

2008 edition

an introduction to Building Schools for the Future



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The authors would like to thank all those who have contributed to this document, especially members of the 'readers' group' set up to advise on content and approach.

Foreword

Building Schools for the Future (BSF) is the largest single capital investment programme in 50 years and aims to rebuild and renew all of England's 3,500 secondary schools. It is a programme that will transform our existing schools into world-class learning environments that will enable generations of young people to reach their full potential.

As with many large-scale investment programmes and complex procurement projects, BSF can appear complicated at first sight, with new acronyms, new concepts and a jigsaw puzzle of related activities. Building on a previous publication produced by 4ps for School Governors and Headteachers, this Guide aims to provide an introduction for the wide range of people who will be involved in developing BSF at a local level. This second edition Guide reflects the collaboration between Partnerships for Schools (PFS) and 4ps, and is designed to improve understanding of BSF at a local level, so that those involved

can engage all stakeholders and partners in moving projects speedily forwards.

In particular, we hope that the Guide will prove useful for:

- councillors
- school staff
- school governors
- council officers
- school trustees
- key delivery partners, such as local Learning and Skills Council staff and Diocesan Boards.

The Guide is divided into topic-based sections, so that readers can use it alongside their BSF project as it develops.

Inevitably, an introductory guide cannot give a complete or definitive picture of each topic, so we have included links to further sources of information, including key policy documents. The glossary should also help to translate most of the acronyms and abbreviations commonly used by people in BSF projects.

We hope that the Guide proves helpful and any feedback would be welcome.

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As well as a printed version, the Guide is available to download free from the PfS and 4ps websites. Several of the diagrams are available as separate documents designed for printing at a larger scale,

to be used as wall charts or training aids. The whole document or individual sections can be reproduced free of charge provided that the source is acknowledged and the material is not altered.



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1 Introduction



What is Building Schools for the Future?

Building Schools for the Future (BSF) is a long-term programme of investment and change in England that will help transform education for secondary age students by providing 21st century learning environments that engage and inspire young people, their teachers and the wider community.

BSF was launched by the Department for Children Schools and Families (DSCF, formerly the Department for Education and Skills) in February 2003. At the launch of the programme, David Miliband Schools Minister at the time, said that: "School buildings should inspire learning. They should nurture every pupil and member of staff. They should be a source of pride and a practical resource for the community."

Partnerships for Schools is the government agency tasked with delivering BSF. PfS is also now responsible for helping to deliver the government's commitment to build up to 400 Academies.

How is Building Schools for the Future different to previous school building initiatives?

BSF is different in several important ways:

- ambition – a focus on education transformation
- scale
- complexity.

Ambition – a focus on education transformation

BSF is not simply a building programme. The programme creates an important opportunity to transform the way secondary schools function, developing buildings for the 21st century with teaching and learning to match. Alongside this, Ministers expect local authorities to use BSF to deliver a step change in attainment levels by increasing school diversity and enhancing parental choice in their areas. BSF goes hand in hand with other major initiatives aimed at improving the quality of education. In order to have the optimum effect on teaching and learning – and hence attainment – at the beginning of the programme, funding was primarily targeted at areas with the lowest attainment (at GCSE level) and highest levels of deprivation (measured by eligibility for free school meals). Local authorities must also be able to demonstrate that they are ready to establish a long-term strategy based upon BSF.

An integral component which links buildings with teaching and learning is Information Communications and Technology (ICT). BSF aims to provide:

- a step change in the level of ICT provision in secondary schools in England
- buildings designed to maximise use of ICT
- managed ICT services which guarantee availability
- incentives to develop the use of ICT in teaching and learning.

In addition, secondary schools provide a major resource for local communities, and as such, the new and refurbished facilities delivered by BSF are being designed for shared community use wherever appropriate. In line with the "Every Child Matters" agenda, every BSF school will be an extended school, offering additional or dual use facilities, such as sport halls, libraries, nurseries and ICT resources. BSF offers a great opportunity to integrate schools into wider regeneration projects, repositioning our schools at the heart of communities.

Every Child Matters means that every child and young person should:

- be healthy
- stay safe
- enjoy and achieve
- make a positive contribution
- achieve economic well-being.

All of this requires learning environments in which ambitious education outcomes can be delivered, inspiring teachers to innovate and young people to engage. BSF schools – whether rebuilt or refurbished – must be designed not only for the needs of this decade and the next, but with sustainability, flexibility and adaptability in mind too. In light of this, good quality, thoughtful design is key to the success of the programme. The Government wants to put in place robust arrangements to make sure that new and refurbished buildings are well-maintained so that the benefits of the investment do not diminish.

Scale

BSF will ultimately reach every part of the English maintained secondary school system, including:

- 11-16, 11-18 and upper schools
- middle schools deemed secondary, and secondary and all-age special schools
- all categories of secondary schools – community, voluntary controlled, voluntary aided, foundation, Trust and Academies.

Local authority funding for BSF is managed through a series of 15 waves, the first of which was launched in 2004.

For local authorities due to enter BSF in the later waves, many are benefiting from funding to rebuild one school in the interim, as part of the 'One School Pathfinder' initiative.

Primary schools are not included in the BSF programme, but the Primary Capital programme will provide funding through the DCSF over a 15 year period to rebuild or refurbish half the primary school estate nationally.

Complexity

To maximise both the impact of BSF investment and the value for money achieved, large sums of money are allocated to local authorities within each Wave. Individual allocations for Waves 1-3 are between £80m and £240m. Waves 4-6 will average £150m per local authority. This is enough for some smaller authorities to complete all the changes to schools within their area in one wave, whereas for larger authorities it represents an initial tranche for prioritised schools, with further funds to follow.

The challenges of this approach include:

- securing consistently high quality of design and finished buildings
- integrating ICT for both curriculum and management, within and between schools
- ensuring value for money
- ensuring that the local construction market and the suppliers of services can respond to the volume of work
- providing the opportunity to integrate school developments into wider social and community regeneration projects
- partnership working with all types of schools and key stakeholders
- for many local authorities, managing investment on this scale over several years
- delivering a wide-ranging change management programme to ensure school staff are prepared and committed to implementing new ways of teaching.

Managing the local programmes

Given the complexity, some aspects of the BSF process require special project management approaches. For many local authorities, BSF will be the biggest investment programme they have managed. Each local authority will need to put in place arrangements to make the most of this unprecedented capital investment to deliver educational transformation.

Every project will need:

- a project board to steer the project through its different stages
- a project team with sufficient expertise and resources to navigate the various project stages without delays. This team should include staff with education experience and will almost certainly need some specialist external advisers
- a means of ensuring that stakeholders – especially schools, faith bodies (such as Dioceses), trustees and the local Learning and Skills Council – are fully involved through engagement and participation so that they fully “own” the project as it progresses.

An outline map of the process illustrating the key stages is included in Section 3. From start to finish the stages shown in the diagram (i.e. ‘confirm project’ to ‘operate’) should take around four years, including the procurement and construction periods. This does of course depend on the project and on local circumstances.

New procurement approach

Managing large-scale investment in a local area, over an extended period, requires a new approach to procurement. The ‘old’ way of putting individual school building projects out to tender is unlikely to produce value for money or secure a flow of well-designed and constructed buildings given the scale and complexity of the programme.

Local authorities are expected to set up a Local Education Partnership (LEP), a new concept developed for BSF.

A LEP is a public private partnership bringing together three organisations:

- the local authority
- a private sector partner (PSP) (usually a consortium of private companies including the building contractor)
- Building Schools for the Future Investments LLP (BSFI).

A LEP is a joint venture company, with the public and private sectors working together with common aims, sharing certain risks and rewards. However, for some local authorities with very small projects a LEP might not be the most cost-effective method. The LEP model is explained in more detail in Section 10.

Partnerships for Schools (PFS)

PfS was set up by the DCSF and Partnerships UK (PUK) to manage and deliver the whole national BSF programme. PfS is also responsible for delivering the government’s commitment to build 400 Academies. PfS works alongside DCSF, 4ps and other national partner organisations, such as Becta and CABE to deliver the national programme. PfS is a non departmental public body (NDPB) and is a joint venture between DCSF and PUK.

Building Schools for the Future Investments LLP

BSFI is a Limited Liability Partnership jointly funded by the DCSF and Partnerships UK, in parallel with PFS. BSFI undertakes and manages the central investment in LEPs and their initial PFI projects, taking a minority stake in each one established, along with the local authority and their chosen private sector partner. Once a LEP has been established, BSFI sits on the LEP and PFI Special Purpose Vehicle (SPV) boards to help facilitate the partnership between the public and private sectors. BSFI plays a pivotal role alongside the local authority in ensuring that the LEP establishes itself on a proper footing and that the BSF programme objectives are achieved.

