning styles [examination approaches] and pastoral care arrangements and how this then impacts on buildings, FF&E and ICT ;
- Be familiar with the range of preferred learning styles and their implications for flexibility in teaching spaces, including direct teaching, individualised learning, small group work, resource and research based learning;

APPENDIX H2

- Be aware of and understand the impact of the layout of schools' specialist facilities on the ease and safety of pupils' movement around the school
- Be aware of the need to minimise disruption to pupils, teachers and parents during the construction process.

Workforce remodelling and CPD

- Be aware of the factors that enable all staff on a school site to work together effectively to meet the needs of the users and to ensure that the workforce remodelling programme is capable of being delivered.
- Be aware of and understand how workforce remodelling affects school design requirements and enables the delivery of the Education Vision and Strategy
- Be aware of and understand the importance of CPD for school staff in enabling them to maximise the benefits of their new learning environments created through BSF, and in implementing the various educational policy developments outlined in the Education Vision and Strategy
- Be aware of and understand the need for workspace for staff, ease of access to teaching resources (accessible storage), quality ICT networking throughout the school and home to school links

ICT in schools

- Be fully aware and have expert knowledge of:
 - How ICT can support and maximising the quality of learning;
 - The relationships between ICT infrastructure and the built environment;
 - Educational drivers to meet the ICT requirements of the schools;
 - Publications on best practice in delivering ICT services in schools, including:
 - DCSF: Harnessing Technology
 - Becta-advisory publications
 - Output specification template for ICT prepared by PfS
 - Other relevant DCSF and PfS publications on ICT in schools
 - The experience and best practice from the Classrooms of the Future initiative;
 - ICT as a vehicle for enhancing school and LA `management and contributing to workforce reform;
 - How ICT can enable virtual and managed learning environments and video conferencing within, across and between schools

APPENDIX H2

Specialist Schools

- Be aware of and understand the LA Federation and school strategies for attaining and/or retaining specialist status for each school in Coventry and be able to contribute with ideas on how the specialisms can be linked into 14-19 education provision and the local business community;
- Be aware of and have expertise in the design and FF&E requirements for specialist schools that arise from the curriculum emphasis of the specialism involved;

Inclusion

- Be aware of and understand how to make all schools inclusive, including considerations such as:
 - The factors which support school and social inclusion;
 - Creating barrier-free schools;
 - affording ease of use for pupils/staff/community with physical disabilities, including meeting DDA requirements;
 - facilities and conditions required for those with hearing impairment and visual impairment;
 - how accommodation to support inclusion such as medical suite, interview rooms and learning support accommodation, could be used and where it should be situated.
- Be aware of the potential and understand the requirements for special schools, depending on the needs to be accommodated, and the implications of co-locating Broad Spectrum and other special schools with mainstream schools
- Be aware of and understand the needs of Extended Learning Centre's (ELC's) in providing a broad balanced curriculum for children who are out of school
- Be aware of and understand the needs of mainstream schools with special needs units, specialist resourced schools and special schools, as well as where these are co-located with mainstream schools
- Be aware of and have expertise in the design and FF&E requirements of special schools, ELC's and specialist resourced facilities

Extended Schools and Integrated Children's Services

- Understand the concept of an extended school and the range of possible models of extended schools. Develop expertise in and support the local plans for extending schools for community use and benefit;
- Be aware of the needs of children, the local community, Local Authority and potential partners which could be met through extended schools;

APPENDIX H2

- Understand and have expertise in the management, operating, funding and design implications of extended schools and out-of-hours community use, including considerations such as:
 - good signage both external and internal;
 - access, external lighting and car parking;
 - heating controls for use outside school hours
 - changing facilities, reception and social areas for community use accessible for use outside school hours
 - facilities used for community use grouped for ease of access, security and zoned heating;
- Understand the implications of wider full-service extended schools, using joined-up funding, including:
 - leisure and recreational facilities assessed on a community basis to benefit school and wider community (e.g. location of public library, swimming pool);
 - school as a hub for other children's services (e.g. crèche of NHS).
- Be aware of and assist the LA and schools in assessing security issues in relation to community use
- Be aware of the implications for schools of the Children Act with a focus on the five outcomes which services should work towards:
 - being healthy,
 - staying safe,
 - enjoying and achieving,
 - making a positive contribution and
 - economic well being
- Be aware of and understand the focus of the Children Act 2004 for integrating children's services in and around schools
- Be aware of and understand the development of Children's Trusts, and in particular the need to engage with key stakeholders in the delivery of Children's Services, including Health and Connexions

School Organisation

- Be aware of and understand the diversity of schools e.g. community, aided, controlled, foundation, academies and federations
- Be aware of and understand the differing needs and concerns of different types of schools e.g. single sex, co-educational, those with /without sixth forms,, special schools
- Be aware of and understand pupil place planning and the various factors that impact on this and which therefore need to be taken into account, including how the popularity of new schools (including Academies) can make a significant difference to previous patterns of parental choice of schools

