



Report to
Cabinet

3rd October 2006

Report of
Director of Children, Learning and Young People and Director of Finance and ICT

Title
Building Schools for the Future: Readiness to Deliver

1 Purpose of the Report

The purpose of this report is to inform you of the Building Schools for the Future 'Readiness to Deliver' criteria and to seek your approval to submit an application for inclusion in Wave 4.

2 Recommendations

You are recommended to:

- 2.1 Approve the BSF wave 4 Readiness to Deliver submission included as an Appendix to this report and hence the Council's commitment to enter the BSF programme;
- 2.2 Delegate authority to the Directors of Children, Learning and Young People's Services and Finance and ICT, in conjunction with the Cabinet Member (Children's Services), to approve any changes to the submission after this approval;
- 2.3 Note the indicative financial and resource implications as outlined in paragraph 5 associated with the Council's participation in the BSF programme;
- 2.4 Approve the Project Management and Governance arrangements as outlined in Criteria 4 of the Appendix;
- 2.5 Receive a further report following the DfES decision, provisionally timetabled for December 2006.

3 Information/Background

- 3.1 Building Schools for the Future (BSF) is a key capital-spending programme from DFES that is designed to transform all secondary schools in the country over the next 15-20 years. Each local area is to be awarded a BSF programme under which all secondary (and secondary special) schools will be rebuilt or refurbished. This is an extremely visionary plan costing billions of pounds over the life of the project and represents probably the most ambitious programme of school rebuilding that the country has ever seen.

The Government wants the programme to be delivered through a public private partnership. To achieve this every Local Authority is required to set up a Local Education Partnership (LEP), which will deliver Building Schools for the Future in its area. The LEP will be a delivery vehicle for BSF and may also take over some of the functions previously undertaken by internal Local Authority staff in terms of planning and designing the nature of the schemes, if this is requested by the Local Authority. It should be stressed that the client for Building Schools in the Future and the body with ultimate responsibility for delivering it, remains the Local Authority. Further information on the functions of LEP's is contained in paragraph 4 of this report.

The Government has set up a specific non-departmental body called Partnerships for Schools (PfS), which is designed to advise and oversee the implementation of Building Schools for the Future. PfS is organised regionally and apart from general advice will also lead on ensuring that there is standard documentation and a common approach to procurement to reduce bureaucracy and consultant costs across the whole national programme.

- 3.2 Coventry was notified in January 2005 that it had been provisionally allocated to BSF waves 4-6, which would start procurement between 2008 and 2011. This allocation was based on an Expression of Interest (EOI) and prioritised by educational and social need. A further announcement by DfES on 16th June 2006, confirmed that Coventry had been prioritised in waves 4-6, subject to demonstrating our 'Readiness to Deliver.'
- 3.3 Previously under waves 1-3, following the approval of the Eol, Authorities would commence development of their Educational Vision and Strategic Business Case. However delivering the BSF programme has proved far more complicated than first anticipated and only one Authority (Bristol) has reached financial close and set up a LEP.
- 3.4 One of the main reasons for the slow progress of the programme has been the unpreparedness of Authorities and a lack of corporate understanding of the scale and scope of the work required to deliver a BSF project. Therefore for waves 4-6, PfS have added a new additional stage following the EOI, which is called the 'Readiness to Deliver' assessment. This is a competitive process to determine those Authorities most able to deliver against the BSF timetable. Those that are evaluated to be ready to deliver will be prioritised first within wave 4-6. Those authorities already included within waves 1-3 of BSF may also bid for wave 4-6 funding.
- 3.5 PfS have identified a number of key criteria that are required to successfully deliver a BSF project. The criteria aim to address the key issues that are contributing to the delay in the delivery of current BSF projects. In order to be in wave 4, 5 or 6, PfS will make an in depth assessment of our ability to mitigate / address the issues that they have identified as contributing to the delay in the delivery of BSF projects.
- 3.6 All Authorities are required to notify PfS whether they intend to make a submission for waves 4-6 by 15th September 2006 and submissions must be made to DfES and PfS by 13th October 2006. Your officers have therefore provisionally notified PfS of the City Council's intention to submit an application to be included in wave 4, subject to your approval.
- 3.7 Decisions on wave 4 Authorities will be made in December 2006. Authorities then have approximately 12 months to develop the Strategy for Change (previously Educational Vision and Strategic Business Case) and the Outline Business Case. Indicative lists will also be drawn up for waves 5 and 6 subject to the 2007 Comprehensive Spending Review.

4 Proposal and Other Option(s) to be Considered

4.1 The 'Readiness to Deliver' submission in October must address the following eight core criteria:

- **Strategy for Change** – the authority understands its key educational challenges and objectives and how it will contribute to these objectives through BSF;
- **Estate Strategy and Planning** – the authority has identified the improvements required to the school estate to deliver the Strategy for Change;
- **Commitment to the BSF Model** - The Chief Executive and Leader must confirm commitment to the standard BSF model, in particular accept the indicative funding allocation, understand and accept the LEP model and agree to an ICT managed service;
- **Project Management** –
 - **Member Leadership:** Senior Members are committed to leading the Authority's BSF project;
 - **Project Board:** the authority demonstrates senior, corporate level commitment and leadership to the project;
 - **Project Director:** the authority shows that it has effective arrangements in place for the leadership and direction of the Authority's project;
 - **Project Team:** The authority demonstrates its commitment to managing the project through a core team that is able to draw on a wide range of skills, from different sources at different times;
- **Support Network:** A network of support is available to the project drawn from the authority's own and external advisers;
- **Corporate capacity:** the authority has the corporate capacity to undertake major strategic investment projects with evidence of its ability to deliver;
- **Key Stakeholder commitment and consultation arrangements:** Key stakeholders have been and will be consulted at appropriate stages and demonstrate support for the authority's plans;
- **Risk Management:** The authority is fully aware of the risks facing the project and those which need to be addressed if the project is to be successfully delivered.

4.2 At a briefing day on 18 July 2006, PfS highlighted a number of key issues / risks which are impacting current BSF projects. The key concern for PfS and Government is that projects are not being delivered as quickly as expected and education is not being 'transformed'. To this end only authorities that can meet DfES and PfS' ambitious timetable and have the capacity and capability to deliver will be awarded Wave 4.

4.3 One of the conditions for entry into BSF is that the Council will be required to establish a LEP. The DfES/ PfS have only accepted a non-LEP approach in authorities where:

- There has been long gaps between Waves;
- Existing framework contracts or partnership arrangements can deliver cost-effectively;
- BSF is part of a wider regeneration project, and can be included within contracts related to that larger project.

4.4 A LEP is a public private partnership providing long-term partnering services to the Council so that the aims of BSF can be realised. As a limited liability company, the LEP issues share capital and has a constitution and structure appropriate to such a company. Share ownership in the LEP is normally as follows:

- 80% A private sector partner (PSP - in all probability a consortium of private companies)

- 10% Coventry City Council
 - 10% Partnerships for Schools
- 4.5 The Council would be contracted with the LEP through a Strategic Partnering Agreement, which gives exclusive rights subject to a demonstration of value for money to the LEP to deliver projects for a fixed period (likely to be 10 years).
- 4.6 The Council, in its role as client and commissioner, will formally consult stakeholders (including schools) through the Stakeholder (Strategic Partnering) Board.
- 4.6 The advantages of the LEP are:
- Procurement efficiency – creating a long term strategic partner that is assured a stream of work if it meets national benchmarks will reduce the number of discrete competitions and hence lower bid costs.
 - Supply chain and contract integration efficiency – the LEP in being the exclusive single point of contact that manages the diverse array of supply chain providers over the concession period is best placed and commercially incentivised to manage the supply chain to maximise cost efficiencies.
 - Community integration efficiency – the LEP is designed to create a permanent (beyond when its exclusivity has elapsed) local business by joining up BSF funding with other local initiatives (e.g. children and leisure services) for area regeneration.
- 4.7 The LEP **will not**:
- Take over any local authority statutory functions;
 - Duplicate or replicate any local authority activities;
 - Act as a commissioner of schemes – commissioning remains the responsibility of the approving Local Authority;
 - Set local educational strategy or policy – this remains a local authority function;
 - Take over the provision of education services, but could do if the local authority asks it to.
- 4.8 LEP's are funded as follows:
- Initial capital from shareholders – Local Authority share is typically 10% (£120k to £280k)
 - Charge a management fee to live projects
 - Charge development costs to individual projects
 - Where the LEP is delivering projects, it builds its costs into the price charged
 - For PFI projects, if the LEP is not the PFI contactor, it may be an investor and will get a share of profits.
- 4.8 The draft 'Readiness to Deliver' submission, which sets out the City Council's response to these issues, is attached as an Appendix to this report.
- 4.9 If the submission for inclusion in Wave 4 is successful, BSF will transform educational provision in Coventry. The BSF programme for Coventry will be achieved through a series of phased projects which reflect our priorities both to improve educational attainment and to address our core Asset Management Plan (AMP) priorities. It is intended that the programme will include:
- Five secondary school rebuilds through the PFI, four of which will be community schools and one an Academy, to be constructed as part of the Swanswell Learning Quarter regeneration initiative. PfS is now responsible for the delivery of the buildings

element of the Academies programme to more closely align investment in Academies with BSF. The DfES retains responsibility for education matters and sponsor relations. Sponsors themselves will still be responsible for an Academy's ethos, specialism, management and governance. Your officers are still in discussion with potential sponsors for this Academy;

- Two new secondary broad spectrum schools, to be co-located onto main secondary school sites;
- Major and minor refurbishment of ten other secondary schools.