Understanding the place of a school or local authority in the national programme

Groups of schools have been selected within local authorities according to social deprivation and attainment for inclusion in individual Waves. The first three Waves were confirmed in November 2004. The local authorities chosen were:

Pathfinders: Bristol, Bradford, Sheffield, Greenwich, Lewisham and Southwark

Wave 1: Gateshead & South Tyneside, Knowsley, Lancashire, Leicester City, Leeds, Manchester, Newcastle upon Tyne, Newham, Solihull, Stoke on Trent, Sunderland, and Waltham Forest

Wave 2: Birmingham, Hackney, Haringey, Islington, Kingston upon Hull, Lambeth, Liverpool, Middlesbrough, Nottingham City, and Tower Hamlets

Wave 3: Barnsley, Bradford, Durham, Derbyshire, Kent, Luton, North Lincolnshire, Salford, Sandwell, Tameside, and Westminster
Following the December 2006 announcement, the additional Wave 4, 5 and 6 authorities are :

Wave 4: Barking & Dagenham, Cambridgeshire, Coventry, Essex, Hertfordshire, Telford & Wrekin, Rochdale, Blackburn with Darwen, Oldham, Somerset, Bristol, Haringey, Kent, Manchester and Sheffield

Wave 5: Derby City, Camden, St Helens, Blackpool, Hartlepool, Ealing, Wolverhampton, Wandsworth, Kensington & Chelsea, Bradford, Birmingham, Greenwich, Lambeth, Liverpool, Newham, NE Lincolnshire, Nottingham City, Sandwell, Tower Hamlets, and Waltham Forest

Wave 6: Doncaster, Nottinghamshire, Bournemouth with Poole, Kirklees, Hillingdon, Hammersmith & Fulham, Redcar & Cleveland, Halton, Portsmouth, Suffolk, Bedfordshire, Stockton on Tees, Durham, and Luton

DCSF has produced an indicative list showing where all LAs are in the 15 Waves of the whole programme, subject to future spending rounds and Ministerial decisions on priorities. Many authorities, particularly large ones, have their schools spread over several Waves. The national programme allocations for Wave 7 and beyond will be reviewed in 2008.

Who are the main contacts for BSF at a national level?

The primary points of contact are as follows:

PFS Project Director – for issues relating to the delivery of the project, advice on project management. Initially, the Project Director will work with colleagues from the Education & Planning team at PFS to help with the local education strategy and business development case. Later in the process, the project director will use the legal expertise from the Finance and Commercial team at PFS to assist with the business case development and procurement phases of the project, including support in relation to BSF standard documents, the LEP model and procurement best practice.

DCSF Project Advisers (Schools Capital) – for all BSF policy related issues and advice on the wider capital strategy. Project Advisers will act as a conduit into policy teams and other government departments/ organisations to provide further support, guidance and advice. They will also secure the approval of the business cases, and report to Ministers.

4ps – for advice and assistance in building up the required capacity and capability among members, senior officers, schools, and governors, so that they can act as expert clients for BSF. 4ps is funded by DCSF so that BSF authorities can therefore secure 4ps capacity-building services free of charge. 4ps is also responsible for the delivery of BSF project gateway reviews.

Office of the Schools Commissioner (OSC) - the OSC provides advice to local authorities in terms of their new duties to promote school diversity, parental choice and fair access. OSC will support and challenge local authorities as they develop their Strategy for Change with the overall aim of increasing the number of places in schools that are performing well and popular with parents. The Schools Commissioner must approve Strategy for Change submissions prior to Ministerial sign-off.

Where can I find more information?

Partnerships for Schools www.partnershipsforschools.org.uk

4ps www.4ps.gov.uk

OSC tel 0207 925 6740

The published list of local authorities and Waves can be found on the PFS website.

2 What difference will BSF investment make?



What is meant by “educational transformation?”

“Educational transformation” is not a single process, and it will not stop when the individual school buildings are completed.

It is a big leap, rather than a small step, to:

- improve learning and achievement for every child and young person
- enhance school diversity and parental choice
- increase the use of schools by the community
- use new thinking and opportunities and be creative in designing for learning
- seize opportunities through new technologies
- produce places for learning that are exciting, flexible, healthy, safe, secure and environmentally sustainable.

The BSF programme will help inspire and engage all who learn in, work in, lead and visit schools.

What difference will BSF investment make to education locally?

BSF investment is a once in a lifetime opportunity to improve education for today’s children and young people and to widen community services. At the same time, it provides an opportunity to create flexible ways to meet the needs of future generations.

It is crucial that local BSF projects are ambitious and visionary. The starting point will be thinking about ways to improve the education of local children and young people, and to provide new opportunities for families and the local community.

The planning process should begin with a series of questions about local learners' needs. The challenge will be for local authorities, schools, parents and carers, other partners and stakeholders to agree ambitious but achievable options that work across the local area.

Schools in the future must be able to help children and young people to:

- learn in range of different ways, in a variety of environments and at times that respond to their individual needs
- experience learning that will prepare them for their future life and work
- develop confidence and feel safe and secure in and around their places of learning
- use high quality computer technology to inspire and support their learning
- extend their learning and leisure beyond the school day/term
- make good progress, resulting in high levels of achievement.



Schools and learning centres across a local area can be a resource for the wider local community, beyond the school day and school term times.

This could include:

- contributing to learning, leisure and cultural activities, for example, adult learning
- return to work schemes
- sport
- arts workshops and performances
- libraries
- community festivals
- holiday clubs
- services such as health and social care.

What should a local authority BSF strategy show?

A local authority's BSF strategy should illustrate how:

- schools and learning centres across the local area will provide more choice for parents/carers and pupils
- pupils will make better progress and improve their achievements, especially at the lowest attaining schools, supported by a wider range of learning opportunities that respond to their needs
- technology will be used to provide new, exciting, flexible and improved ways for each pupil to learn
- there will be more choice for 'how', 'what' and 'where' pupils study as they move through their secondary education
- schools, local further and higher education colleges and businesses will work more closely together, to provide new and more relevant opportunities for pupils including through Trust arrangements

- school facilities will be open to the whole community, taking account of local priorities and needs
- there will be better provision and inclusion for children with special needs to support their progress, including more places in mainstream schools
- the needs of all vulnerable groups of children and young people will be met.

What should individual school BSF visions show?

An individual school's 'Strategy for Change' should inform building designs. These plans should also show how each school will contribute to the area-wide plans, taking into account their different specialisms and the needs of the local communities they serve, as well as their own educational aims.

How will a school develop its own BSF plans?

The starting point is involvement in the local authority's development of its 'Strategy for Change', setting out the current needs and new opportunities through BSF for the whole local area. At the same time each school will need to identify its individual key priorities for improvement, as well as how it can contribute to educational improvements across the local area. This is then set out in each school's individual 'Strategy for Change'.

The process of developing a school's 'Strategy for Change' involves:

- taking stock of current achievements and challenges
- considering whether and how the school's governance could be strengthened through Trust partnerships with external partners, such as other schools, colleges, HEIs and businesses
- researching innovative developments and reflecting on the

needs of learners now and in the future

- thinking about ways in which learning and provision for the wider community can be improved – perhaps involving visits to examples of extended schools
- developing strategies to remove barriers to learning and achievement
- considering how design and space can be used more creatively to improve learning and achievement
- working together as a school community, and with other schools and key stakeholders to plan to improve the range and quality of provision.

How will the ambitious aims be maintained through the various planning, design and procurement stages?

At each stage in the process it will be helpful to consider these questions:

- is BSF going to change how schools work with other schools and with further education colleges?
- is BSF going to help schools become more of a resource for their local communities?
- will the new and refurbished buildings be inspirational, flexible, sustainable and adaptable?
- how will teaching and learning be different in the new and refurbished buildings? Has training and development already started to help headteachers, teachers and others to make the most of the new facilities and technologies?

Where can I find more information?

Partnerships for Schools www.partnershipsforschools.org.uk

4ps www.4ps.gov.uk and Sorrell Foundation www.sorrellfoundation.com

3 How will BSF be managed?



What are the key stages of a BSF project?