APPENDIX H2

- Be aware of and understand the interface between post 16 provision in schools and local colleges, and how this is affected when the level of post 16 provision is increased in either sector as part of improving post 16 staying on rates
- Be aware of and understand the informal, formal and statutory processes involved in school reorganisation, including the need to advertise for promoters of new schools
- Understand how the net capacity of schools is assessed to identify the number of pupil places available.
- Be aware of and understand the implications of co-location of primary and secondary schools or all through schools

School Design

- Have the expertise to carry out feasibility studies, option appraisals, and inspirational designs in line with a brief or output specification and the use of DQI for Schools.
- Be aware of and understand the importance of the following aspects of design:
 - Access: How easy it is for all people to get to the school and move around it
 - Space: The size and inter-relationship of a building's rooms and spaces, including room dimensions, room layouts to reflect curricular developments, faculty groupings of subjects, and social areas as learning spaces as detailed in DCSF Building Bulletins and other relevant publications
 - Uses: How well the school caters for the functions it was intended to accommodate originally and for those it will in the future, as well as the quality of fitments and furniture
 - School in the community: The relationship of the school with its surroundings and its local community
 - Within the School: The quality inside the building's envelope, including sight lines, colour schemes, health and safety and security and how they impact both positively and negatively on teaching and learning;
 - Form and materials: The building's physical composition, scale and configuration within its boundaries
 - Character and innovation: What people think of the overall building
 - Performance: The building's mechanical, environmental, and safety systems including air quality, daylight, acoustics, ventilation and temperature control and drinking water, orientation of rooms (e.g. north light for art)
 - Engineering services: The quality of the building's environmental components
 - Construction: How well the building is put together
- Be aware of and understand maintenance and asset replacement: the ease of maintaining and replacing elements to minimise disruption to and avoid a building looking tired and worn out
- Be aware of and understand the importance of the external environment both for teaching purposes, external play and sports activities, as well as recreational use during break times and lunch times

APPENDIX H2

- Be aware of and understand the safety aspects of access to the school site both by car users and pedestrians, and the impact on local residents of home-school transport arrangements
- Be aware of ways in which the building can be adapted should the demand for pupil places change.

Innovation

- Have the understanding and skills to develop creative and innovative solutions to school organisation, design of school buildings and provision of facilities, that are sustainable and achievable, and will deliver improved educational standards
- Have the understanding and skills to develop and deliver new and different approaches in educational provision that are transformational and will enable a step change in educational achievement
- Understand organisation/ pastoral care changes as a result of workplace reform and extended schools use.
- Have the understanding of the changing ICT environment and the opportunities this provides in terms of space use flexibility and improved education delivery.
- Provide the Design and Education expertise to translate school BSF visions into transformational, inspiring but affordable physical environments.

APPENDIX H2

Section 2

Strategy for Change (SfC) Development

Outcome expected: In partnership with the LA, the LEP will contribute to the development/revision of the SfC so as identify suitable schools project(s) to be developed for the next phase of the BSF programme, so that these projects are likely to deliver the objectives of the local educational vision and strategy and those of BSF nationally.

The Strategy for Change/Strategic Business Case will follow the general structure described below:

Where do we want to be? - Corporate and Educational Vision

The SfC will sets out the local educational vision for the LA and for the individual BSF schools, and how it fits in with the wider LA vision and community strategy for community engagement, inclusion, regeneration and renewal. The SfC will translate the local educational vision into a set of objective targets for educational achievement and regeneration in the Area, to which the partnerships with the LEP will aspire. As the SfC is a live document, both the vision and the partnership targets will develop and evolve over time. The LA and the LEP will work together with local stakeholders to develop the SfC in line with the evolving vision for Children, Learning & Young People's Directorate.

Where are we now? - Evaluation of current educational standards, condition and suitability of school buildings and tracking progress on improving these

The SfC provides an assessment of current educational standards, and the existing interfaces of schools with each other and the wider community. It will identify schools where improvement and/or investment are required, in terms of

- meeting challenging and objective targets for educational achievement in the area
- meeting the need for new educational facilities

Over time, the SfC therefore tracks the progress being made against the partnership targets, and adjusts and refines the programme to learn from experience and to take account of changing strategies and circumstances. The LA and the LEP will work together to track progress and assess what improvements or adjustments need to be made.