It is intended that all BSF schools will be full service extended schools and will be fully inclusive. Your officers are currently working on prioritisation of schemes, which will be the subject of a further report after consultation with the appropriate stakeholder groups.

5 Other specific implications

	Implications (See below)	No Implications
Area Co-ordination		✓
Best Value	✓	
Children and Young People	✓	
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	✓	
Property Implications	✓	
Race Equality Scheme		✓
Risk Management	✓	
Sustainable Development	✓	
Trade Union Consultation	✓	
Voluntary Sector – The Coventry Compact		✓

5.1 Best Value

The BSF project will be delivered by the Project Team in accordance with the principles of Best Value. If the 'Readiness to Deliver' submission is approved, both DFES and PfS will need to approve the Strategy for Change and Outline Business Case before procurement begins. At each stage the achievement of best value by the project will be scrutinised both externally and internally. This will be to ensure that the objectives of the programme are met in terms of delivering the Council's strategic vision for the service and maximum value for money is achieved. The Project Team will utilise any appropriate benchmarking data covering key performance indicators associated with school cost quality and timeliness.

5.2 Children and Young People

This project will make a significant contribution to improving the outcomes for children and young people as set out in the Children and young People's Plan. The new teaching facilities developed under BSF will create a positive and stimulating teaching and learning environment, which is inclusive and encourages an atmosphere of lifelong learning. The new facilities will also enable pupils to access extended services and support when and where they need it and provide a base for multi agency teams to deliver their services locally.

5.3 Coventry Community Plan

BSF will support 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 this project will support priorities 1 to 4 of the CCP.

5.4 Finance

5.4.1 The Council has received an indicative Funding Allocation Model (FAM) from PfS, based upon data submitted at the end of 2003. This does not have to be submitted in October 2006, but will enable your officers to get a better feel for the likely funding envelope and therefore help to develop our planning options. The FAM is being repopulated with current data, to enable a more accurate assessment of likely resources available.

Based on PfS data, the indicative total funding package allocated to Coventry is as follows:

Funding Start date ¹	Capital expenditure ²	Estimated PFI credit (50% new build)	Estimated conventional funding (50% capex)	ICT hardware
01/01/08	£290.1m	£239.3m	£145m	£28.4m

NOTES:

¹ This date is indicative only to enable authorities to have a base reference point.

² In today's prices the capital expenditure is £278m.

5.4.2 A total indicative funding envelope of £290.1 million for Coventry schools has been generated through the FAM. For secondary schools, this is generated by calculating the Building Bulletin 98 gross floor area for the current number of schools using the forecast number of pupils in 2016 (10 year forecast). For special schools, units and resource provision the funding envelope is calculated in a similar way using Building Bulletin 87. The funding allocation for new schools is based upon:

- A basic build cost of £1,080 per square metre;
- Furniture and equipment at £1,000 per pupil;
- Abnormals, site costs and fees up to a maximum of 17% of the project cost.

For refurbishment and minor works projects the rates for basic build are significantly reduced (£700 per square metre for refurbishment; £150 for minor works).

5.4.3 Voluntary aided (VA) schools will also be funded to the same level as community schools, including the VA governors' 10% contribution to building works that would otherwise be required.

5.4.3 The PfS allocation model aims to fund 50% of the floor area within each authority's BSF programme as new build, 35% as refurbishment, and 15% as minor works. This means that notionally 50% of the overall allocation (approximately £145 million) will be available for new build schemes to be delivered through the PFI. This equates to £239.3 million of PFI credits as for each pound of conventional capital funding we would receive £1.65 of PFI credits, to cover construction and lifecycle/ maintenance costs. Based on current guidance this equates to annual grant of approximately £19 million when all the new schools are built. The balance of the funding (i.e. £145 million) that Coventry would receive is for refurbishment and minor works, provided by capital grant or supported borrowing. An additional allocation of £28 million for ICT equipment would also be available, based upon an allocation of £1,450 per pupil. In summary, Coventry could receive in excess of £650 million of Government funding over 25 years.

5.4.4 Based on the experience of the early BSF projects (and other PFI projects), there is likely to be an affordability gap (i.e. the amount of funding provided by the Government added to the existing service area – school – budgets will be less than the costs of the project). It is not possible to accurately quantify the gap at this stage as the detailed financial modelling work to establish the extent of the gap will not be undertaken until later in the project. Based upon information derived from other BSF and PFI projects however the likely range is expected to be in the order of £4 - 10 million per annum for a completed BSF programme covering potentially 17 secondary and special schools. The affordability gap will vary dependent upon the type of project. For example, it is unlikely that small-scale refurbishment projects are likely to result in large affordability gaps. The specifications of the new build and refurbished schools will significantly impact on the gap as well as financial factors such as the prevailing interest rates and risk premiums. It is unlikely that the schools could fund the total gap and it would therefore be necessary for the Council to provide corporate resources to fund any balance. Such resources may in part be met by redirecting savings, which could potentially be found from other buildings related budgets, the pressures on which may be reduced through the BSF Programme. These may include for example, provision for asbestos and legionella inspections.

5.4.4 Based on the project team structure referred to in Criteria 4 of the 'Readiness to Deliver' submission, the City Council would need to provide approximately £4.23 million of funding over the first three years of the project (see table below) to deliver the first phase of the project. It is likely that the Project Team would need to be in place throughout the procurement and delivery phase of the BSF programme.

Year	2007/08	2008/09	2009/10	Total
	£m	£m	£m	£m
Amount	1.14	1.53	1.56	4.23

This cost schedule assumes a start date of 1 April 2007, however the team would need to be in place as soon as possible after the formal announcement of our inclusion in Wave 4 in December 2006. This would require some additional resources in 2006\07. It is possible that some funding could be provided from existing budgets. This analysis assumes that all resources are additional with the exception of those posts already funded namely the BSF Project Manager and existing team members. A budget of £251,966 currently funds the costs of the BSF Project Manager, 2 Assistant Project Managers and external BSF adviser support. The level of overall costs could possibly be reduced however, by using existing Council resources, which will require Managers to review work prioritisation in their areas. It will also require consultation and work with schools as to how they could contribute to meeting these costs. Furthermore, a 'one off' payment of £50,000 was made by PfS to all wave 1-3 authorities, in respect of project set up costs. PfS have not as yet, confirmed that a similar payment will be made to wave 4 authorities.

5.5 Health and Safety

The project will deliver safe and secure environments established and maintained for all the users of the Schools during their construction and operational stages, and the protection of the School buildings, their users and contents and the school grounds at all times.

5.6 Human Resources

The human resource issues for the project have yet to be established but clearly in order to successfully deliver this substantial project it is likely that additional posts will need to be established. There will also be longer term staffing issues relating to any PFI contracts – under such contracts the majority of facilities management related staff would transfer to the employment of the PFI facilities management sub-contractor under TUPE (Transfer of Undertakings Protection of Employment Regulations).

5.7 Information and Communications Technology

5.7.1 The DfES has set out the direction for schools ICT in "Fulfilling the Potential" (May 2003) and "Harnessing Technology" (March 2005). At its core is a realisation of the need to support all schools to make effective use of ICT in the drive to deliver better quality teaching and learning. ICT will be at the heart of BSF delivering educational transformation. A separate allocation estimated at £28.4 million will be available for the development of appropriate ICT infrastructure and purchase of equipment.

5.7.2 Our vision for ICT and e-learning in Coventry is that ***'ICT will inspire and facilitate the transformation of learning opportunities, business processes, communication and access to information to create a seamless, efficient and effective learning infrastructure/environment for all learners'***. BSF will support this vision through a

significant investment in ICT, and an opportunity to develop an infrastructure capable of delivering services to transform schools and deliver whole school improvement.

5.7.3 The principles that underpin the approach for the BSF Programme are:

- ICT provision should be area based, integrating schools thereby providing value for money and establishing a firm basis for educational transformation. The area based solution will also enable effective integration of ICT services into the wider community;
- ICT should be procured as a managed service, allowing schools to get on with their core business and not be distracted by technical challenges. It should be noted however that a managed ICT service is not mandatory as, for example, it may be necessary to take into account existing ICT contracts;
- ICT provision should be simple to use and integral to the school environment – from the building design stage onwards – and as a service that establishes the basis for the long term use of ICT as an agent for change, enabling staff and pupils to transform the way they work.