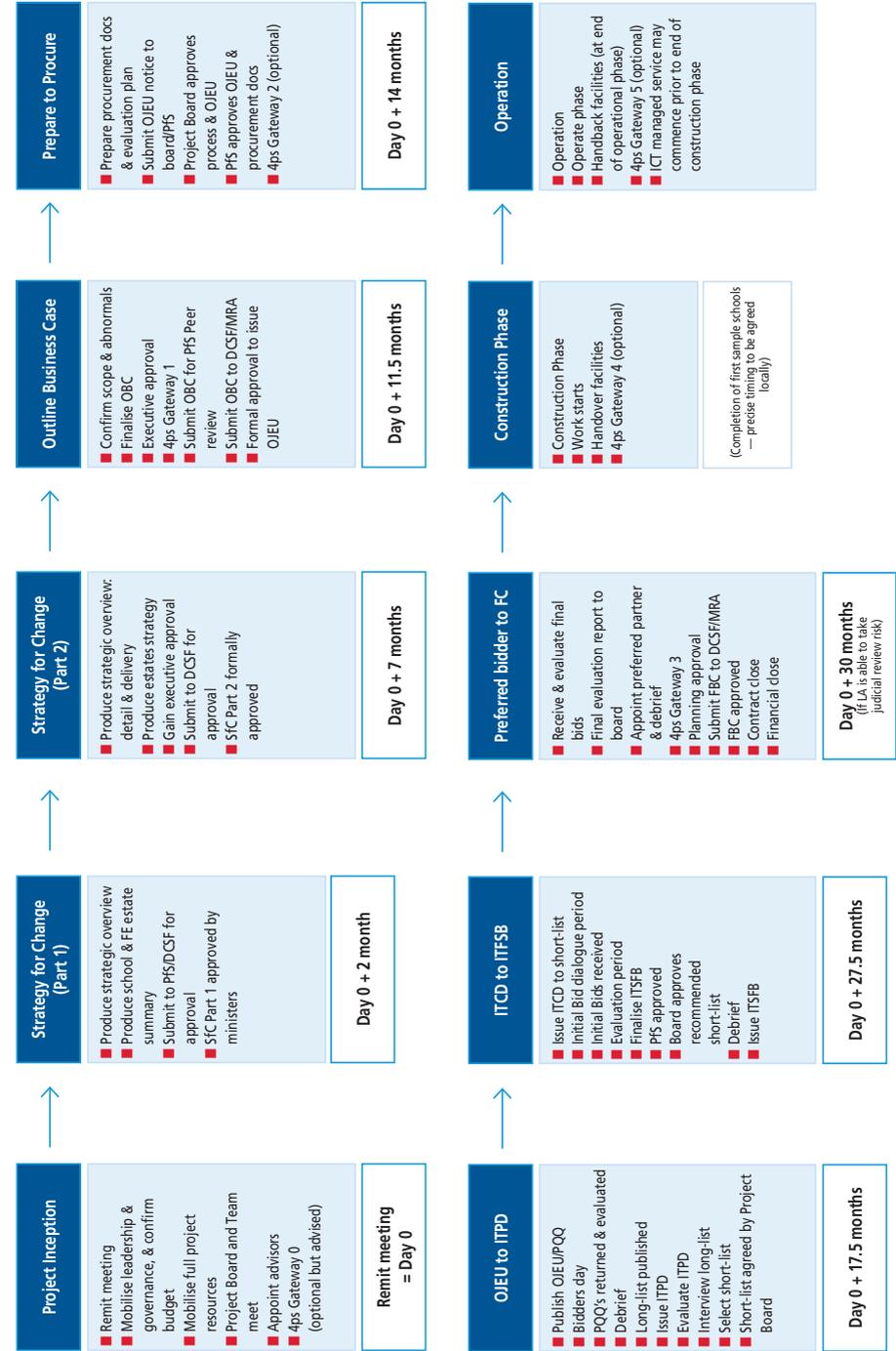
There are a number of stages that a local authority will have to go through as part of the BSF programme. Before the process begins local authorities should start to make plans and consult with partners. A BSF project director and project team should be recruited early on in the process to deliver the demanding schedule. Each local authority is supported by a PFS Project Director, a DCSF Project Adviser, a 4ps Adviser and a CABE Enabler.

The chart opposite shows the main stages of the BSF process and the activities that take place at each.

How will the local authority make sure school and other delivery partners' views are heard?

There will be a high-level project board which usually meets monthly; a project team which typically meets weekly to deal with the detailed issues and a consultative stakeholder group. However, schools and other key delivery partners should expect to be involved (perhaps through a representative rather than directly) in these structures. Governors and other partners should contact the BSF lead officer in the local authority if in any doubt on these matters.

The BSF Process



The diagram opposite sets out a model project delivery and governance structure for a BSF project.

“Heads and teachers have a clear idea of what will make a difference in the classroom and we must have their input to this programme. They must be informed clients who demand the best from BSF. We need them to be able to articulate the educational vision, while designers can come up with innovative solutions that are also practical and workable.”

Jim Knight, Minister for Schools and 14–19 Learners

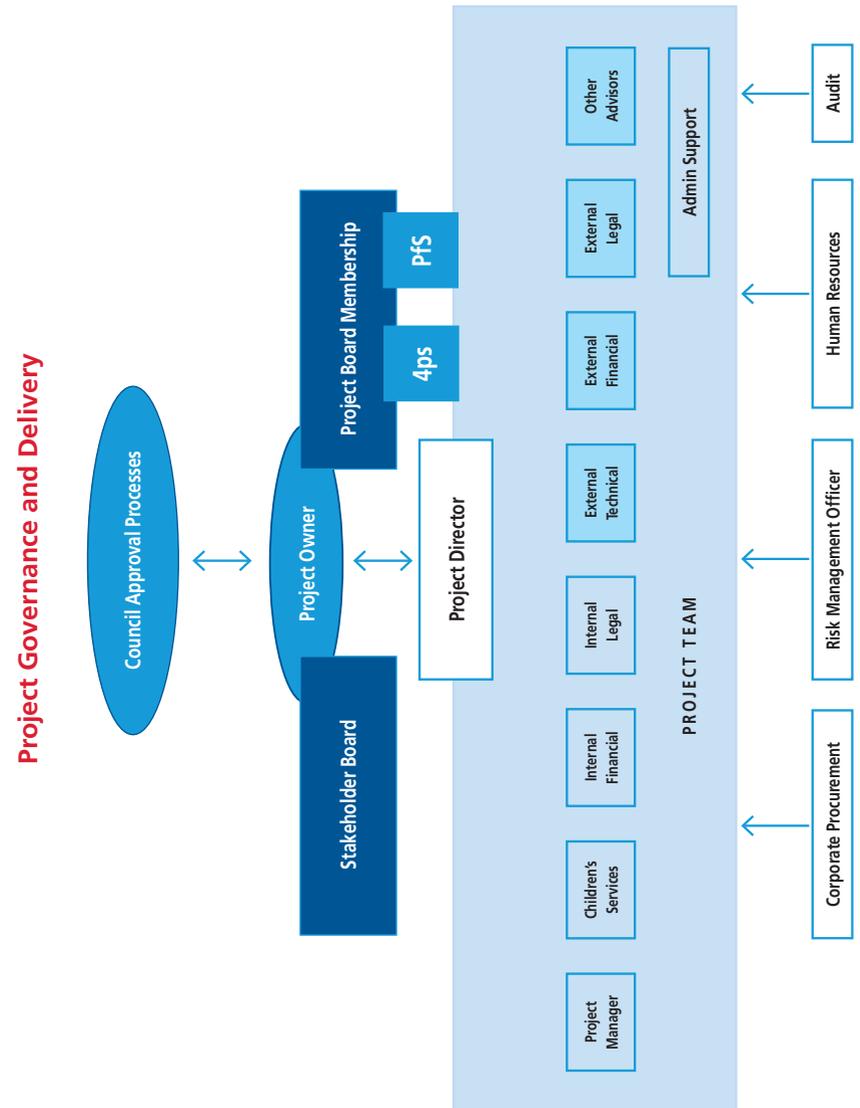
Who makes the final decisions locally about going ahead with projects?

This depends on the type of decision.

Schools must be fully consulted by the local authority on the detail of proposals, as individual governing bodies will need to enter into a legal agreement with the local authority. This agreement will cover, amongst other things, the use of delegated funds and the services to be provided to the school. As such, governors must have agreed to the arrangement.

For changes to school sizes and categories, openings and closures, the local authority or the Schools Adjudicator is the final decision maker. For Academies, it is the Secretary of State.

For setting up the LEP or awarding contracts, it is the local authority. Decisions ultimately rest with the local authority’s Cabinet (or, in a few local authorities, an elected Mayor).



How will schools be fully represented?

Since every wave involves a group of schools, headteachers and governors will be expected to work together across schools as well as representing the interests of their own school. Similarly, one or more governors may be expected to represent the views of several governing bodies (on, for example, a stakeholder group or project board). Here, it is important to be clear about the aims of the group in question and about the roles individuals are expected to fulfil.

Full engagement with BSF at various stages is likely to require significant input from headteachers and other senior school staff. Experience to date has shown that these tasks cannot simply be added to the 'day job' and often require significant commitment from the relevant staff for a period of time. Governors should consider the scope for releasing relevant staff fulltime, or on secondment to act on behalf of several schools. The local authority may provide some funding to support release or secondment.

The two headteachers at the newly co-located Forest Oak and Merstone schools (a BSF quick win project) for children with special educational needs (SEN) in Solihull spent over two years working on the project development. At the design specification stage, they spent up to three days a week on the project. Excellent leadership teams within their schools allowed them this time away from their 'day jobs'.

How do Gateway Reviews work?

Gateway Reviews are structured reviews organised by 4ps. They are carried out at key decision points in important local government projects by an experienced review team, independent of the project team, and they usually take place over three days. The review team interviews a range of key stakeholders, including elected members and school representatives. The Gateway Review provides assurance that a project

can move successfully to the next stage. A confidential report is provided immediately to the local authority project owner, setting out the team's recommendations. It is the responsibility of the local authority to document its response to the Gateway Review recommendations in its business case submissions to DCSF, but the report itself is not submitted. Copies of Gateway Review reports are held in a 4ps confidential file unless the project owner chooses to release details of the project for wider learning. There are six Gateway Reviews available during the lifecycle of a project:

Gateway 0: Strategic assessment- *strongly recommended for BSF*

Gateway 1: Business justification- *mandatory for BSF*

Gateway 2: Procurement approach- *optional*

Gateway 3: Investment decision- *mandatory for BSF*

Gateway 4: Readiness for service- *optional*

Gateway 5: Confirmation of operational benefits- *optional*

The chart on page 19 shows when each of the Gateway Reviews, mandatory and otherwise, are applied to the BSF process.