How do we get where we want to be? –Implementation of the Vision and Strategy for School Improvement and modernising the school estate

APPENDIX H2

In the light of the “where we are now” assessment, the SfC looks at secondary schools across the City and assess whether their specialism, capacity and location is appropriate for the community that they service, and whether the way in which the delivery of education provision across the Area reflects best practice. Working together with schools, the LA and the LEP will need to develop the local BSF programme to narrow the gap between the targets set out in the local vision, and the current standards and educational provision in schools in the City. This will include activities like:

- (a) demographics, pupil place planning and school organisation, including developing plans for Academies
- (b) developing plans for improving learning and teaching
- (c) developing plans for ICT provision
- (d) developing plans for widening the curriculum offered to pupils, including for 14-19 education
- (e) developing plans for specialist schools;
- (f) developing collaborative arrangements across schools
- (g) developing plans for greater inclusion;
- (h) developing plans for extended schools and integrating children’s services in and around schools;

This strategy will need to be translated into an implementation programme. The LA and LEP will work together to develop an implementation programme for each phase of the local BSF programme, which will take account of:

- (a) the LA’s priorities and grouping of schools for BSF investment – this will be based on how BSF investment can make the largest possible positive impact on educational standards - so identifying the investment requirements for the next phase of schools projects;
- (b) market capacity – which will mean looking at the local capacity on both public and private sector side, to deliver the planned investment;
- (c) how to ensure a good learning environment that reflects the LA and schools’ aspirations and secures transformational outcomes– which will mean looking at design issues, integration of ICT, build quality/modern construction methods, and provisions for long term maintenance;
- (d) funding availability – which will mean looking over time at the implications of the planned investment on LA and schools budgets, and ensuring that the local BSF programme is sustainable from a financial point of view;
- (e) minimising disruption because of the build programme – which will mean looking at arrangements for proper phasing and implementation of the build programme, with appropriate decant arrangements as required
- (f) achieving stakeholder support and buy-in to the programme

The tables below set out the partnering activities for each of the areas described above.

APPENDIX H2

Corporate and Educational Vision

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
1.1	Review, develop and agree the local educational vision and strategy	<p>Sets the vision and strategy.</p> <p>Takes ownership and through stakeholder involvement and agreement, develops the vision</p>	<p>Understand and support the process.</p> <p>Contribute to the development of the LAs vision</p>	Annual update to be taken to the SPB and LA
1.2	Review and establish links with wider corporate agenda and community strategy	Ensure full integration with corporate agenda and strategy and work with other stakeholders to promote wider school engagement with the community	Understand and support the process	Efficiently contribute to the business transformation agenda of the LA
1.3	Review, establish and agree partnership targets in line with educational vision and strategy	<p>Establish, review and agree ongoing partnership targets.</p> <p>Achieve agreed LA targets</p>	Support LA, agree targets and work towards achieving LEP targets	Targets monitored, met and reviewed on a regular basis

APPENDIX H2

Evaluation of Current Condition

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
1.4	Assessment of current educational standards across the City compared nationally and with statistical neighbours, and versus targets for the school/Area	Assess and analyse standards with stakeholder involvement as appropriate. Use this information to set targets for improvement	Understand and support the process as required.	Targets monitored, met and reviewed on a regular basis
1.5	Assessment of current links of schools with wider community versus targets/plans for the Area	Assess and analyse current arrangements. Use this information to set targets for improvement	Understand and support the process as required. Contribute to planning and target setting. Put in place appropriate mechanisms and systems to encourage community use	Create community use of and engagement in and with the school
1.6	Assessment of what educational improvements and/or facilities area required in each school	Assess and analyse curriculum needs and suitability of accommodation in each school. Determine required improvements in consultation with stakeholders	Provide information and support as required. Contribute to the debate. Identification of need from experience of previous phases	Agree design/build plan as per specification which delivers vision statement
1.7	Assessment of what educational improvements and/or facilities required for	The Extended Schools agenda To expand	To contribute to the analysis of the evolving Extended Schools	Create and maintain extended services plan in conjunction with the

APPENDIX H2

	extended schools		Strategy and make recommendations to enable best value to be accrued from potential investors	extended school stream
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LA and Area Vision and Strategy, plus individual school development/improvement plans

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
1.8	Demographics, capacity planning and school organisation	Collect and review data, carry out school place projection planning and school organisation planning. Share results with LEP	Assist with statistical data as requested by LA. Understand results of LAs planning. Use plans to inform school design in development of New Projects	LA to sign off annual update of pupil projections
1.9	Developing plans for implementing national and local policies and developments as they impact on learning/teaching and the curriculum, including for 14-19 year olds	Assess and analyse national and local policy with stakeholder involvement as appropriate. Consider school design implications and share results with LEP	Understand and support the process as required. Use plans to inform school design in development of new projects	LA signing off annually the plan as included in the SfC
1.10	Developing ICT strategy	Develop a dynamic strategy for ICT which involve stakeholders. Ensure this evolving ICT strategy meets both the educational aspirations/objectives and corporate strategies in a	Working with the LA to ensure that all ICT managed services represent a cost effective and value added option for schools to continue to exercise choice.	ICT Strategy fully integrated with design and New Project proposal. All BSF Schools benefit from early ICT investment regardless of their position in the indicative