5.7.4 Further details of our ICT strategy can be found within Criteria 2 '*Estate Strategy and Planning*' of the 'Readiness to Deliver' document.

5.8 Legal Implications

The BSF project will entail the Council in entering into a number of contractual arrangements with the LEP and others including the Strategic Partnering Agreement, Share Holders Agreement, PFI Project Agreement, ICT Services Contract and Design and Build Contracts. These agreements will be based on the PfS standardised suite of documentation for BSF. They will be appropriately amended to reflect local circumstances and the particular requirements of the scheme.

5.9 Property Implications

The Building Schools for the Future funding allocation will result in the renewal and refurbishment of the secondary school estate (including special education provision) in Coventry. It will also offer the opportunity to extend the provision of services from schools if other funding streams or corporate resources are added to the renewal and refurbishment opportunities.

5.10 Sustainable Development

Sustainability is a key aspect of BSF and will be considered in all the aspects of design and operation of the facilities to be provided.

5.11 Trade Union Consultation

The City Council will actively involve the trade unions in progressing the BSF scheme through established forums.

5.12 Risk Management

Risk management is seen as a key activity for a project of this size and its successful delivery. A risk management process that is based on a continuous cycle and involves five stages is detailed within Criteria 8 'Risk Management' of the 'Readiness to Deliver' submission at the Appendix.

6. Monitoring

A project structure has been put in place to deliver BSF (refer to Criteria 4 'Project Management' of the 'Readiness to Deliver' submission). Within this arrangement the BSF Project Board will have a key responsibility for monitoring progress with the project.

7. Timescale and expected outcomes

If the bid for inclusion in Wave 4 is successful then the following indicative timetable would apply:

Date	Phase	Activities
By 31 st January 2007	Project Inception	Gateway 0 , mobilise Project Resources; Appoint advisers, PID,
By 28 th February 2007	Strategy for Change Part 1	Strategic Overview, School & FE Estate summary
By 31 st July 2007	Strategy for Change Part 2	Produce detail on delivery for approval by PfS/DfES.
By 31 st December 2007	Outline Business Case	Gateway 1 , Submit OBC for approval by PfS/DfES
By 1 st January 2008	Prepare to Procure	Prepare procurement documents including OJEU
By 21 st April 2008	OJEU to ITPD	Publish OJEU, Bidders Day, PQQ's, issue and evaluate ITPD & shortlist bidders.
By 30 th December 2008	ITCD to ITFSB	Issue ITCD, evaluate bids, finalise & issue ITFSB.
By 9 th April 2009	Appointment of Preferred Partner to FC	Gateway 2 , appoint preferred partner, FBC approved, contract close, financial close.

Commence construction mid – 2009; first new schools open September 2011 at earliest

	Yes	No
Key Decision	✓	
Scrutiny Consideration (if yes, which Scrutiny meeting and date)	✓ 27 th September 2006	
Council Consideration (if yes, date of Council meeting)		✓

List of background papers

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Papers open to Public Inspection

Description of paper

Location

None

Transforming the Future Learning Landscape in Coventry

Criteria 1: A Strategy for Change

Building Schools for the Future (BSF) is a key part of our plans to transform secondary education in Coventry. We are a three star council (2006 Joint Area Review - JAR) with a successful track record of partnership working to make *'every child matter'* through improving children's life chances. This has been exemplified through the replacement/ upgrading of schools both within the primary and secondary phases. Between 1996 and 2006 we have rebuilt/ remodelled three secondary and nineteen primary schools, which has had a significant impact on improving the quality of teaching and learning and raising standards. We are committed to a Children and Young People's Service which responds to the needs of individuals, by raising educational standards, improving skills, enhancing employment prospects, increasing prosperity and improving citizenship (Coventry Education Development Plan 2002). The Coventry Children and Young People Plan 2006-2010 (...*'clear, it is agreed by all agencies and builds on some effective multi-agency provision.'* Source 2006 JAR) describes how we intend to work together with partners to deliver well co-ordinated, accessible, services for children and young people and how we are addressing the requirements of the Children Act 2004. It is shaped around the Every Child Matters agenda and places extended schools at the heart of community development.

What is the Coventry strategy and vision?

We are fully committed to the aspiration that *'...every child born from today will be educated in a 21st century school ...'* which is inclusive, well-resourced and 'future flexible'. We have put the education and learning agenda at the heart of our long-term plans for *sustaining and developing the economic well-being of the city* with a focus on *Educational Excellence*. We recognise the challenge we face to support this and have advanced our strategy to:

- Promote school effectiveness and improvement and continually raise standards and the quality of learning
- Increase diversity, choice and access through the creation of specialist schools and a new Academy
- Secure socially inclusive provision matched to learner needs
- Work with all partners and stakeholders to maintain a relentless focus on teaching and learning
- Pursue the development of sophisticated technology solutions for learning
- Create environments for learning which are 'future flexible' and easily adaptable
- Ensure those environments are 'fit for purpose' and provide the right conditions for learning
- Promote highly effective leadership and management in schools
- Create sustainable schools which recognise future issues around climate change
- Promote 'Healthy Lifestyles' through such initiatives as 'Healthy Schools' and 'Food in Schools.'

BSF will contribute to this vision through a coherent network of collaborative educational provision, schools designed to provide integrated children's services and an ICT structure to support 21st century learning.

Where are we now?

We have made significant progress in improving outcomes for learners throughout the city. This has been achieved through strong partnership working and a genuine commitment to improve outcomes demonstrated by a capacity to deliver. We provide very effective support for partnership working, particularly through the work of the four 14-19 Federations, the two Teaching and Learning Partnerships and the EiC Excellence Clusters, which deliver extensive collaboration between schools. The four federations encompass all secondary and secondary special schools, the two general further education colleges, the national college for disabled young people, the training providers, Connexions and the LSC. The City Council together with the LSC and Connexions are members of each Federation Steering Group. The Federations have developed from a long-standing consortium arrangement for post-16 advanced level courses and now collaborate on a variety of projects, improving cost-effectiveness wherever possible. The 2006 JAR highlights the consistent high quality in achieving the following five outcomes. Inspectors judged that children and young people:

- **Are healthy.** A well co-ordinated approach to promoting healthy lifestyles is in place.
- **Are safe.** There are strong, strategic and local partnership arrangements in place that work effectively to address the needs of vulnerable children.
- **Achieve well.**
 - Standards across all key stages and attendance are improving;
 - Children with learning difficulties also achieve well;
 - A School Performance Review process operates effectively across all schools to promote and support school self-evaluation for sustained improvement and self-management;
 - No secondary school has had a notice to improve, is in serious weakness or requires special measures;

- A thorough process is in place to identify and intervene in schools that are under-achieving or causing concern in other aspects of their provision;
- The number of schools causing concern is reducing showing good impact of the strategies used.
- **Have an outstanding range of opportunities to make decisions and take personal responsibility.** Young people have active engagement in working with a wide range of our services and partners to contribute to and influence policy and practice.
- **Achieve economic well-being and are prepared well for working life.** A high proportion of young people remain in education and training beyond the age of 16.

However, we recognise that there is much to do including:

- Ofsted identification of some inadequate school buildings that hinder the progress of children's learning
- High levels of statemented pupils not in mainstream schools with few transfers to mainstream
- Permanent exclusions are very low but fixed term exclusions need reducing.
- Attendance levels below national averages although improving
- Above average expenditure on children placed out of city
- Key stage 3 attainment below national averages except in English
- Key stage 4 attainment below national averages
- Further narrowing the attainment gap of young people from minority ethnic backgrounds
- ICT standards and teaching identified as an area of further improvement
- Expanding the range of vocational education options, especially at Level 1.

Where do we want to be with BSF?

To support our overall strategy, we have identified seven key outcomes for our BSF agenda linked to the key areas for assessment within 'Readiness to Deliver.' These will provide the key local performance indicators for the BSF project, to demonstrate that we have added value:

1. Diversity, Choice and Access. Our aim is to maximise standards and quality so that barriers to progression as a result of poor facilities are removed, to deliver learning environments that promote quality, to maximise access to learner programmes and to create real choice in areas of specialism. **Secured through** fully flexible facilities designed and constructed to promote curriculum choice, adaptability and diversity in fully accessible environments, open access to learning resource provision, a well-trained educated workforce and facilities which are internally 'zoned' for different teaching and learning styles and beyond as the 'hubs' of learning. BSF will make a significant contribution to further developing our specialist schools strategy, through improving choice and access to broader provision of higher quality specialist accommodation related to the individual specialism of each school. Schools wishing to build on their experience will be supported in their applications for a second specialism where it adds to the diversity and balance of provision across the four Federations. In conjunction with the diocesan authorities we will continue to provide an appropriate balance of community and denominational places and single sex provision. The city's first PFI school is currently under construction and will be completed by July 2007. A new Academy is also due to open in the north east of the City in September 2009 and a second Academy proposal within the Swanswell Learning Quarter Initiative is currently under discussion with DFES.