What is risk management?

All projects contain risks of varying likelihood and impact. These risks, if they occur, may delay the project, add to costs, result in poor quality, and at worst may even cause the project to be abandoned. This may also have an impact on future projects. It is therefore essential that processes are put in place at an early stage to manage risks.

To formulate plans for managing risks, it is important to identify individual risks and then assess the priority they should be given within the project. A well-managed risk assessment can show which issues a team needs to focus on and help them develop strategies for addressing the risks much more cost-effectively than informal or ad hoc methods.

A risk workshop provides a structured approach to considering risks and ensures that equal attention is focused on all areas.

Communications with staff, parents, students and other partners

It is important to consult and inform all interested stakeholders and allow adequate time and provide sufficient information for the process. Local authorities should also consider feedback and views, and explain the decision making process.

Consultation methods could include:

- meetings targeted at particular groups such as school governors or headteachers
- seeking out, and responding to, parental demands and concerns in the area, in line with the Education and Inspections Act 2006;
- roadshows and exhibitions
- stakeholder groups linked to the project board
- newsletters which raise awareness and ask for responses
- working groups exploring particular issues or challenges
- direct consultation with key delivery partners – including the local Learning and Skills Council or a local Diocese
- websites and online questionnaires
- use of councillors to engage with local communities
- use of local media.

Local authorities may want to appoint a communications officer to ensure the process is effective and works efficiently throughout the project.

Where can I find more information?

4ps www.4ps.gov.uk provides guidance and advice regarding project management, governance, and Gateway reviews

The Pfs website www.partnershipsforschools.org.uk lists the project directors allocated to all 'live' projects.



4 Funding



How is BSF funding allocated to a local authority?

BSF funds are allocated on the basis that 50% of the floor area within each local authority's BSF project can be 'new build' i.e. completely new facilities will be built. The remaining floor area is funded so that 35% can be remodelled and 15% undergo refurbishment. The floor area is calculated using the national space guidelines for secondary schools in DCSF Building Bulletin 98 for the current number of schools in that particular wave.

Pupil numbers are also used in the calculation and are based on the 10 year projections agreed with the local authority. These can allow, for example, for any proposed rationalisation.

Around half of the schools in the national programme will be funded through Private Finance Initiative (PFI) – see Section 11, and most of these will be new build schools. For more information see the BSF funding guidance on the PfS website.

How are special schools funded?

The calculation for special schools is similar, but the space guidance used in the revised DCSF Building Bulletin 77, and reflects requirement for different types of special needs.

What about voluntary aided schools?

Voluntary Aided (VA) schools are part of the local strategy and will be funded to the same standards as other secondary schools. The BSF funding includes the VA governors' 10% contribution to building works that would normally be required.

How are Academies funded through BSF?

The capital funds for new Academy buildings are calculated in the same way as for all other secondary schools: based on Building Bulletin 98 space guidelines, pupil numbers and the standard cost per square metre. Funding for running costs once the school is built will come from the DCSF rather than the local authority.

What about new schools or schools that have recently been refurbished?

New schools that have been built in the last 15 years are presumed not to require further investment, and will not count towards the funding allocation calculation unless they are being enlarged for an increase in pupil numbers. However, the ICT funding is available for recently-built schools even if they receive no construction funding.

Where schools have been remodelled, rather than completely rebuilt as part of a PFI contract, there will be funding available up to 75% of the standard allocation in recognition that the previous funding will have made some improvements in suitability and sufficiency and will have dealt with condition problems.

What is a "One School Pathfinder"?

Local authorities that are not due to start the full BSF programme until waves 10 to 15 have been awarded One School Pathfinder status; projects for a single new school funded by BSF capital. There are currently 38 One School Pathfinder projects.

How is the final “funding envelope” calculated?

The floor areas for each type of school are totalled and a standard cost allowance applied at new build, major refurbishment and minor refurbishment rates. Additional allowances are then made for regional variations in building costs and for inflation to the projected start of construction date.

Furniture and equipment is funded separately on a per pupil basis, adjusted according to the 50:35:15 split. Capital funding for ICT is also allocated on a per pupil basis, and covers equipment, service establishment, change management and infrastructure costs (cabling etc).

The funding formula includes a standard allowance for “abnormals” – these are items commonly found in building projects which push up costs beyond those of straightforward construction. Examples of abnormalities would include asbestos removal or the need to dig deeper foundations. PFS check to see if the standard abnormalities allowance is justified for individual schemes. In exceptional circumstances local authorities may be able to justify the need for higher abnormalities funding. The full calculation is made using the Funding Allocation Model (FAM) available from PFS.

BSF funding is not allocated for site purchase or works outside school sites (such as road junction works on the approach to a school site).

The calculation of the total funding envelope does not mean that the amounts calculated for each school are to be allocated to that school. The local authority is responsible for agreeing the funds allocated to each school site, a process begun in the ‘Strategy for Change’ and completed in the Outline Business Case.

What check is made on affordability?

The local authority must demonstrate that its proposals are affordable within the total funding envelope (including any capital contributions from its own resources).

Local authorities must also demonstrate how the buildings will be maintained during their lifetime – these maintenance costs are known as “life cycle costs”. BSF funds the life cycle costs of all projects supported by PFI credits as life cycle funding is an integral part of the PFI approach (see Section 11). Where investment is delivered conventionally, local authorities and schools are expected to use their own resources to maintain buildings and grounds.

How are school budgets affected?

Schools will need to spend some of their budgets on services that are provided through BSF – including, for example, the ICT managed service, facilities management or building maintenance. The scope of the services and the likely costs are agreed during the development of the Outline Business Case, and schools will need to be comfortable that they will receive value for money for each type of service. Where services are to be provided as part of a PFI scheme, a more formal agreement with each governing body is needed (see Section 11).

The devolved formula capital allocation from DCSF will be paid at a higher rate for schools that are unmodernised, and at a standard rate (50%) for those that have been modernised.

Where is the detailed funding guidance available?

Detailed funding guidance, including the Funding Allocation Model, is available on the PFS website: www.partnershipsforschools.org.uk/guidance.htm

5 Design



What is meant by “21st Century facilities”?

If schools are to provide excellent educational facilities for generations to come, designs for new and refurbished school buildings need to take account of current and likely future developments in education and technology, as well as the local and global environment. Short-term flexibility and longer-term adaptability are both key requirements, as are buildings that will inspire new ways of learning and provide excellent facilities to benefit the whole community. Recent research shows that well-designed schools lead to greater engagement, higher motivation and educational attainment.

Current developments that need to be taken account of include:

- a more diverse curriculum for students aged 14 and above, including new specialised diplomas
- new ways of learning and the impact of ICT (e.g. online access to teaching materials, email communication between teachers and students)
- opening up the school to other students and to the community (e.g. theatre groups using studios and theatres outside school hours);
- workforce reform leading to more support staff in schools, different models of curriculum delivery, and space that enables teachers to maximise their guaranteed preparation, planning and assessment time
- greater inclusion of students with special educational needs into mainstream schools

- an increasing understanding of the environmental impacts that result from building construction and use
- energy demands and ventilation requirements from increasing ICT use.

How will BSF ensure buildings will be well-designed to meet users’ needs?

Once the scope and procurement route for an individual school project has been established, schools will set up a working group to allow governors and staff to contribute to the brief or output specification, and to evaluate design proposals. The group should consider these resources:

- visits to other new or remodelled/refurbished/extended schools – a good starting point for developing ideas based on practical experience
- the views of students at the school, who will express their needs and expectations
- The Commission for Architecture and the Built Environment (CABE) – which is funded by DCSF to provide free support and guidance to all the local authorities involved in BSF, in order to help them to develop schools which are well designed so they function well. CABE is supporting those involved in the BSF programme by advising, assessing school designs, training and offering guidance and research. See below for more details on CABE’s role in BSF
- The Sorrell Foundation – which, through its ‘joinedupdesignforschools’ programme, brings together student client teams and professional designers to develop design solutions for projects the students choose. With funding from DCSF, a number of these projects are now built. A permanent exhibition of this work, with space for workshops and seminars, is housed in Somerset House, London, as a resource for schools
- the “Learning Through Landscapes” Trust provides valuable guidance on site development and the use of school grounds; and

- the Royal Institute of British Architects (RIBA) has produced a guide for school building projects
- In addition, the local authority may have its own in-house expertise on design (architects and education staff experienced in commissioning and specifying buildings), and should also engage a client design adviser – who will help LAs and schools prepare briefs and set design goals.

To ensure good design, DCSF and PFS have:

- set funding at levels that will provide high quality, well-designed buildings
- stimulated debate among architects and educationalists about school designs for the future, including exemplar designs and case studies of successful school transformations
- produced guidance and publications
- endorsed the role of “design champions” within the procurement process – people whose role is to argue for the highest quality of design
- funded CABA’s input into BSF and developed specific Design Quality Indicators for schools.