APPENDIX H2

		converged manner		construction programme.
1.11	Developing plans for specialist schools	Develop plans that contribute to the Federation Strategies	Understand, comment, support and contribute to the developing plans as are required. Implement the plans into school designs	School specialisms to be fully integrated within design and New Project proposals
1.12	Developing plans for greater inclusion	Develop plans that contribute to the Council's vision for education and deliver the access strategy	Understand, comment, support and contribute to the developing plans and strategies as required. Incorporate requirements into school designs	Inclusion strategy to be fully integrated within design and New Project proposal
1.13	Developing plans for integrated children's services/Children's Trust (in line with the Children Act 2004) and for extended schools, so enabling greater community use and greater social inclusion	Lead on Strategic Planning with involvement of appropriate stakeholders and partners	Understand and support the process. Contribute to the implementation through experience and expertise to make it happen	Community use and social inclusion to be fully integrated within design and New Project proposal
1.14	Developing plans for Academies	To procure the Sidney Stringer Academy via the PfS framework	To offer FM Services and a Managed ICT Service consistent with the BSF schools	Sidney Stringer Academy par of the BSF family of Schools, offering parental choice

APPENDIX H2

Implementation Programme

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
1.15	Ensure any necessary school reorganisations/relocations are identified and any statutory processes are carried out	Identify any changes to school organisation and/or location of schools and carry out any necessary consultation and statutory processes	Assist with assessing feasibility of school reorganisations and relocations	All proposals for school reorganisation/relocation of schools are consulted upon and resolved in time to progress the projects
1.16	Prioritisation and phasing of schools projects over 5-10 year horizon	Lead on prioritisation of schools projects based on educational need and raising standards, as set out in the proposed Phasing Programme for SfC part 2.	Assist with prioritisation by contributing with analyses on relative condition of schools, and investment/timescales required to renew them.	Develop a long term local investment programme, prioritising schools most in need
1.17	Review of capacity to deliver – public and private sector	Review procurement capacity on the public sector side to - provide leadership and management at LA and school level in order to ensure delivery of the education vision and strategy - deliver volume of investment planned, and phase accordingly.	Assist in planning and phasing investment by matching it with supply chain capacity on the private sector side	Periodically review and confirm capacity to deliver programme within the timescales set out in the SfC

APPENDIX H2

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
1.18	<p><i>Design Quality</i></p> <p>Ensuring a 21st century learning environment, involving school staff, pupils, parents and the community in the design process</p>	<p>Work with the LEP and with schools to develop briefs that reflect LA's vision and strategy and schools' aspirations, as set out in their development/improvement plans</p> <p>Use the Design Quality Indicators for Schools, with trained facilitators, the school and the LEP design team, to identify school aspirations and test the design and final buildings against these aspirations.</p>	<p>Work with the LA and school in using Design Quality Indicators for Schools, and work with the design team to produce high quality designs that meet school aspirations</p> <p>Work with design team to reflect sustainability and environmental issues in design solutions</p> <p>Work with design team to produce designs which enable reductions in the costs of energy and replacement materials</p>	<p>Arrangements in place to ensure high quality design to the satisfaction of Coventry City Council's Design Advisor CABE.</p>

APPENDIX H2

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
	<i>Ensuring delivery of ICT Strategy in Schools</i>	Work with the LEP and relevant stakeholders and partners to ensure the ICT vision is delivered.	<p>Gather sufficient information to ensure that a holistic view of ICT enabled learning so that it is fundamental to building design, to include:</p> <ul style="list-style-type: none"> • Appropriate containment is provided • Spaces reflect and make provision for the use of ICT • FF&E solutions respond to the ICT requirement <p>Provide advice to design teams in which:</p> <ul style="list-style-type: none"> • ICT enabled learning practices are supported • Flexibility to modify ICT provision exists • Technology is accommodated throughout the school • Environments fully support ICT 	Planning of ICT completely integrated with planning for school buildings, and reported to the LA and SPB as part of the SfC review.

APPENDIX H2

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
	<i>Build Quality</i>	Work with the LEP to review and approve the use and development of modern construction methods and systems to ensure high build quality with the sustainability agenda	Lead with the supply chain to develop modern sustainable construction methods and systems to ensure that high build quality is achieved including in accordance with the sustainability agenda	Systems and supply chain arrangements to ensure high build quality and report to the LA via the SPB
	<i>Long term maintenance</i>	Ensure that solutions are developed with an eye on whole life cost, and work with the LEP to ensure that long term maintenance for BSF schools is provided for.	Ensure that solutions are developed with an eye on whole life cost, and work with the LA to ensure that long term maintenance for BSF schools is provided for.	Arrangements in place for long term maintenance of BSF school infrastructure.
1.19	Reviewing all funding available and ensuring programme is affordable and sustainable	Lead on data and analysis of likely funding streams available to fund BSF projects. Work with the LEP to develop a framework to assess programme-level affordability, and the likely on-going impact of BSF on LA and school budgets.	Assist the LA in the assessment of funding constraints by providing expert advice on likely costs of the BSF programme, including appropriate contingences on a scheme by scheme basis	Arrangements in place to ensure a sustainable, affordable local programme
1.20	Identify the specific elements to be funded through BSF and join-up funding streams	Work with the LEP to develop proposals for encouraging greater	Work with the LA to develop proposals for encouraging greater	School specifications that reflect links with local community, and