Case Study 1: The Swanswell Learning Quarter is a vision for a new educational facility offering young people in an area of significant disadvantage improved life chances by rethinking the way in which education is delivered. It will also act as a focus for the regeneration of an inner city area. It is based upon a vision of bringing together traditionally separate provision in close proximity (i.e. childcare, primary, secondary, FE, higher education and community/extended provision). It will increase access to a wider range and higher quality of learning programmes and resources particularly in relation to vocational learning. Phase 1 of the FE element is currently under construction.

Source: Swanswell Learning Quarter Masterplan: March 2005

2. Underperforming Schools. Raising standards and improving performance for children and young people through a good range of high quality educational provision so that they are well supported to achieve their potential and make good progress remains a key priority. **Secured through** the robust and effective school improvement strategy already in place and the provision through BSF of new diverse, inspirational learning and teaching environments that are responsive to pupils individual needs and are conducive to securing high achievement. There is clear evidence that new or refurbished buildings can motivate students and staff, which in turn improves the quality of teaching and learning and ultimately improves performance. Flexible and adaptable spaces to respond to individual needs of students and the collective needs of the school community will form the core development at each school. As well as flexible internal

spaces, the outdoors will become an integral part of the learning environment to meet children's needs, both educationally, physically, socially and emotionally. The indoor learning environment will provide a range of specialist and generic learning spaces, varying in area to accommodate varying group sizes and serviced by appropriate technologies and equipment to meet the needs of different subjects and different learners. The ICT approach embedded within BSF will facilitate the sharing of best practice an expertise across Federations and ensure underachieving groups are specifically supported.

Case Study 2: Foxford Year 11 GCSE Higher Grade A-C passes have increased from 22% immediately before the new school buildings opened in 1998 to 24.4% in 2001 and by 2005 had improved to 40%. The new school buildings have been recognised as a significant contributory factor, to this improvement.

3. Personalised Learning. This is already firmly embedded through the collaborative development in Federations of a broad range of high quality curriculum provision, in schools, FE colleges and with training providers which meets the needs and aspirations of individual learners rather than the provider. *Secured through* the further development of a curriculum, that responds to the diverse and changing needs of pupils that will require greater freedom for pupils to study in different ways and in groups of varying sizes. This will mean the creation of more flexible learning spaces, access to individual learning resources including appropriate ICT technologies, opportunities for learning outside the school building and beyond the traditional school day for all members of the community (i.e. through extended school provision). BSF will therefore enable learning to take place in environments that are welcoming, flexible and stimulating. This will maximise attendance and stimulate motivation. The impact on the teacher workforce will be significant through a more flexible timetable and a culture that supports and allows a greater free flow of learners during the course of their study. Individual interests, aptitudes and learning styles will be provided through the diverse network of specialist schools and academies, supported by our BSF programme. Children and young people will therefore have a more stimulating, relevant and successful educational experience as a result of the transformation brought to schools through the BSF programme.

Case Study 3: Recent studies at eight Coventry Schools have identified the key advantages of personalised learning including school collaboration within federations, off site work related learning, greater diversity of learning and greater flexibility in the curriculum.

Source: Personalising the Curriculum for 11-19 students: Models of Curriculum Design Local Case Studies May 2006

4. 14 to 19 Entitlement. The federations work together to set in place collaborative provision at 14-19. This is enabling young people to have access to a broad range of provision at all levels including vocational and general courses post-16, to which all post-16 students have access through the citywide common timetable. For 14-16 year olds, the broad range of general and vocational courses in schools are complemented by off- site work related learning programmes in colleges, with training providers and employers, which are enhancing provision for over 10% of 14-16 year olds, including vulnerable groups. The September Guarantee system operated by Connexions, in partnership with the LLSC, has been successful in reducing the number of 16-18 year old not in any form of education, training or employment (NEET). Our aim therefore is through BSF, to secure purpose designed provision to build on the success of our current four federations, develop curriculum choice, maximise participation rates and create physical and virtual learning environments to meet local learner and employer needs. *Secured through* co-ordinated new 'learning centres' based within each federation area, enhanced specialist institutions co-ordinated through the local Learning Partnership and Federations with significantly enhanced ICT based learning services – 'the learning hubs' – and exemplified in our *Swanswell Learning Quarter* proposals.

Case Study 4: Coventry was one of the first 14-19 Pathfinder projects. The aims of the Pathfinder Project were successfully realised to raise the level of achievement of all young people 14-19 and further increase participation rates in learning Post-16. This has been done by drawing on the expertise of the full range of providers in the City, to widen choice. At KS4 this involved the development of GCSEs in vocational subjects and Post 16 increased and enhanced provision in VCEs and GNVQs. A wide range of off-site work-related learning programmes in colleges and with training providers and employers provides further enhancement. Post-16 work-based training provision is available through the network of approved training providers. This good practice is being shared nationally.

5. Integrated Services. We want Coventry to be a city of safe, healthy and confident communities with a common sense of belonging and where diversity is valued. *Community cohesion* is a theme central to our Community Safety Strategy 2005-08. We will therefore deliver through BSF, learning provision that is inclusive (reflecting our commitment to equal opportunities, including the Disability Discrimination Act) and resources that are accessible to children, young people, their families and the community. *Secured through* twelve full service clusters of schools and partners to deliver access to the "core offer" to all children and young people by 2010. The core offer includes high quality wraparound childcare, a varied menu of activities beyond school hours (homework clubs and study support, sport,

music tuition, dance and drama, arts and crafts, special interest clubs, visits to museums and galleries, learning foreign languages, volunteering, business and enterprise activities), parenting support, swift and easy referral to a wide range of specialist support services such as speech therapy, CAMHS, family support services, and provision of wider community access to ICT, sports and arts facilities, including adult learning. Our Family Learning Team works in partnership with schools, extended school clusters, Sure Start teams and other local organisations to deliver learning for families. Family Learning programmes are recognised as contributing to raising the achievement of both children and parents/carers with clear support for parents/carers to continue their learning.

The school environments to be delivered through BSF, as already noted, will be inclusive and designed not only to encourage interaction with the local community, but also to provide an environment that supports the students and encourages participation, beyond the normal school day. The school buildings will, in other words, recognise young people not just as students but also as members of their local community. The framework is in place to allow for the easy co-location of provision within integrated accommodation which may include a health centre, youth centre, and community provision, which can be provided through the BSF programme. The extended schools programme will be strongly linked to regeneration as exemplified by the current New Deal for Communities initiative.

Case Study 5: Two full service extended schools are already established in the city (Barr's Hill and Woodway Park). The key feature of this integrated service is that it acts as a service hub for the community by bringing together a range of services whose practitioners then work in a multi agency way to deliver integrated support to children and families. Two multi agency teams (BESTs) are working out of the two full service schools piloting this work and supporting the development of Neighbourhood Children's Services Teams.

6. Inclusion. Significantly changed provision for Special Educational Needs and an increased focus on social inclusion to ensure that all children's needs are catered for through differentiated pathways in carefully designed and supported mainstream provision on a local basis. **Secured through** the creation of additionally resourced, mainstream linked provision, fully accessible mainstream schools and greater flexibility through personalised learning programmes and significant support using e-learning and access technology. We also propose to develop specialist provision, that provides for a broader range of needs than at present by replacing our three secondary special schools with two new, co-located broad spectrum schools. This will ensure greater flexibility in managing resources and allow us to concentrate resources on those young people who require the greatest support. We will seek to preserve the very special skills, which our most needy young people require but also provide every opportunity for access to mainstream opportunities. Using our recognised strengths in supporting children with autism, we will develop a regional centre to support their needs. This will provide extended services with partnership working to ensure that autistic children matter. These schools will also be designed to benefit from the latest technological advances to enable access for young people with severe and complex needs and seek to provide learning environments which are stimulating and innovative. Wherever possible resources will be shared with their mainstream partner schools. As centres of specialist learning they will also provide accommodation and act as resource centres for a range of specialist professionals from different agencies as well as school clusters.

In dealing with young people with behaviour difficulties we are looking for even more radical solutions. Learning Support Units have been established in all our secondary schools, with great success. Many young people, who present challenging behaviour, have benefited from this provision, which has enabled schools to work successfully with them as individuals. BSF will give a great opportunity to incorporate 'designing out crime' principles that have already been successfully used in new schools, build on existing strategies and develop new provision, to meet their needs and reduce the likelihood of exclusion or special school placement. As a Pathfinder authority for Behaviour & Attendance Collaborations, we are planning to create new federation based pupil support units that will be supported by teachers, mentors, family support and community workers.