What are the ‘exemplar designs’?

In 2003, the then DFES commissioned a set of exemplar designs covering a range of types and locations of school. These designs – five primary schools, five secondary schools and one ‘all-through’ school – were created by 11 leading architectural practices – not as templates, but rather as springboards for developing imaginative and sustainable school buildings.

The designs are intended to:

- stimulate ideas for the design of ‘schools of the future’
- create benchmarks for well-designed schools
- push forward the boundaries of innovation and inspiration;
- support the delivery of BSF
- encourage the industry to develop new ways of delivering environmentally sustainable school buildings.

What are sample schemes?

A small number of schools are chosen by the local authority as a cross-section of the type of schools the LEP will aim to deliver. Designs are developed during the procurement process and form a significant part of the evaluation process to select the private sector partner.

Sample schemes are normally limited to two - one new build school and one remodelled/refurbished school. Subsequent schools will be designed and delivered by the LEP after the award of the contract.

How does CABA help local authorities with BSF ?

CABA’s main input to a BSF project is divided between enabling and evaluation. It also runs training events for Client Design Advisors and Design Champions, where they can meet to share knowledge and experience, and is involved in the National College for School Leadership’s BSF Leadership Programme. This aims to support school leaders in developing their vision for future learning and managing change.

What does a CABA Enabler do?

A CABA enabler, usually an architect with a good track record in design, is assigned to each local authority when it enters the BSF programme. The enabler will provide a fixed number of days of advice to the local authority to help achieve the following:

- the early raising of stakeholder awareness of the importance of good design
- appointment of the Client Design Advisor
- support to the BSF project team and client design advisor throughout business case development and the procurement process up to the selection of short-listed bidders.

The advice will be scoped over the three phases and tailored to suit each project after an initial meeting between the project team and the enabler.

What is the Schools Design Assessment Panel?

CABE's Schools Design Assessment Panel will help local authorities to evaluate the design quality of proposals, support bidders in meeting briefing requirements and refining their proposals and ensure that design quality remains consistently high for all BSF schools. There are three stages to the panel's work:

- design development – a workshop with each short-listed bidder midway through the design period to reinforce messages on good design
- main design assessment – a formal review of the bidders' worked up proposals for each of the sample schemes. The panel will deliver its assessments to the local authority evaluation team
- design refinement – in some cases a further review will be carried out when bidders have refined their proposals following the main design assessment.

The schools Design Assessment Panel will also look at a selection of proposals produced by a LEP, or other procurement vehicle, to ensure that design quality is maintained further down the delivery chain as BSF rolls out.

CABE also helps share best practice through the publication of guidance and case studies.

What is a Design Champion?

Ideally a senior council officer or elected member, a Design Champion will provide leadership and commitment to delivering inspiring buildings. The Design Champion need not be a full time member of the project team but will help ensure quality at critical decision-making stages.

What is a Client Design Adviser?

A Client Design Advisor (CDA) is a skilled, experienced architect who can advise the local authority on all aspects of design to help them achieve high-quality buildings. Involving an effective CDA early on should make a real difference to the quality of projects, saving time and money in the long term. The use of CDAs is now required by PfS and DCSF on all new BSF projects in order to ensure high-quality outcomes. The CABE enabler will advise on the appointment of a CDA and the RIBA has a list of accredited CDAs.

What are Design Quality Indicators?

The Design Quality Indicator (DQI) is a pioneering process for evaluating the design quality of buildings. Design quality has always been difficult to measure due to its subjective nature but the DQI applies a structure to measuring it.

A DQI specifically for schools has been developed for BSF. It measures design quality according to three criteria:

Functionality: The building should provide access for all and space for both teaching and non-teaching activities, and should adapt to changing needs.

Build quality: The building's finishes should be durable; design should minimise the requirements for mechanical ventilation (cooling and heating) and the layout, structure and engineering systems should be well integrated, using sustainable materials and systems.

Impact: The building should be well sited and display character and innovation; forms and materials should be well detailed; and the facility should contain pleasant circulation spaces, common areas and natural light.

DQI evaluations are repeated to ensure that design quality is maintained at all stages throughout the project. PfS will ensure the DQI is completed at required stages, and may offer facilitation.

What is a BREEAM rating and what does it mean?

The Building Research Establishment Environmental Assessment Method (BREEAM) is a comprehensive method of evaluating the environmental impact of a building design. It measures how sustainable a building is by considering all of its impact on the environment (e.g. how much energy and water it uses, the effects of the materials used in its construction, etc.). It is intended to guarantee a minimum level of environmental performance for school building designs, without specifying particular solutions. Designs score points for meeting various sustainability criteria and are given an overall rating. DCSF requires that all BSF projects achieve a minimum BREEAM rating of "very good". PfS is responsible for ensuring that all BSF schools comply with this requirement.

It is also likely that local planning policies will require specific measures to demonstrate sustainability.

From 2016, it is intended that all new schools will be zero-carbon. In the interim, DCSF has made available an additional £110m to explore ways in which new schools can reach this goal, starting with a target of reducing carbon emissions by 60%.

What are RIBA stages?

The RIBA (Royal Institute of British Architects) project stages are construction industry standard descriptions of the phases of a building project, giving details of the work expected from the design team. For example, the first stages (A to D) are:

Stage A. Inception - identification of client's requirements and possible constraints on development. Prepare studies to enable the client to decide whether to proceed.

Stage B. Feasibility - prepare feasibility confirming key requirements and constraints. Identification of procedures, organisational structure and range of consultants and others to be engaged for the project.

Stage C. Outline proposals – development of the scheme to "sketch" stage. This includes development of the full project brief, detailed estimates of costs, and outline drawings of the building's exterior, floor plan and elevations, and its location on the site.

Stage D. Detailed proposals – a fully developed scheme, with sufficient level of detail to support a full planning application, including detailed drawings showing individual spaces and rooms and their layout.

What are BB98 and BB77?

BB98 (Building Bulletin 98, Briefing Framework for Secondary School Projects) is a DCSF document which sets out area guidelines for secondary school buildings and grounds (including Academies). It also includes guidance on how schools and local authorities should develop the brief for any secondary school and the design criteria that must be considered.

BB77 (Building Bulletin 77, Designing for Pupils with Special Educational Needs and Disabilities in Schools) contains information on accessibility, inclusion and designing for pupils with special education needs in mainstream and special schools.

Where can I find more information?

CABE publications (all available for download at www.cabe.org.uk)

Picturing School Design - this CD presentation and guide illustrates some of the common pitfalls of school design (using sound design principles) and offers solutions to overcoming recurring problems.

Achieving Well-Designed Schools through PFI - uses CABE's experience and knowledge of best practice to help the main stakeholders, particularly the client, private sector partner and the school community, achieve well-designed new and refurbished schools through PFI.

Creating Excellent Secondary Schools – an updated version of the guide above. It is of particular relevance to BSF, covering both PFI and design and build projects.

Building Schools for the Future: the Client Design Advisor - this publication, produced with the Royal Institute of British Architects, explains the requirement for, role and appointment of experienced architects as client design advisors within the Building Schools for the Future programme.

Being Involved in School Design - a guide for school communities, local authorities, funders and design and construction teams to being involved in the school building process. 10 case studies provide examples of efficient involvement across a range of school building projects.

Assessing Secondary School Design Quality - CABE's research report into the design quality of schools built since 2000.

Exemplar designs and the design brief used to develop them can be found at: www.partnershipsforschools.org.uk

DQI for Schools www.dqi.org

Building Bulletin 98 and Building Bulletin 77 can be downloaded from www.teachernet.gov.uk

6

Using Information and Communications Technology



Why is ICT so important in BSF?

Information and Communications Technology (ICT) has immense potential to change both teaching and learning, encouraging individual learning programmes tailored to individual pupil needs and allowing learning to take place outside of school sites and school hours. Roughly 10% of BSF funding is allocated to ICT, reflecting its importance.

What is an ICT “managed service”?

A managed ICT service is the hardware and software that provides networked computing, allowing pupils and teachers to use learning software and manage pupil data. Everything to be provided through the managed service is captured in a contract with a specialist provider (usually part of the LEP). A carefully specified and procured managed ICT service will allow schools to get on with their core business and not be distracted by technical problems. A good managed service should allow ICT to be seen as a “fifth utility”.

Is an area-wide managed ICT service mandatory?

A full ICT managed service across a local authority is the default position for BSF, although it may be necessary to take account of existing ICT contracts for example, if the local authority already contracts with the regional broadband consortium for the provision of a managed learning environment. Local authorities that do not use the LEP model (see Section 10) will be expected to demonstrate that any alternative approach will

achieve better value for money and be sustainable. Similarly, any school that does not wish to participate in the aggregated procurement of ICT and/or the ongoing managed service will have to demonstrate that their proposed alternative offers better value for money and sustainability.

As the capital funding for ICT is provided to the local authority for the procurement of an area-wide service and not to individual schools, there is no guarantee that a school which “opts out” of the aggregated procurement will receive its share of the funding.