APPENDIX H2

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
	to support extended schools and greater community use, as well as integrated Children's services in and around schools	community participation and use of schools, as well as integrated Children's services in and around schools	community participation and use of schools, as well as integrated Children's services in and around schools The LEP should develop plans to maximise the use of assets outside term-time, such as sports facilities or school buildings for a range of community and educational purposes, including Children's Services.	imaginative plans for encouraging community use, as well as integrated Children's Services in and around schools, once they are built.
1.21	Minimising disruption to teaching as building programme unfolds, and providing training/support to headteachers and other managers in maintaining/improving educational achievement through the transition	Work with the LEP to identify and put in place appropriate decant arrangements so that disruption to teaching is minimised while the building work is going on. Provide training/support to headteachers and other managers in maintaining/improving educational achievement through the transition	Work with the LA to identify and put in place appropriate, cost effective decant arrangements so that disruption to teaching is minimised while the building work is going on, including appropriate communication protocols with schools.	Decant strategy in place for each phase of schools before construction begins.

APPENDIX H2

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
1.22	Establish effective mechanisms for engaging the full range of stakeholders, including pupils and parents, throughout the project	Engage with local stakeholders on identified phase of investment, seeking their involvement, support and buy-in throughout the project	Work closely with local stakeholders through the Strategic Partnering Board to facilitate sign-off on identified phase of investment.	Achieve stakeholder sign-off on the Strategic Partnering Board. Achieve timely Stakeholder support.
1.23	Ensuring curriculum needs are met, including for 14-19 education and the specialisms identified for each school	Confirm requirements for the next phase of projects to the LEP	Establish scope of New Project with LA to meet curriculum needs	Approved Projects are affordable, meet curriculum needs, specialism and 14 to 19 Diploma curriculum
1.24	Ensuring needs of Special Schools and SEN Inclusion are met across the LA, including, where appropriate, that the benefits of co-location of special schools are realised	Confirm requirements for the next phase of projects to the LEP to address Special Schools and SEN inclusion	Establish scope of New Project with LA to meet Special School and SEN inclusion requirements. Ensure catering contract within PFI is flexible enough to meeting requirements of children with special dietary and medical conditions	Special School and SEN inclusion requirements are met.
1.25	Ensuring the requirements of integrated children's services and extended schools are met	Confirm requirements for the next phase of projects to the LEP to address curriculum needs.	Establish scope of New Project with LA to meet curriculum needs.	Approved Projects meet curriculum needs, specialisms and the 14 to 19 Diploma curriculum

APPENDIX H2

	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
1.26	Ensuring requirements for social inclusion at each mainstream school are met, particularly for improving attendance, behaviour and health and safety	Confirm requirements for next phase of projects to the LEP to address the integration and extended schools requirements.	Establish scope of New Project with LA to meet the integration and extended schools requirements	Integrated children's services and extended schools are met
1.27	Ensuring workforce remodelling requirements are met and that CPD programmes will enable schools to deliver the education vision and strategy, and maximise use of the new school designs and facilities	Confirm requirements for next phase of projects to the LEP.	Establish scope of New Project with LA	
1.28	Confirming requirements for projects to be taken forward as New Projects in next phase of BSF investment	Confirm requirements for next phase of projects to the LEP.	Establish scope of New Project with LA.	Commence New Project Development

APPENDIX H2

Section 3

New Project Development

Outcome expected: the development of BSF New Projects that meet the requirements identified in the SfC and are approved by the LA under the stage 1 and stage 2 approval processes set out in the SPA with a supply chain in place to deliver them.

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
2.1	<p>Establish the project scope for each New Project identified in the SfC/SBC in terms of:</p> <ul style="list-style-type: none"> - location - capacity - specialism - links to community - funding available 	<p>Review SfC to ensure the right projects are coming forward according to need.</p> <p>Establish project scope and work with the LEP to produce New Project proposals. Submit and take ownership of New Projects</p> <p>Provide support, challenge and validation to schools going through the design process.</p>	<p>Work with the LA to develop robust and VfM proposals for each new project in the OBC for approval by the LA</p>	<p>Defined parameters for each New Project in response to the SfC</p> <p>BSF Solutions are innovative, transformational and VfM</p>
2.2	<p>Outline Design and Planning of School Infrastructure and Services based on the LA Vision and Strategy as well as specific school(s)' development/improvement plans</p>	<p>Develop a design brief, master plan and specification for each school based on consultation with LEP, headteachers, governors, teachers and pupils, to best match the LA Vision and Strategy and</p>	<p>Develop a design brief, master plan and specification for each school based on consultation with LA, Planners headteachers, governors, teachers and pupils, to best match the</p>	<p>An agreed specification for each school in a New Project reflecting the LA Vision and Strategy in the SfC/SBC and the specific requirements of individual schools as set out in their development/improvement</p>