Case Study 6: The South East Federation which includes four secondary and two special schools, are working closely with the Youth Service to provide an inclusive enrichment programme. The facilities available in MARA house have helped to establish a multi-agency approach with a range of local providers such as youth service, social services, the health service, and the police. For example, there is good support from the youth service in the schools' attempts to make contact with those parents who are reluctant to visit the school. The schools benefit from good links with the local authority's support team for pupils with English as an additional language. Bilingual teaching assistants are available and on two days a week, pupils have support from a teacher from this team where appropriate.

7. Change management. Increased flexibility in the staffing of city schools to ensure that structures are best suited to student learning and to help personalise learning for all students. *Secured through* moving forward the workforce reform agenda. Re-modelling the school workforce is essential to raising standards and freeing teachers to focus on teaching. Schools are successfully taking ownership of the re-modelling agenda. The whole process is being supported through workforce reform advisers, a newly appointed LA Schools Workforce Consultant and the Workforce Reform Reference Group. Specific training has already been provided to school staff and Governing Bodies on the remodelling agenda. Additional training continues for support staff as they take on new roles and new career opportunities. All BSF schools will be extended schools and to support this all have been trained as Extended Schools consultants to support the implementation of the Extended Schools Programme through BSF.

BSF will allow the design of each curriculum area to be flexible enough to support a range of learning and teaching styles. These areas will need to be sufficiently large and adaptable to accommodate teachers, support staff and training programmes. Sufficient space will also need to be provided for teachers for PPA time. There would also be areas for supporting students with special educational needs to ensure that each school is fully inclusive. Innovative uses of ICT delivered through BSF in teaching and learning will contribute to the workforce reform agenda. Extended LSU provision would be based within a number of secondary schools with at least one within each federation. These would incorporate flexible accommodation for supporting students with special educational needs to ensure learning continuity and integration.

It will be particularly important that support for schools is maintained during the BSF building programme and in particular the drive to improve standards. We recognise that schools will have to make a significant input to the delivery of the BSF programme in terms of staff resource and we will identify ways in which the financial effect on schools is minimised. Further work is scheduled during the Autumn Term, to assist schools in formulating visions and understanding their role in the procurement process.

Case Study 7: The new Caludon Castle PFI School will provide a comfortable environment for staff, with dedicated resource and work areas, ICT access for all staff, office and storage space, toilets, and flexible working spaces. In order to aid staff recruitment and retention, a childcare facility will operate on site. Agreement was reached to provide priority spaces for school staff at discounted prices. Facilities for other professional staff are being developed with a recent submission for additional PFI credits for a new multi-agency centre on the site.

Why Coventry and why now?

We are ready to take on the challenge for the major development programme we have identified:

- We want education to sit at the heart of communities transformed through major regeneration initiatives exemplified by New Deal for Communities and the Swanswell Learning Quarter
- We have and will continue to work in partnership with all schools to raise standards
- We have considerable experience of delivering inspirational design solutions to complex building issues e.g. Moat House Primary School has won several architectural awards.
- We have a proven very successful track record of bringing about structural change through the local School Organisation Committee
- We have achieved full stakeholder sign-up to our overall strategy and vision through wide consultation and further individual school consultation is programmed for the 2006 Autumn Term
- We can align our partners' over-arching priorities with those set out in our strategy for BSF
- We have an excellent track record of partnership working and can demonstrate successful delivery of projects with private sector involvement
- We have identified a well-balanced programme for development which builds on the priorities in our existing AMP
- We know where our strengths in delivery of innovation and improvement are and can cite a successful history of high quality outcomes from our development programmes for learners in the City

We have identified that the timing of the BSF aligns very well with the current strategic thinking we are undertaking on how we can make the next 'step change' in standards and outcomes for learners in the City whilst moving to more inclusive educational provision.

We also believe that our future success in continual improvement of schools and securing maximised social inclusion and a strong economic future for Coventry, will now be dependent on our ability to ensure that '... every child born from today will be educated in a 21st century school ...'

Criteria 2: Estate Strategy and Planning

Key AMP priorities, location size & cost

We have an excellent track record of joined up service planning, funding and delivery of capital projects based upon a significant amount of AMP data on the performance and investment needs of our secondary school estate. This is used as an exemplar of good practice by the DfES. Our estates strategy set out in the Local Policy Statement and Statement of Priorities identifies the approach for meeting targets set out in the School Organisation Plan to reduce surplus places and to raise standards through capital investment by remodelling and replacing school premises so they are best suited to the effective delivery of an age appropriate curriculum, improving access and improving sustainability.

Many of our schools were built in the late 60's and early 70's of CLASP (Consortium of Local Authorities Special Programme) construction, to meet the rapidly expanding needs of the city at that time. These schools are now nearing the end of their economic life; they no longer offer an appropriate environment for children to learn or for teachers to deliver the modern curriculum. BSF has come at exactly the right time for Coventry, as the growing inability of our secondary school estate to meet the needs of young people in the city will come to a crisis point in the next few years if no strategic action is taken.

AMP condition and suitability priorities by school are detailed in the appendix based upon May 2006 data. A total of £10.4 million of priority 1-3 condition works have been identified for all secondary schools. Programme priorities remain those that will keep school buildings safe, dry and warm, including provision of new boilers, electrical works, roofs and windows. These remain the areas of greatest need despite the substantial investment made in the last few years. Improvements to specialist teaching areas, post-16 accommodation, accessibility and compliance with DDA requirements also remain a priority. BSF will enable us to address these major condition and suitability issues through a programme of school rebuilds, remodels and refurbishments.

Pupil Place Requirements and Planning Projections

We have been proactive in addressing falling school rolls over the last 10 years – three secondary schools have been rebuilt/ remodelled at smaller sizes over the last 10 years. In January 2006 there were 19 secondary schools in Coventry providing 19,805 places for 11-15 year old pupils and 2,280 sixth form places for 16-19 year olds – a total of 22,626 places. In January 2006 there were 1,414 (6%) surplus places in secondary schools; the level of surplus places is expected to increase to 2,576 (11%) by January 2016. This is marginally above the maximum planning target of 10% agreed by the City Council and School Organisation Committee. Surplus places are however spread unevenly – 2 schools have more than 25% surplus places (Source: 2006 Section 21 Return) – which raises concerns over their long term viability. There is little demand for places in Coventry schools from the neighbouring authorities of Solihull and Warwickshire and vice versa. A high proportion of parents receive their first preference (92% in 2005) for admission to our secondary schools.

There are nine special schools in the city. Of these there are five which cater for the secondary age range including one for all age ranges (Sherbourne Fields). The number of pupils with statements of SEN is now decreasing although the special school population remains relatively stable. We are committed to provide inclusive education and recognise that special schools have a crucial role to play in this. A successful public consultation took place in 2005 on the Inclusion and SEN strategy, the immediate outcomes of which were to amalgamate two EBD schools and create a new BESD school for 7-16 year olds and to close Dartmouth EBD school and replace it with a PRU for 14-16 year olds. We have changed the description and extended the age range of Corley to enhance the specialist provision for young people with Autism. Our plans include the development of enhanced resource provision for children with communication difficulties and the development of two broad spectrum secondary schools to replace the other three special schools for secondary pupils with SEN.

The provision of places across the secondary phase however, needs to take into account the following issues:

- For many years now we have been planning for a declining school population and working to regenerate the local economy following the collapse of the car manufacturing industry. The city's population had stabilised at about 300,000 but now is growing and the city is now contemplating that in the next 25 years it may see growth in the population both reflecting regional planning guidelines, and its own belief that the city needs to expand or face possible stagnation. This could increase the population of the city to at least 350,000.
- A number of large new housing developments will see a significant number of additional houses over the next 5 years in line with the Regional Spatial Strategy. Major examples are: -
 - New Deal for Communities development in the North East of the City (additional 1,000 houses).

- ❑ A housing development on the former ACGO (former Massey Fergusson factory) site to the west of the City (630 houses)
 - ❑ The development of the former Peugeot Talbot site and subsequently Marconi sites in the east of the city (1,900 houses)
 - ❑ The Swanswell Regeneration Project (2000 houses)
- Increased inward migration particularly from the EU has resulted in significant additional numbers of secondary aged students requiring school places. Between 2001-02 and 2005-06 the number of newly arrived pupils from the EU had increased from 400 to 900 per year, an increase of some 25%. This has placed significant pressures on some schools and this trend is expected to continue with the expected expansion of the EU over the next ten years.
- Our strategy within BSF to provide enhanced community services on school sites will mean that surplus space (in the short term) in some existing buildings (where retained) might be utilised by other services to provide extended services.

At this stage therefore, no specific proposals will be brought forward to reduce the size of individual secondary schools, but the situation will remain under review, in particular as our Inclusion Strategy 'rolls out'. BSF provides us with an opportunity to plan and design schools on existing sites, to accommodate the population growth we expect.