What sort of ICT service should be developed?

DCSF has set out the direction for schools’ ICT in its e-strategy document, Harnessing Technology (March 2005). This recognises the need to support all schools to make effective use of ICT in the drive to deliver better quality teaching and learning, and to help them improve how they function as institutions. While support is available at a national level, it is clear – given that schools are already at different stages of embedding ICT into everyday practice – that schools and local authorities are best placed to decide how funding should be applied to address local priorities.

The guiding principles underpinning the approach to ICT in BSF are as follows:

- ICT provision should be area-based, integrating schools (e.g. across an entire local authority or LEP), and be scalable across the life of the BSF programme. ICT provision on a school by school basis is unlikely to be value for money or provide the basis for a transformational programme. The area-based solution will also enable effective integration of ICT services into the wider community
- ICT provision should be seen by teaching staff and pupils as simple to use, and integral to the school environment – from the building design stage onwards

- ICT provision should be viewed as a service that establishes ICT as an agent for change, enabling teaching staff and pupils to transform the way they work.

Will BSF provide funding for new ICT equipment?

Yes. There will be a one-off grant to the local authority based on pupil numbers. This is intended to cover the capital costs of the ICT infrastructure and equipment, and getting everything up and running. Each school gets to choose how a percentage of their allocation is spent, through a ‘local choice fund’ and the bidders will propose a mechanism for this. Aggregating purchases across a local authority will result in lower prices for equipment and better value for money.

Funds are not intended to only provide computers and peripheral equipment, but instead to develop a high quality infrastructure which can run a range of services. This might include, for example, IP telephony, the building management system, CCTV, access control and cashless catering as well as the school’s management and administration system and all its curriculum applications.

What about running costs?

Once the managed service is in place, schools will pay an annual service charge. This will be negotiated with the local authority in advance of signing the managed service contract and will be covered by the agreement between the governors and the local authority.



What are ICT Quality Indicators?

ICT Quality Indicators are a tool that enables users of a building to specify the relative importance of the features and facilities offered by their ICT solution. As part of a school's early engagement in BSF, users will be offered a day using the ICT QIs with an expert facilitator.

What is a virtual learning environment (VLE)?

A VLE is a collection of integrated software tools designed to help share, plan, deliver and search learning resources. Sometimes called a learning platform, it usually includes content, assessment and progress tracking. It is aimed at both teachers and learners.

What is a managed learning environment (MLE)?

This will combine the features of a virtual learning environment with an administrative system including pupil records of progress and attendance and linked to the building security, controlling access etc. It is aimed at all members of a "learning community" – pupils, teachers, school managers, governors, parents and local authorities. It is expected that all BSF schools will have access to a fully-featured MLE as part of the ICT managed service. The basic specification for an MLE has been developed by Becta, the technology agency of DCSF.

How will ICT services be phased in?

There are two primary components to ICT Services:

Implementation: this involves the procurement and delivery of the hardware and software and related installation tasks. It includes the managed learning environment, network components, design services, installation services, testing services and initial training; and **ICT Operational Services.** This includes the provision of support and

maintenance services, security and back-up services, disaster recovery services and continuing training.

The ICT contract is based on a five-year operational period and is intended to govern a specific delivery phase (i.e. an identified grouping of schools for which funding has been made available). There will be a separate contract for each group of schools in a defined delivery phase.

How are payments made for the ICT infrastructure and services?

Payment for the ICT assets (e.g. hardware, network components) and the services within the implementation period will be made by the local authority to the LEP on a school by school basis.

The payment for the implementation will normally be made in three milestones:

- 70% will be paid following satisfactory completion of implementation testing;
- 25% will be paid following a period of two consecutive months during which the performance of the ICT Operational Services at the school has been of a sufficiently high standard; and
- the final 5% will be paid upon successful implementation of the area wide network across the schools and will therefore follow the implementation tests for the final school.

If the local authority requests that the LEP provides access to the MLE before the first school opens, then an additional payment may be made to cover the cost of setting up this service and making it available.

During the operational period, the local authority will pay monthly ICT service charges. This will initially be a percentage of the annual service charge allocated to each school, which will ramp up as each school comes on stream. This payment will be subject to deductions arising from availability and/or performance failures, in accordance with the ICT payment mechanism similar to the PFI model (see Section 11)

What about ICT in Academies?

Academies will be expected to purchase the managed service from the local LEP unless there is a strong case for not doing so.

Where can I find more information?

Standard documentation for ICT including a Service Output Specification and Guidance, a Standard Contract Template and a Payment Mechanism are available from <http://www.partnershipsforschools.org.uk/StandardDocuments.htm>.

PfS has developed an ICT Vision Support CDROM. This contains video, audio and text resources chosen to help develop an understanding of the ways in which ICT can help shape and enrich all aspects of schools from the building to management, administration, teaching and learning. The local authority ICT adviser will have a copy of this or a copy can be obtained by emailing info@partnershipsforschools.org.uk

The British Educational Communications Technology Agency (Becta) is the lead body for ICT in education. It is closely involved with the BSF programme and the website contains information on the use of ICT in schools (www.becta.org.uk).



7

Setting out the vision and the building plans



What is the purpose of the Strategy for Change that each local authority has to produce?

The 'Strategy for Change' (SfC) is the first key document the local authority has to produce and agree locally. It ensures that the local authority's educational priorities are at the forefront of their BSF planning processes, enabling more forward-looking learning environments to be developed. School staff, governors and the local community will need to be engaged with the local authority's development of its strategic objectives and plans for its 'Strategy of Change'.

The SfC document is in two parts. Part 1 focuses on setting out what is to be done. Part 2 focuses on how it will be achieved.

What is the starting point for the SfC?

In anticipation of BSF funding, local authorities have been developing their own plans for secondary education in consultation with the local schools and key stakeholders, including parents. The starting point will have been current, agreed local plans, including those for commissioning and providing services for children and young people. In addition, DCSF Ministers will set out their specific expectations in a 'Remit for Change' for each local authority, capturing local objectives, targets and challenges and reflecting Government priorities.

How long will it take to produce the SfC?

Part 1 is intended to be a succinct summary document of up to 12 pages in length (plus some appendices) and should take up to eight weeks to produce. Part 2 is more detailed (up to 30 pages long, plus appendices) and will take around a further 20 weeks to complete.

What are the key components of Part 1?

Part 1 sets out the key challenges and objectives of the SfC, covering the plans to improve education and the associated plans to improve the local school buildings and sites. It must show how the key challenges set out in the 'Remit for Change' will be met. It is particularly important that the plans for improvement and for changes to the school estate have the support of all the key delivery partner organisations, including local dioceses, the Learning and Skills Council and local stakeholders, such as governing bodies. The three sections of Part 1 will include:

- a strategic overview of existing school and further education provision
- proposals for the school and further education estate
- how each school will improve through BSF investment.

What are the key components of Part 2?

Part 2 develops the two linked strands from Part 1: how to meet the challenges and key objectives, and the key estate proposals.

The plans to meet the challenges and objectives must answer these key questions:

- where is the local authority now in terms of educational outcomes, diversity of provision, fair access and choice?
How is the local authority planning for Academies and Trust schools?

- how does the local authority propose to ensure choice, diversity and access for all parents and pupils in local schools?
- what added value will BSF investment provide to local educational outcomes?

The plans must also show how the local authority intends to:

- ensure robust challenge to schools including strategies for early intervention in the case of underperforming or failing schools
- deliver personalised learning to ensure that every pupil is fully stretched and can access a broad curriculum that best suits their needs and talents
- ensure the effective delivery of the 14-19 entitlement in partnership with local Learning and Skills Council and local further education providers
- ensure effective integration of education and other services through Every Child Matters
- champion the needs of all pupils, including those with special educational needs.

In addition, the local authority must show what change management strategies – both for the local authority and for schools - are in place to achieve the local BSF vision. This includes Continuing Professional Development and workforce reform in schools.

The section on the estate strategy will provide:

- the procurement strategy (including commitment to the LEP model and to the standard documents, unless there are special local circumstances)
- an assessment of the sufficiency, suitability and condition of the schools within the wave and a 10-year pupil place projection

- prioritisation of BSF investment – how schools will be grouped into phases
- estate options showing proposals for each site, likely costs and risks
- a description of the ICT managed service that will meet local needs
- confirmation that the estate proposals will be affordable, and that the running costs of the buildings and of services can be met
- the outcomes of extensive consultation and confirmation of support
- proposals to manage the processes of business case preparation and procurement.

Who approves the SfC?

At a local level, the Cabinet (or Mayor in a few cases) will approve the SfC before it is submitted to PfS and DCSF. The local project board will ensure that there has been full consultation and that there is strong local support. The precise consultation and approval processes will be determined locally – see Section 3.

At a central government level, the SfC will be assessed by PfS and DCSF and approved by the Department. A key test will be how well the 'Remit to Change' has been addressed.



How are schools and delivery partners consulted during the SfC stage?