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
		school(s)'	LA Vision and Strategy and school(s)' development/improvement plans in that school	plans for that school.
2.3	ICT Integration and Specification	[to be completed by ICT Team]	Develop proposals for ICT infrastructure which match the build infrastructure, and complement curriculum delivery	ICT infrastructure built into the design brief and specifications for each school to reflect the curriculum needs of that school
2.4	<p>Technical, Economic and Financial Feasibility: Identify the most economic, best value and affordable solution for each school in the New Project based on the agreed specification, ensuring it meets planning requirements and those for school playing fields.</p>	<p>Lead on assessing different renewal options for each school (rebuild, replace, remodel, refurbish, etc) and contribute to the options appraisal from an educational benefit point of view.</p> <p>Assess together with the LEP the most appropriate contracting route (PFI or otherwise) for the identified infrastructure solution</p>	<p>Carry out technical and financial feasibility studies (including surveys and specialist studies as appropriate) to assess costs and risks of alternative infrastructure solutions (e.g. rebuild, replace, remodel, refurbish etc) and support the options appraisal from a delivery point of view. Assess the implications for planning permission and for school playing fields</p> <p>Assess together with the LA the most appropriate contracting route (PFI or otherwise) for the identified solution.</p>	<p>Identify:</p> <ul style="list-style-type: none"> - a preferred renewal solution for each school in the New Project - a preferred contractual route or routes to procure the New Project

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
		<p>Liaise with the PfS on funding available for the New Project, and with schools on Governing Body contributions to each New Project.</p>	<p>Conduct together with the LA a financial assessment of each New Project, including the funding requirements from central government, the Local Authority and schools.</p>	
2.5	<p>Develop together with the LA a project plan indicating timescales, costs and risks to final completion of the New Project</p>	<p>Contribute to project development plan by feeding in timescales for internal review and approvals, and agree plan for managing development risks together with the LEP</p> <p>Work with the LEP to ensure that all stakeholders clearly understand the probability and impact of key risks associated with the New Project, and the steps required to manage the risks</p> <p>Contribute project management resources necessary to take the project to a successful conclusion</p>	<p>Provide a clear assessment of likely timescales to completing development work, finalising contractual arrangements, starting construction through to delivery of new schools and demonstrate sufficient resources to achieve the same</p> <p>Ensure that all stakeholders clearly understand the probability and impact of key risks associated with the New Project, and the steps required to manage the risks</p>	<p>A robust project development plan in place. A robust resource plan is in place. An up to date Risk Register in place.</p>

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
2.6	Stage 1 Submission	Co-operate with LEP in relation to the Stage 1 Submission and decide whether to approve a New Project Proposal in accordance with the New Projects Approval Procedure.	Prepare a Stage 1 submission in line with the New Projects Approval Process.	Obtain Stage 1 approval, confirm affordability envelope and agree development budget with LA
2.7	If Stage 1 submission approved, develop detailed proposals for the New Project in line with the New Projects Approval Process.	Co-operate with the LEP in developing detailed proposals, including feeding in ideas and commenting on design development	Develop detailed design proposals in consultation with local stakeholders.	Detailed design proposals reflecting the requirements of the SfC and education visions of schools
2.8	Identify supply chain members for each aspect of the New Project, and ensure that each Supply Chain understands their roles, responsibilities and obligations so that the schools receive a seamless integrated service.	None.	Assemble supply chain, sort out contractual arrangements and obtain firm prices for each school in the New Project. Ensure that risks are properly allocated throughout the Supply Chain, who is properly equipped to manage them.	Robust supply chain arrangements to deliver New Project if approved.
2.9	Stage 2 submission	Co-operate with LEP in relation to the Stage 2 Submission and decide	Submit a Stage 2 submission in line with the New Projects Approval	Obtain Stage 2 approval

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
		whether to approve a New Project Final Approval Submission in accordance with the New Projects Approval Procedure.	Process set out in the SPA	
2.10	Integrate and manage negotiations with the and the Supply Chain to finalise contracts for New Projects	<p>Negotiate as client to finalise contracts with the LEP in a transparent, non-adversarial environment, and to facilitate finalisation of contracts with the supply chain</p> <p>Take steps to ensure that conditions precedent to financial close (or equivalent) are expeditiously met.</p>	<p>Finalise contractual arrangements with the LA and with Supply Chain members in a transparent, non-adversarial environment</p> <p>Ensure readiness of Supply Chain for delivery as soon as contractual arrangements are finalised.</p>	Financial Close (or equivalent) of each school within a New Project.

APPENDIX H2

Section 4

Delivery of Approved Projects

Outcome expected: the smooth, timely and efficient delivery of approved BSF New Projects within the parameters of the New Project approval process, the on-going management of the Supply Chain to deliver high-performance infrastructure services to maximise impact on curriculum delivery and the management of changes at school level to match changes in education policies and strategies over time.