ICT Vision

Our vision for ICT and e-learning in Coventry is that ICT will inspire and facilitate the transformation of learning opportunities, business processes, communication and access to information to create a seamless, efficient and effective learning infrastructure/environment for all learners. BSF will support this vision through a significant investment in ICT, and an opportunity to develop an infrastructure capable of delivering services to transform schools and deliver whole school improvement. ICT will be harnessed to deliver :

- New opportunities to learn and new approaches to teaching and learning;
- Programmes of Personalised Learning through providing broad, tailored and differentiated curriculum pathways at a pace to suit each individual learner
- 'Anywhere anytime' learning both within school and into the community and at home
- Inclusive provision for vulnerable groups and those with specific learning needs
- More coherent and efficient management within and between schools and services
- Area based and citywide, integrated ICT services across all schools and into the wider community, supporting the Every Child Matters and Harnessing Technology agendas and in particular full-service extended schools

This will be secured through:

- Embedding of ICT within the fabrics of new buildings;
- Establishment of a managed service for ICT
- All staff having the ICT systems skills and resources they require to fully exploit ICT in their workplace
- Universal access to a co-ordinated ICT infrastructure within and beyond the school which supports teaching, learning, communication and electronic services;
- A wide range of 'simple to use' electronic services;
- Ready access to unified, electronic data to support management and administration

Case Study 8: Developing the use of on line learning facilities has enabled students and adult learners in schools to engage in real time live lessons over the Internet. Students and adults join their specialist teacher in a virtual classroom from their school, their home or other location where they can access ICT. Lessons can be delivered to multiple groups of students from geographically disperse locations promoting collaborative learning. We have established as part of the SBN the infrastructure that enables Coventry Schools to Video Conference using IP. It works well, is reliable and of good quality and the use of VC by schools to enhance the curriculum and engage students in new ways of learning is increasing.

Existing and Planned Consultations

We have already consulted extensively and effectively on its inclusion strategy. Detailed plans for the growth of the city will continue to be formulated through public consultation on the new Local Development Framework, and through visioning events to be held in the coming months. Further detailed consultation will also take place as we take forward the Inclusion Strategy and the 'Strategy for Change' through the stakeholder group and wider consultation.

Criteria 3: Commitment to BSF Model

We are committed to the BSF model, in particular the procurement and funding arrangements, and accept that BSF funding is dependent on PfS and DfES agreeing to any proposed variations to the model.

Furthermore we:

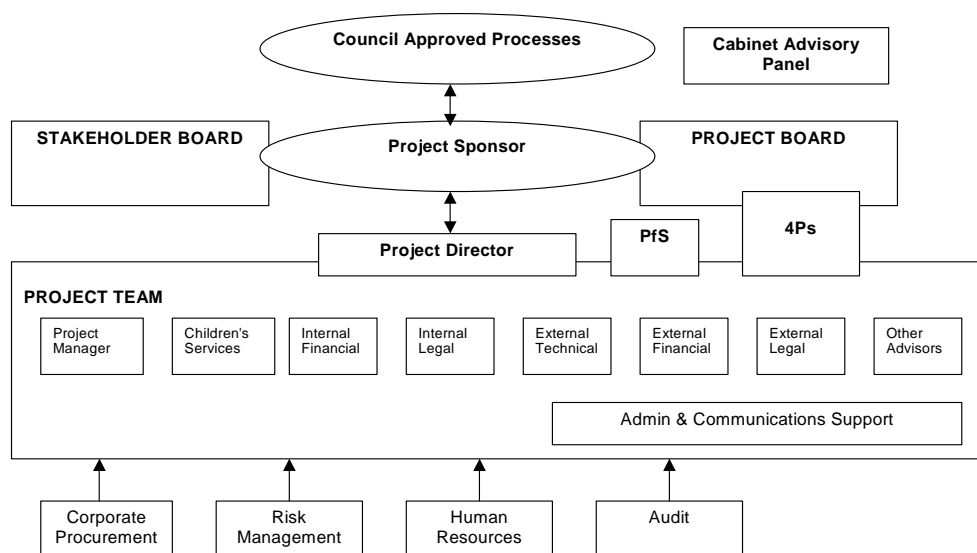
- will accept DfES and PfS' decision on the appropriateness of funding arrangements, including that new build schools will predominantly be PFI and refurbishment will be through conventional capital funding;
- understand that the default model is the Local Education Partnership (LEP), unless otherwise agreed with DfES and PfS, and will seek to follow the LEP and only propose an appropriate alternative when it offers value for money; and
- are willing to strategically review our ICT services for schools to identify how the opportunities from BSF can be incorporated into our corporate ICT strategy to maximise benefits to children and young people.

These issues were considered by the City Council's Cabinet at it's meeting on 3rd October 2006.

<Written commitment in principle from the Leader of the Council and Chief Executive that the Authority> Letter to add.

Criteria 4: Project Management

We intend to adopt a robust approach to managing BSF, based upon the project management principles established in delivering other major projects, both conventionally and PFI funded. Our approach to project management is set out in a Project Management 'Toolkit', developed by our central procurement team, to enable Programme and Project Managers to deliver successful programmes and projects. The basic project management structure adopts the model promoted by 4P's. At its meeting on 3rd October 2006, the City Council's Cabinet agreed to the project governance arrangements as set out below.



Coventry Building Schools for the Future Programme: Project Structure

Member leadership

We recognise that the private sector will be investing heavily in the bid process and there is an expectation that there will be evidence of corporate commitment. Senior Members are committed to leading the Authority's BSF project and will be represented on the BSF Project Board.

Elected members have:

- received guidance from 4P's – a seminar was held on 22nd September 2006;
- understood the procurement process;
- understood the legal and financial principles/ responsibilities associated with BSF;
- understood the ongoing revenue commitments flowing from the project;
- understood the concept of the LEP and determined that this is an appropriate model to follow should it represent value for money;
- looked at the development of Academies and their delivery through the BSF Project.
- been made aware of the risks associated with the project and the means of dealing with them.

These issues were discussed at the City Council's Cabinet meeting on 3rd October 2006.

Project Board

Membership of the BSF Project Board and terms of reference were first determined and agreed in October 2005 but are currently under review. The purpose of the Board will be to guide the strategic direction of the Project, take the key decisions and to monitor key risks to the project and action to mitigate them. The Project Board comprises of the following officers, members and a secondary headteacher:

Jim Crook, (Interim Director of CLYP)
Cllr John Blundell, Cabinet Member (Children's Services)
Cllr Lynette Kelly, Shadow Cabinet Member (Children's Services)

Chris West, Interim BSF Project Director & Head of Financial Management
Ruth Snow, Head of Services for Schools
Angie Ridgwell, Director FICT
Chris Hinde, Director of Legal and Democratic Services
John McGuigan, Director of City Development
Paul Logan, Headteacher, Finham Park
Jo Shirlaw, Headteacher, Tile Hill Wood
Bill Wolger, Headteacher, Stoke Park
PfS
4P's

The secondary headteacher representatives were nominated by the Secondary Headteachers Group.

The terms of reference of the Board are as follows:

1. To make key formal decisions in relation to the BSF Programme:
 - Recommend approval of the Local Authority Strategy for Change and Outline Business Case(OBC)to the City Council for submission to DfES;
 - Authority to pre-qualify and shortlist bidders;
 - Approve the Invitation to Tender;
 - Recommend approval to select a preferred partner and the LEP model of procurement to the City Council;
 - Authority to commence each phase;
 - Authority to accept handover of first project on completion;
 - Recommend approval of the Final Business Case (FBC)
2. Review overall progress against the project plan and achievement of project milestones (but not detail of individual workstreams or reference groups).
3. Monitor key project risks and the action proposed to eliminate or mitigate these risks.
4. Ensure that the City Council's corporate strategy is embedded in BSF.

Project Director

An interim Project Director, (Chris West) has been in post since October 2005. We will commence the recruitment process for a full time Project Director during the 2006 Autumn Term with a view to appoint from January 2007, when Wave 4 commences. We recognise the key role of the Project Director in delivering the BSF project and it will therefore be a critical appointment.

Project Team

The City Council has established a BSF Project Team, which had its inaugural meeting on 20th July 2006. The Team will support the Project Director through the procurement process. The Team is led by the BSF Project Manager, Ashley Simpson, who previously managed the Caludon Castle PFI project. Membership of the Project Team is as follows:

Ashley Simpson, BSF Project Manager
Robin Baker, Assistant BSF Project manager
Martin Bonathan, Strategic Leader : Inclusion, SEN and Participation
David Haley, Strategic Leader, School Improvement
Andy Walmsley, Extended Schools
Pauline Burton, ICT Project Manager (Schools)
Nigel Clews, Head of Property Management
Roz Lilley, Senior Lawyer, Legal Services
Tom Webster, Strategic Finance Manager, FICT
Lesley Wroe, City Planning Manager
Mick Burn, City Procurement
Isobel Woods, Risk Management

The core membership of the Team were previously responsible for the successful delivery of the Caludon Castle PFI Project. The Manager will be able to draw on other skills as per necessary e.g. human resources but will also be

supported by external advisers where appropriate. Further resources have been identified to recruit an additional Assistant Project Manager. Recruitment is underway and it is anticipated that the post will be filled by January 2007.