The SfC must be developed by the local authority in collaboration with all local secondary schools and other key stakeholders. As such, inclusive consultation is vital. Consultation methods might include:

- meetings targeted at particular groups such as school governors, headteachers, staff or parents
- roadshows and exhibitions
- stakeholder groups linked to the project board
- newsletters which raise awareness and ask for responses
- working groups looking at particular issues or challenges
- direct consultations with key delivery partners – for example, the local Learning and Skills Council or a local Diocese
- websites and online questionnaires
- use of Councillors to engage with local communities.

“BSF is very different from most other programmes that I’ve been involved in and the range of stakeholders is wide. It goes without saying that you’ll need to take members with you (members of all political parties, and wearing all their respective hats, including school governor). It’s worth considering early about the potential to involve children and young people in your area– they tend to have a lot less preconceptions than those of us who are rather long in the tooth in this game. And also consider your current primary school children’s families – who will be less focussed on some of the difficult ‘here and now’ issues and will have a more open view about the opportunities in the long term.

Barbara Spicer, Chief Executive, Salford City Council

Does BSF remove the usual requirement for consultation and statutory proposals?

No. All the normal processes associated with undertaking major changes to school organisation will still apply, including the requirement to produce statutory proposals. This will need to be built in to the timetable. It is also important to note that if a new school is proposed, then there must be a competition to determine the promoter. This must also be reflected in the timetable.

Does BSF mean changes to the number and location of schools?

It may do. Local authorities should use the opportunity offered by BSF to review whether the location of schools reflects parental demand and demographic changes.

BSF is about ensuring the most effective educational provision for the local area. This means:

- schools being in the right place and of the right size to meet the needs of the community
- the school organisation offering choice, diversity and access
- the overall pattern of schools locally being sustainable for the foreseeable future.



In some instances there will be long-term contracts (typically 25 years in duration) for the buildings and services. As such, it is important that the local authority is confident that school places are needed for the long-term.

What is the role of the Schools Commissioner in BSF?

The Office of the Schools Commissioner (OSC) has a national role to promote school diversity, parental choice and fair access for parents. Diversity refers to bringing new providers into the education system. As such, the OSC will look to explore with local authorities the opportunities for developing new Academies and Trust schools as a means of driving a step change in the lowest attaining schools.

The Schools Commissioner is a key part of the sign-off process for SfC submissions and will need to be satisfied that the local authorities' plans will deliver choice, diversity and fair access locally if a recommendation is to be made to the Minister that the submissions be approved.

As local authorities develop a "commissioning" role in local education, the Schools Commissioner will support and challenge them. This might mean helping a local authority to identify a new Academy project, or advising a school on how to establish a Trust or working with local authorities on the strategic development of Trusts within their area. The Schools Commissioner will review and comment on SfC documents to ensure consistency with these areas of DCSF policy.

The OSC will challenge the local authorities to use the BSF programme to increase the number of places in good schools that parents want their children to attend. Local authorities are also expected to explore expanding successful and popular schools, either physically, or where this is not possible, by extending their influence through Trusts or federations. Similarly, OSC will expect to see radical solutions for weak/undersubscribed schools, for example, closure if the ongoing viability of the school is in question; or where the school is still needed, Academies or Trusts. The OSC expects local authorities to respond decisively to surplus

places in schools, demographic changes and parental demand when considering the location and size of schools.

How will Academies be built as part of BSF?

Where the local authority establishes a LEP which can build an Academy by the target opening date, then the local authority will procure the Academy using the LEP. Otherwise, the local authority will use the national PfS Framework agreement to procure a design and build contract.

In both cases the sponsor and Principal-designate will be fully involved in the design of the school. Other aspects of establishing the Academy will be dealt with by the sponsor and DCSF. The running costs of the Academy are paid directly by DCSF.

Where can I find more information?

SfC guidance can be downloaded from

www.partnershipsforschools.org.uk/guidance.htm

The School Organisation website is www.DCSF.gov.uk/schoolorg/



8

Making the business case



What is the purpose of the Outline Business Case?

The Outline Business Case (OBC) is a detailed assessment of what is achievable and affordable in BSF. It provides sufficient detail to secure formal approval to begin the procurement of a private sector partner.

The OBC aims to ensure that projects are sufficiently robust to move into procurement, and in particular, that they are:

- affordable
- offer value for money
- will be attractive to the market
- have the necessary local authority resources and experience in place.

How does the OBC build on the SfC?

The three key strands of the SfC – meeting the education challenges; the estate strategy; and the procurement strategy are developed in more practical and financial detail in the OBC. For example, each school's SfC is developed to reflect its own needs and priorities, as well as the overall education priorities from the local authority's wider SfC. Each school's strategy is then used to inform the design for the school.

What information is included in the OBC?

The OBC must include:

Confirmation that the SfC aims and plans remain current (or reasons are given for alternatives developed since the SfC was approved) and in particular that they:

- fit area-wide objectives
- meet the Ministerial 'Remit for Change'
- help deliver key policy developments
- will improve student outcomes.

Specifically, the OBC should include the following:

- Building upon option appraisals in the SfC, detailed feasibility studies for all of the schools in the wave should be developed to show block-by-block plans for changes to each school site. The preferred schemes should meet the schools' educational aims. Enough detail is needed to provide confidence in costings, including an assessment of abnormal costs
- A description of the ICT managed service to be procured, including the proposed output specification, which will identify the detail of the services to be provided for schools
- A value for money appraisal, using a Treasury methodology to look at the whole wave, and in particular at proposals to use PFI
- An evaluation of affordability which shows how each of the elements (PFI, design and build schools, ICT, facilities management and maintenance) can be afforded from known resources. Local authorities will identify BSF funds, their own capital funds, other capital funds (such as funding for additional sports or library facilities) and revenue budgets such as school budgets currently used for ICT and maintenance services

- Confirmation of Readiness to Deliver. This will mean that project management resources are adequate and in place to enter the procurement phase; that sufficient funding is allocated; that any necessary approvals (such as planning permissions) are in place; and that the council, other delivery partners and the schools remain fully committed to the plans. In addition, drafting of procurement documentation will need to be at an advanced stage
- Plans to ensure that educational change remains at the heart of the project through, for example, training programmes for staff to use the latest computer technology to improve teaching and learning.

How long will the OBC stage take?

No more than 22 weeks from approval of the SfC. However, many of the activities that are a key part of the OBC process need to start before the SfC is completed. For example, the appointment of specialist advisers (see below) must start early enough so that their input into the OBC can proceed without delay when needed.

Who approves the OBC?

The OBC is assessed by PfS and is then considered and approved by a panel, chaired by PfS and comprising members from DCSF, HM Treasury and PUK.



What level of financial commitment is required from local authorities and from schools?

Councils need to indicate their confidence in the affordability of the scheme through the agreement of the Cabinet to commitment of council funds to the scheme, including the meeting of any affordability gap. BSF funding does not cover staff resourcing and it is estimated that local authorities will spend the equivalent of 2-3% of their total BSF funding to deliver the programme locally. Likewise, school governing bodies need to agree in principle to commit future revenue funding to buy agreed levels of service for ICT, facilities management, maintenance and any services provided through a PFI agreement.

What is the purpose of the option appraisals for each school site?

The options appraisals should include a thorough examination of what is possible at different levels of expenditure, before identifying a preferred option. The starting point for developing the options will be the school visions. Key tools used to assess the options will include DQIs and BREEAM (see Section 5). The preferred option for each school must balance educational aims and gains with deliverability, taking into account costs and site constraints.

What is the role of specialist advisers?

The local authority will bring together a team providing specialist expertise in the following areas:

- technical – design, costs, risk assessments;
- legal – especially procurement and the different types of contracts and agreements to be signed;

- financial – modelling affordability and testing value for money, and later in the procurement process dealing with output specifications and payment mechanisms; and
- project management and procurement.

A combination of in-house resource and external consultancy may be appropriate. Some local authorities may also want to bring in specific expertise to help develop education visions and ICT development.

PfS Adviser Frameworks offer an efficient way of appointing advisers at agreed rates for BSF projects.

Where can I find more information?

Partnerships for Schools www.partnershipsforschool.org.uk/guidance



How long is procurement likely to take?

The key milestones for procurement are illustrated in the diagram on page 58. It should be possible to procure a LEP in approximately 19 months. Local authorities will work with their PFS Project Director to ensure that the timetable fits local circumstances.

How much will the procurement cost from start to finish?

Local authorities should generally allow 2-3% of the capital cost for the specification and procurement phases e.g. a scheme with a capital cost of £150m will cost £3–4m to plan and procure. This includes the cost of external advisers that local authorities will need to use to assist with the procurement of their BSF projects.

How much will each school be involved in each of the procurement stages?

The BSF process requires the local authority to identify a small number of schools to be designed by all of the shortlisted bidders; these are called 'sample schemes'. If a school is selected as a sample scheme then it will be consulted by each bidder on the potential design of the school during the

"Securing the best possible outcome through commercial negotiations in the BSF process requires skills which are often in short supply in local government. Understanding risks and reward matrices, identifying where risks will be managed and mitigated and being able to engineer value, without losing sight of key objectives will assist the council team in getting a good deal. The cost of not buying in specialist skills if they don't exist in-house can be huge"

Tony Reeves, Chief Executive, Bradford Council

procurement process. If a school is not selected as a sample scheme it will be dealt with later in the programme, once the LEP is in place.