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
3.1	Smooth delivery of services that provides teachers and pupils with a 21 st century learning environment capable of delivering the vision and strategy of the LA and individual schools' development/improvement plans	Work as client with the LEP to ensure smooth delivery of services on the ground.	<p>Provide the single point management for all Supply Chain members to ensure that approved New Projects are completed to time and to budget, and delivery of services is seamless</p> <p>Provide management services (through service level agreements) to any Project Companies or Special Purpose Vehicles established for New Projects, whether PFI or otherwise.</p> <p>Provide an effective single point liaison to manage</p>	<p>Efficient delivery of New Projects and consistent high performance through the life of the contracts</p> <p>Demonstrate continuous improvement as measured against Key Indicators and benchmarks</p>

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
			the relationship with schools and the LA(through the SPB).	
			Ensure that Supply Chain capacity is adequate, and that risk management arrangements are robust	Successful delivery of New Projects in accordance with the overall programme
			Ensure that the Supply Chain remains competitive if used in successive projects over time	Value for Money demonstrated in each New Project
3.2	ICT integrated into both learning/teaching across the curriculum, extended schools provision and for enabling assessment for learning and effective and efficient management and administration, e.g. monitoring attendance	Work as client with the LEP to ensure smooth delivery of ICT services along with the building programme and in existing facilities where appropriate	Ensure that ICT provision is properly programmed into delivery of the building infrastructure, so that the school receives an integrated service (even though contractually, ICT and building provision may be separate).	Smooth service commencement at both existing and new BSF schools, with high performance building and ICT infrastructure from start of term.
3.3	Change Management	Maintain awareness of the changes that might be required as a result of changes/developments in national and local education policies and strategies over time.	Advise LA on appropriate changes, or respond to LA's request for changes, to maintain "state-of-the-art" school facilities over time, and in accordance with new national/local	Process all changes in scope or specification of existing projects through the SPA process, on an open-book accounting basis.

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
		<p>Lead on the Transforming Education project.</p> <p>Support schools with their change management programmes in relation to new/developing education policies and strategies</p> <p>Advise schools on implications for their staffing and revenue budget, ensuring schools' budget plans reflect these and the need to have a balanced budget.</p>	<p>policies and strategies for education.</p> <p>Support the LA's Transforming Education Change Management Project by providing practical advice on Design impact considerations</p>	<p>School environments are flexible enough to enable continuous change management programmes</p>
3.4	Design	LA to review and comment on the documentation as set out in the contract agreement.	Provide documentation in a complete and timely manner to allow LA to meet its obligations as set out in the contract agreement..	To maintain quality, cost and timely competitions of projects

APPENDIX H2

Section 5

Value for Money, KPI's and Continuous Improvement

Outcome expected: Demonstrate long-term Value for Money to the LA, and achieve progress against the Continuous Improvement Plan (as revised from time to time) with each phase of BSF investment reflecting best practice, knowledge and experience gained over time and across projects.

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
4.1	Achieve Value for Money	Work with the LEP to agree acceptable processes for demonstrating value for money through benchmarking or market testing the Supply Chain	Understand key drivers for VFM. Collect, collate and analyse performance data from existing LEP projects, other LEPs and/or other similar projects across the country ¹ to inform a robust benchmarking system which can be applied locally	Local benchmarking data shared transparently with the LA, on the basis of which mutually acceptable benchmarks can be developed

¹ Partnerships for Schools' benchmark data will be an important source for this information.

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
			Where it would prove better VFM, market test within ² or outside the Supply Chain for New Projects in keeping with market testing provisions set out in the SPA and the SHA.	Market testing wherever benchmarking would not provide a convincing basis for VFM.
			Discuss costings of New Projects with the LA on an open-book basis, and ensure that savings (e.g. in bid costs) are passed back to the LA as reductions in costs.	Transparent pricing of New Projects
4.2	Achieve educational improvements, as identified in KPIs, updating these annually	Monitor educational KPIs and ensure that these are updated on an annual basis in agreement with schools	Discuss achievements of educational KPIs and agree action required to address any underachievement as it relates to the LEP services Agree improvements to LEP services where necessary to achieve	

² For some BSF Areas (e.g. those with large capital requirements), it may prove better value for money for the PSP to bring multiple Supply Chain partners for construction, maintenance or ICT. In such circumstances, it may be good value for money in some cases to run a mini-competition between Supply Chain members for a particular element (e.g. refurbishment works) of a New Project.