Based on the project team structure above we recognise that approximately £5.1m of funding would be required over the first three years of the project (see table below) to deliver the first phase of the project.

Year	2007/08	2008/09	2009/10	Total
	£m	£m	£m	£m
Amount	1.14	1.53	1.56	4.23

These costs include posts already established/ and includes anticipated costs for project director and external adviser support. A budget of £251,966 currently funds the costs of the BSF Project Manager, 2 Assistant Project Managers and external BSF adviser support. The level of overall costs could possibly be reduced however, by using existing Council resources, which will require Managers to review work prioritisation in their areas. It will also require consultation and work with schools as to how they could contribute to meeting these costs.

This cost schedule assumes a start date of 1 April 2007, however the team would need to be in place as soon as possible after the formal announcement of our inclusion in Wave 4 in December 2006. This would require additional resources in 2006/07, which the City Council is committed to provide once our inclusion in Wave 4 is confirmed.

We have estimated the internal procurement costs for the BSF scheme as follows based upon a team of 16 officers:

	Year 1 2007/8	Year 2 2008/9	Year 3 2009/10	Total
SUMMARY	Budget £	Budget £	Budget £	Budget £
Salaries	420,424	719,382	740,959	1,880,765
Employee Related Costs	10,358	18,652	19,190	48,200
Overheads	26,798	58,597	60,063	145,458
Total Internal Expenditure	457,580	796,631	820,212	2,074,423

Criteria 5: Support network

We have a long track record of working with external advisers and recognise the importance of supporting in-house skills, experience and resources. We will appoint external financial, technical (including ICT), educational and legal advisers upon commencement of the Project in January 2007. In order to ensure timely commencement, advisers will be selected during the 2006 autumn term, and appointments will be made subject to our formal inclusion in Wave 4. Appointments are likely to be made from the existing PfS framework contracts using a mini competition process, although we are in the process of appointing general external financial advisers within our own framework arrangements.

Other specialist advisers – client design, education transformation, ICT, Insurance and HR – will be considered as appropriate.

We have been actively engaged over two years with MouchelParkman, an education consultancy, who have been providing general project management support on BSF, including developing and supporting corporate visioning events and the production of project documentation. During 2005 MouchelParkman specifically supported us in developing a vision for 21st century teaching and learning, 'to improve opportunities and outcomes for children and young people through partnerships where institutions collaborate to provide appropriate pathways for students.' They have been further commissioned to undertake individual school visioning work during the 2006 autumn term.

Our most recent engagement with a range of external advisers for an education project was the procurement of the Caludon Castle School PFI project, where financial, legal and technical external advisers were used to support in-house skills. A very good working relationship developed between project staff and the advisers, which contributed towards the successful delivery of the project.

We have also worked with a range of external advisors on other PFI/PPP projects including Streetlighting PFI, New Homes for Old PFI, Ricoh Arena and New Deal for Communities. We have maintained a successful partnering arrangement with external financial advisors for several years to complement in-house expertise. A positive working relationship has been established with 4P's over a number of years. We value their support and guidance. Elected members were briefed by 4P's on BSF, at a special seminar on 22nd September 2006. Furthermore we have agreed to 4P's undertaking a skills audit, to help shape the development of our specification for external consultancy services.

Based upon our experience of the Caludon Castle and other PFI projects, we have estimated the cost of external consultancy to deliver the BSF project as follows:

	Year 1	Year 2	Year 3	Total
	2007/8	2008/9	2009/10	
External Adviser Costs	682,000	732,000	736,000	2,150,000

The costs will be met from within existing City Council resources.

Criteria 6: Corporate capacity

Our Present

Coventry is in a period of exciting change. We have undergone major change in the recent years, and achieved significant improvements, such that we are one of the fastest improving councils in the country. This is demonstrated in the development and enhancement of many direct services, better outcomes for citizens, the growing prosperity and confidence of the city and the number of awards and accolades.

We have a vision to transform the city by a multi-billion pound programme of investment. As well as improving the physical infrastructure, this will improve people's opportunities and quality of life. There are a number of projects in this programme including:

- The £113m Ricoh Arena project: a landmark visible from the M6 designed to regenerate the North East of the city and provide leisure, community and conference facilities.
- The multi-million pound Swanswell development: an ambitious 25 year project bringing together public and private interests to build new education, housing, health, retail and community facilities at the boundaries of the city centre.
- The £300m New Deal for Communities project: a regeneration initiative to provide new housing and community facilities in a deprived area of the City
- Three Private Finance Initiative schemes: Streetlighting, Social Care & Health and Education schemes to improve the services the City Council provides to the residents of the city.
- Building Schools for the Future

Our Future

Our vision is for 'Coventry to be a growing accessible city where people choose to live, work and be educated and businesses choose to invest.' The key objective of the Coventry Community Plan is 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". We are committed to "a city where people feel safe and confident and no-one is disadvantaged by the neighbourhood in which they live". The regeneration and renewal of the city continues, Coventry is in the middle of a £6 billion transformation in supporting these aims through major regeneration initiatives.

The £113m Ricoh Arena, a major stadium, hotel conference and exhibition facility, completed in September 2005, is designed not just to create jobs but to change the profile of the whole city. A £33m project to create a prosperous, modern shopping centre has just been completed on the site of the Lower Precinct and retail market and is helping to make the city one which Coventry people can be proud of and to which visitors will be eager to return. The Phoenix Initiative has transformed the area which stretches from our cathedral to the Coventry Transport Museum, which houses the largest collection of British road transport in the world.

Two exciting new initiatives will make a huge contribution to the vitality of the city centre. The construction of Belgrade Plaza and the redevelopment of the Belgrade Theatre will provide state-of-the-art leisure and arts facilities.

Nearby is the Swanswell initiative, the city's biggest single regeneration project since its post WWII rebuild. Swanswell will create a dynamic learning quarter at the heart of the city, a major hub for life-long learning for students of all ages and from all backgrounds. The Swanswell Initiative, which is the City's biggest single regeneration project, covering 160 acres and valued at £800 million. It will create over 2,000 new homes, a Learning Quarter housing City College and a new school, new health facilities, an improved environment and a new sports and leisure centre.

We will continue to innovate, to push the boundaries and to build on the past rather than dwelling upon it. We are showing our determination to improve the economic, social and environmental well being of the city through the positive actions we are taking every day.

Building Schools for the Future is a central element of our vision for the future and one of our top corporate priorities.

We have demonstrated that we have the corporate capacity to undertake major strategic investment projects and have a proven track record of successfully delivering major capital projects

Coventry recognises that change does not just happen. We have invested heavily in our people, successfully attracting candidates with the vision and experience to transform Coventry. Despite our success we recognise improvements can still be made. We have learnt a great deal from the major capital projects undertaken to date. This knowledge and experience will be transferred to the BSF project.

Given the scale of the programme we are proposing to undertake the inclusion of the Directors of Finance and ICT, City Development (Property Services), and Legal and Democratic Services on the Project Board will enable the Project to access appropriate corporate resources. The BSF project team will be supported by the following corporate team:

The Council has a dedicated specialist PFI / PPP finance team (Special Projects Finance team), set up in recognition of the fact that the Council did not have the skills or capacity to support major projects from within its core finance team. The team is led by the Head of Special Projects Finance (Assistant Director level post). The team has recently been strengthened by the addition of two new members of staff (from major professional consultancy firms). This team has significant experience of Public Private Partnerships (including PFI) with one member of the team having direct experience of BSF at another local authority.

Further corporate support is available from Procurement Services. We have developed a Procurement Policy which sets out our position on equality, sustainability, workforce matters, small and medium enterprises (SMEs) and local supply, collaboration and partnership, as well as financial and process issues.

Our Procurement Strategy translates the policy into how procurement contributes to meeting our Corporate Objectives. The strategy reflects the themes of the National Procurement Strategy and the milestones it lays out for local authorities over a three year period until 2006. Procurement Services will support and co-ordinate all OJEU related work related to the BSF Programme. The team is responsible for submitting statistical returns on an annual basis, and therefore needs a complete database of contracts that have been subject the EU procedures.

The Risk and Insurance Manager & team promote risk management throughout the Council. They provide support, advice and training on all aspects of risk management principles and procedure. They will liaise regularly with the BSF Project Manager to advise on and monitor risk identification and mitigation and, subject to certain criteria, may provide financial support for risk improvement initiatives where there is inadequate funding. The team is also responsible for the maintenance and development of the risk register software. This will provide an audit trail of risks, automated prompts for agreed action, escalation of risks hitting defined triggers and a document warehouse for the BSF project.

Internal Audit will audit the implementation and effectiveness of the risk management strategy.

Various support services will also have a role in providing support and advice in a range of specialist areas (Emergency Planning, Health and Safety, Human Resource, Business Continuity and so on).

Criteria 7. Key stakeholder commitment and consultation arrangements

We are committed to stakeholder consultation and involvement within BSF. This is recognised in the 2006 JAR.... *'Wide ranging consultation with children and young people. Parents and carers contributes significantly to strategic and operational planning.'* A long established 14-24 Strategic Forum will assist in providing a key role in supporting the delivery of the BSF programme. We also have strong links with the PCT, housing and transport organisations.

There are a significant number of important stakeholders in our BSF project. It will be a key role of the Project Director and members of the Project Team to involve and manage stakeholders effectively to ensure that they are included in the process. Managing stakeholder expectations will be an important part of this process. With the support of MouchelParkman we have already held two successful stakeholder visioning events in November 2003 and September 2005. The sessions were attended by representatives of the City Council, Diocesan Authorities, Learning and Skills Council, Further Education Colleges, West Midlands Police, Youth Offending Service and Health Authority.

These events have enabled us to:

- develop an understanding of what BSF is really about – the 'transformational agenda'
- understand how BSF fits with the broader strategic priorities of the Council and its partners and current developments such as integrated children's services development
- develop an understanding of the way in which BSF will work
- develop an understanding of the tasks involved with specific reference to the development of a strategy for change

A regular dialogue has been maintained with key stakeholders such as headteachers and trades unions through existing frameworks of meetings. A communications plan has been developed. Communication with each stakeholder group will be carried out by allocated teams who will report back to the Project Director and Project Team to ensure compliance and achievement of the Project Plan. The plan will provide a framework for each group of stakeholders based on:

- A lead officer responsible for managing the process.
- A team set up to implement the process.
- Stakeholders clearly identified.
- Appropriate forums
- Objectives agreed.
- Schedule of meetings timetabled.

In addition a press and media strategy will be included as part of the Plan to ensure that local communities are kept informed by a programme of communication with letters/press releases and public meetings to be arranged at key stages of the process. The plan includes methods for communicating with all of stakeholders, whose contact details are included as an appendix.

A Stakeholder Reference Group will be established, operating at a strategic level, which will meet every 2 months throughout the development process and will advise the Project Board on key stakeholder and partnering issues and help shape the BSF proposals. The Stakeholder Reference Group will have a key 'gate keeping' role for consultation with the community and helping to shape the strategic direction of the BSF proposals. The group will be consulted at the development planning milestones and their views will be fed through to the Project Board for discussion and final decision-making. Key to the functioning of the Group will be the ability of members to communicate with their 'peer groups' where appropriate both on key issues which require formal consultation and where there are opportunities to 'sound out' views and aspirations prior to, and sometimes in place of, more formal consultation. They also have a key role in identifying concerns that arise from time to time in their 'peer groups' and allow these to be addressed.

The most important stakeholders are the children themselves. The 2006 JAR recognises that children and young people, particularly those from the more vulnerable sections of the community, have an *'outstanding range of opportunities to make decisions and take personal responsibility and many make an excellent contribution to their communities.'* Consultation with children and young people is regularly undertaken on all new school rebuild projects and we expect a significant contribution to the development of our programme under BSF through, for example, School Councils, established under the Democracy Project..

Case Study 9: I believe that children and young people have a lot to offer in terms of their views. Being involved in making decisions gives us confidence and the chance to learn new skills that can be used in everyday life. Young people don't always get good publicity but I believe that in Coventry we are doing some amazing things as this (The JAR Report) shows. I am glad to be part of it

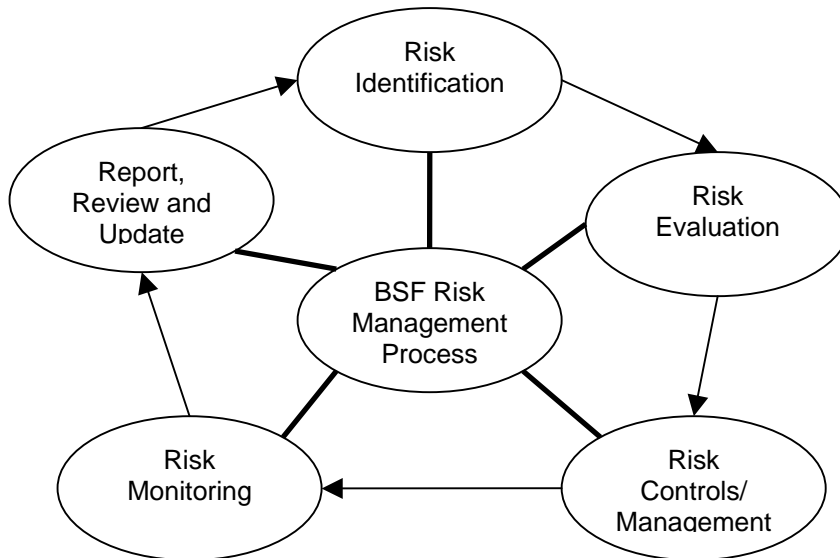
Source: Heather aged 14 from Cardinal Wiseman School

Criteria 8. Risk Management

We are fully aware of the risks facing the project and those that need to be addressed if the project is to be successfully delivered. These are detailed in the Project Initiation Document (PID). The risk management process is outlined below:

Risk Management Process

Risk management is seen as a key activity for a project of this size and its successful delivery. The diagram below outlines a risk management process that is based on a continuous cycle and involves five stages as shown and described below:



Risk Identification

This stage involves the identification of risks that will impact on the successful completion of the project. Examples risk areas include – stakeholder management, Council approvals, procurement and project management. Early on in the process a risk workshop will be held where Project Board members will discuss and agree the key risks. This will enable the Project team to begin evaluating the risk and identifying appropriate processes to eliminate, manage and mitigate risks.

Risk Evaluation

This stage involves the evaluation of risks in terms of its likelihood of occurring and potential severity. This is undertaken through a scoring system using a risk matrix. The risks are assessed according to the key below. The risks are then colour-coded according to severity:

- Green = Low risk
- Yellow/Amber = Medium risk
- Red = High risk

Probability ↓	High =3	3	6	9
	Med =2	2	4	6
	Low =1	1	2	3
		Low =1	Med =2	High =3
		Impact →		

Control and Management

To mitigate the impact of potential risks, controls and management actions need to be put in place. Therefore this involves the identification of controls and management actions.

Monitoring

Monitoring is key to the successful operation of any system but in terms of this BSF project it is critical. The project team will maintain a risk register and action plan and the Project Director will present the register at the Project Board Meetings.

Report, Review and Update

Similar to the monitoring process it is critical to review each identified risk in order to take appropriate action. This is an essential activity which the Project Board and Team will carry out to effectively manage the inherent risks associated with the BSF project and take appropriate actions.

The risk register will be dynamic i.e. it will change over time as risks are dealt with or new risks are identified. The register will not be used as a tool to log day-to-day issues that are common to all projects (e.g. communication protocols) rather it will concentrate on areas of concern that are specific to the project's successful long term delivery.

In addition, the risk register is not intended to log all the risks that are to be allocated under any Contract. This is a separate exercise that will be undertaken during the preparation of the Tender Documentation.

The four key areas identified within the risk assessment are:

Stakeholder Management including industrial dispute, failure of heads to support project prioritisation, resistance to the BSF scheme by elected members, Headteacher and Governors, adverse media, change in Government

Approvals including late member approval and delays to planning approval

Procurement including European intervention, shortage of interested consortia, bids exceed affordability threshold, PFI projects fail to meet accounting tests, delays to financial close

Project management including delayed officer decisions, poor communication, changing personnel on team.

The principal risks identified for the successful delivery of the build element of the BSF Project are:

- Potential Green Belt Planning issues on ten of our secondary school sites. These will be similar to those experienced on the Caludon Castle School PFI site, where a masterplanning exercise was undertaken and formed the basis of the redevelopment of the site without prejudicing the integrity of the green belt. The planning authority was involved in the development of this masterplan and this resulted in obtaining the necessary planning consents permissions without lengthy delays.
- Listed Building status. One of our secondary schools – The Woodlands – which is scheduled under BSF for major remodelling/ refurbishment, is nationally listed by English Heritage. A positive and growing productive relationship with English Heritage particularly at a regional level has resulted in a partial delisting but the Authority recognises that further work needs to be undertaken.
- Population increase/decrease at a faster pace than the Council has projected resulting in demand for school places that has not been anticipated.