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
			annually revised educational KPIs	
4.3	Continuous Improvement	Review the Continuous Improvement Plan appended in Schedule [] of the SPA, and work with the LEP to ensure progress is made against this to ensure all opportunities for improving quality, cost or timeliness of services are being exploited.	<p>Ensure progress against the Continuous Improvement Plan. This should include:</p> <p><i>Maximising economies of scale and scope, e.g. from:</i></p> <ul style="list-style-type: none"> ▪ bulk procurement of labour and materials (e.g. M&E, heating systems, doors and windows) ; ▪ delivery of services over a portfolio of schools (e.g. maintenance across a BSF area, ICT services across a portfolio of schools) ▪ 	Demonstrate progress against the Continuous Improvement Plan with each New Project.
	<i>Design quality improvements</i>		<i>Design improvements:</i> Ensure that experience from the delivery of existing schemes, and best practice from the wider programme, encourages design	use the Design Quality Indicator for Schools to, demonstrate improvements, where possible, over time.

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
			improvements from the Supply Chain for each New Project.	
	<i>Process improvements</i>		<i>Process improvements:</i> Use the benefits of partnering with the Supply Chain to achieve process improvements to match the possibilities suggested by <i>Rethinking Construction</i> and <i>Achieving Excellence</i> .	Demonstrate improvements in the delivery of works and/or services over time through performance on existing projects feeding into proposals for New Projects.
4.4	Best Value and Change Management	Track changes to the LA's Vision and Strategy, as set out in the SfC, and BSF Schools Development/Improvement Plans, and work with the LEP to ensure that the scope and/or specifications of existing BSF projects keep pace with changes to educational policies/strategies and to technology over time.	Be aware of the LA's Best Value duties, and work pro-actively with the LA to ensure compliance with Best Value obligations. Manage all changes to existing projects in an integrated manner (whether for buildings, maintenance, ICT and/or other services).	BSF school facilities that demonstrate Best Value. BSF school facilities that are flexible enough to cope with evolving educational policies/strategies over time.

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
	<i>Change Management at school level and CPD requirements</i>	Identify with schools the CPD and support/training for change management required in order to ensure continuous improvement and advise/support schools in providing the CPD and training	Be aware of the additional support and training needed by schools as part of achieving continuous improvement	Schools are fully prepared for implementing changes necessary to achieve continuous improvement through the project, and have CPD programmes in place to prepare their staff for implementing changes in line with their school development/improvement plans
4.5	Performance Measurement and Key Performance Indicators (KPIs)	Ensure regular monitoring and review of performance, and maintain open communications to resolve problem areas	Collate all relevant data from existing projects to demonstrate satisfaction of the Track Record KPI Test. Ensure that New Projects continue to meet the KPI performance thresholds set out under the "Track Record KPI Test" in the SPA.	Self-evaluation of performance on existing projects on KPIs set out in the Track Record KPI Test.
4.6	Customer Satisfaction – this includes by school governors, headteachers, staff, pupils, parents and the community	Establish (with the LEP) appropriate customer satisfaction assessment methodologies, and measure customer satisfaction, including the use of DQI's in	Establish (with the LA) appropriate customer satisfaction assessment methodologies, and measure customer satisfaction.	High Customer Satisfaction (particularly from end users like teachers and pupils)

APPENDIX H2

#	Activity	LA role and responsibility	LEP role and responsibility	Outputs desired (where appropriate)
		<p>post occupancy evaluation</p> <p>Where customer satisfaction is poor, help the LEP work out strategies for improving customer satisfaction</p>	<p>Ensure that schools (Governors, Head Teachers, pupils) and the LA are and remain satisfied customers</p> <p>Where customer satisfaction is poor, work out strategies for improving customer satisfaction</p>	<p>High Customer Satisfaction (particularly from end users like teachers and pupils)</p>

APPENDIX H2

Section 6

Additional Services

Below is a list of Additional Services that are contemplated in the Coventry City Council OJEU and may be regarded as Potential Additional Services.

- *Estate rationalisation and property development:* the LEP could assist the LA in any proposals to rationalise its asset portfolio, release surplus capacity and bring in capital receipts through exploiting property development opportunities.
- *Maximising the regeneration potential of BSF:* the LEP could assist the LA on joining-up funding streams to support wider regeneration initiatives that can be fuelled by BSF investment, e.g. by linking up provision of education with community facilities, social services and other educational services. Health and leisure facilities.
- *Running change management programmes:* the LEP will ensure that the design, construction and operation of the buildings and sites will make a full contribution to the LA's Transformation Strategy and Transformation Framework and the LEP will provide appropriate support to achieve this, as requested by the LA.
- *Primary Capital Programme:* The LEP could assist the LA by providing Design, Construction and FM Services to deliver all or part of Coventry City Council's Primary Capital Programme.
- *Sidney Stringer Academy:* The LEP could provide an ICT managed service and Facilities Management Services to the Sidney Stringer Academy (due for completion in 2011).
- *Carbon Reduction Commitment Initiative (CRC):* The LEP could assist the LA to discharge its responsibilities under this scheme, by helping schools to report annual energy use data (particularly for those schools operating under a PFI).
- *Public Private Partnerships, Private Finance Initiative or externally funded Leisure Projects:* The LEP could assist the LA by providing specialist advice to plan and deliver leisure, culture and library projects.