What is a bidders' day?

A bidders' day is a day when the local authority invites organisations interested in bidding for its BSF project to attend and find out more information about the project. It is usual to advertise a bidders' day when issuing the OJEU notice.

Where can I find more information?

See PFS guidance note on 'How to conduct a Competitive Dialogue Procedure' www.partnershipsforschools.org.uk

4ps guidance on Soft Market Testing and bidders days
www.4ps.gov.uk



10

Understanding the LEP

(Local Education Partnership)



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, BSFI and a private sector partner.

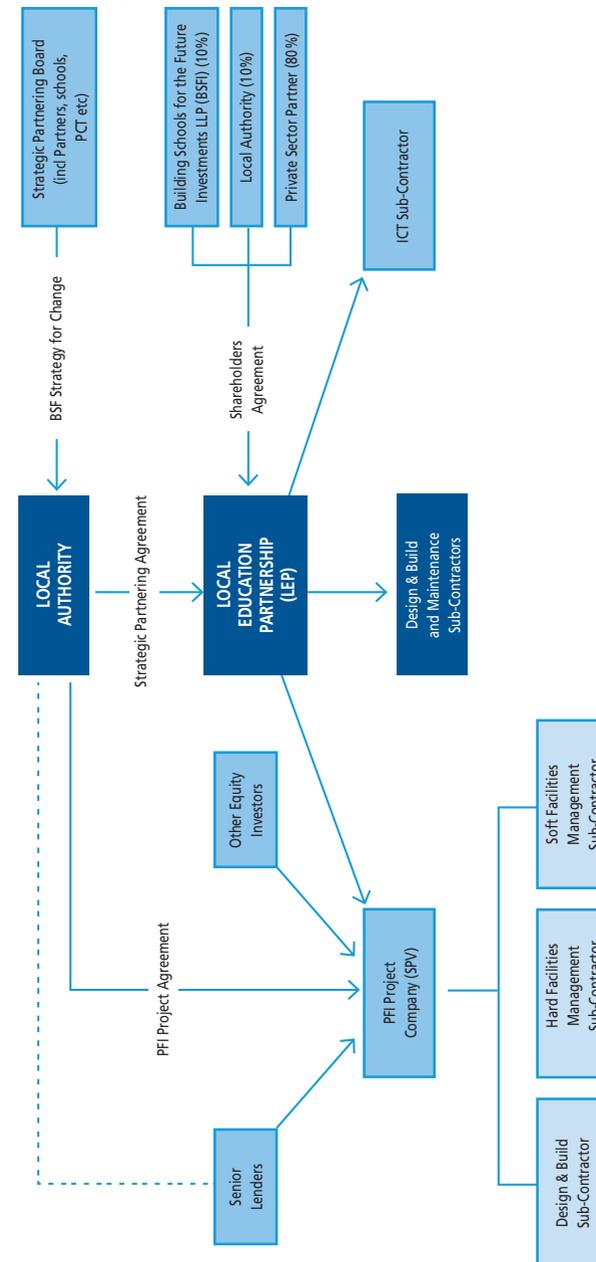
The relationships between stakeholders, the local authority and the LEP are summarised in the diagram opposite (summarising overview and PFI interface). The local authority has a contract with the LEP called the Strategic Partnering Agreement, which gives exclusive rights to the LEP to deliver projects 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.

Why have a LEP?

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

LEP Model Structure



- optimise impact on educational outcomes by integrating building design and ICT
- use both design and build and PFI contracts
- 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.

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 SfC (see section 7), 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. The Government’s Children’s Plan also provides

opportunities for LEPs in relation to co-location of a wide range of services on school sites.

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.

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 BSFI one each. The directors will have to deal carefully with any potential conflicts of interest, and both the local authority and BSFI 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 BSFI own 10% each.

What does the Strategic Partnering Board do?

The Strategic Partnering Board (SPB) is established to ensure that a number of important stakeholders have some influence over the operation of the LEP in their area. School representation is key to this. Members of the SPB are:

- one representative nominated by the local authority;
- one representative agreed by the board of directors of the LEP;

- one non-executive, to be the independent non-voting chairman of the SPB, appointed by agreement of the parties
- other representatives of key delivery partners within the local secondary education community and any other co-opted persons the local authority may nominate, in a non-voting capacity. This category is where schools can be represented by governors or headteachers.

The role of the SPB is to:

- act as the primary mechanism for managing the LEP's performance, based on reports provided by the LEP
- provide a forum for the open exchange of ideas, enabling the local authority and the LEP to discuss forthcoming projects and service delivery requirements
- give guidance on and approve which new projects should be progressed, by whom and on what basis
- should it wish to do so, make representations to the local authority as to the identity of the local authority's representative on the LEP board of directors The role and membership of this body may need to be developed over time to ensure that schools have adequate influence over the ongoing delivery of BSF in their area.

In some areas bodies already exist that could perform the functions of the SPB.



How does the contract operate?

The delivery of services to schools under the LEP (or through other contractual arrangements), will naturally impact on the schools on a day-to-day basis. Whilst it is the responsibility of the local authority and the LEP to deal with contractual matters, clear protocols need to be established for the school to deal with issues that may arise for example, in cleaning, catering, grounds maintenance, security and other matters.

How are day-to-day matters dealt with under the contract?

A permanent "helpdesk" or "helpline" arrangement will enable the schools to report any issues relating to delivery of the services. A manager from the LEP will liaise with the local authority and individual schools, so that day-to-day issues can be addressed quickly.

What if the LEP does not perform adequately?

The LEP is incentivised to provide a high-quality, value for money service by:

- the opportunity for future projects
- the fact that costs are only recovered from successful project delivery
- continuous improvement and benchmarking/market testing provisions in the contract.

The LEP's performance will be monitored by the local authority as client, and at a national level by Pfs. The contract contains a number of ways to protect the interests of the client if the LEP's performance is below the required standard. These range from payment deductions, through loss of exclusivity, to termination of the contract.

Will the LEP be expensive?

Similar joint venture models have been used elsewhere in the public sector and judged to provide value for money. Set-up costs will be kept as low as possible through the use of standardised documents. Costs for the LEP are related to the scale of activity, and can therefore be reduced if activity reduces. The costs of running the business are intended to be offset by savings achieved through continuous improvement and supply chain management. Further information is available on the PfS website in the "Economics of the LEP" paper.

Will the LEP take over the role of the local authority?

No. The local authority remains the democratically accountable body, and the client of the LEP. The Government's Children's Plan envisages an important role for local authorities in the community and the existence of LEPs is consistent with this

Is a LEP always needed?

The LEP is the default model for BSF. In some local authorities alternative procurement models have been adopted. It is accepted that a LEP may not be the best solution where:

- authorities have a low total project value
- 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.

In such circumstances, the local authority must demonstrate that alternative arrangements will secure equivalent or better value for money compared to the LEP model. Options proposed that do not deliver the same potential outcomes as the preferred approach will not be approved.

How are new schools procured through the LEP?

Once the LEP is established, it will deliver new and future schools using a two-stage approval process.

The local authority and the school will work with the LEP to deliver the school building project, without having to go through a full competitive procurement process.

In outline, the process involves:

- the local authority updating and revising its SfC
- inviting the LEP to prepare a Stage 1 submission which will include a project, scope, outline proposals and cost estimates. This will be used by the local authority in the preparation of a further OBC for DCSF approval
- the LEP will prepare a final (Stage 2) submission for approval which will include detailed designs and costings
- the final submission will be used in the preparation of a Final Business Case (FBC), which will secure DCSF approval to release funds
- starting work on site.



Can the LEP provide more than secondary school facilities and services?

Primary school works and other services (e.g. healthcare, leisure facilities, regeneration projects) can also be provided by the LEP as long as they have been included in the original OJEU notice, and tested in the procurement process.

Where can I find more information?

Partnerships for Schools www.partnershipsforschools.org.uk/guidance



11

PFI

(Private Finance Initiative)



Will all schools be PFI Schools?

No. At a national level roughly half the school projects will be procured through PFI contracts, usually for complete or mainly new-build projects.

Where schools are to be rebuilt using PFI, local authorities, school governors and headteachers may have concerns due to a lack of clear information about PFI and, at times, negative media coverage. This section aims to set out how PFI will operate in BSF.

How does a PFI contract work?

In PFI, a private sector partner is awarded a contract to design and build a school and then to operate and maintain that school (and provide related services) usually for 25 years or more. Often that private sector partner comprises a consortium of organisations, working together and co-ordinated under one umbrella, called a Special Purpose Vehicle (SPV). The SPV is also responsible for raising the necessary finance for the project. With PFI there is considerable scope for innovation: the local authority, together with the school(s), sets the overall objectives (i.e. building a school with specified facilities and operating it to set standards) in a document known as an Output Specification. The local authority then invites prospective contractors to bid and price their proposed solutions to those requirements.

The contract transfers significant risks to the SPV: in other words, it will bear the cost if it does not comply with the Output Specification. If the SPV does not comply the local authority can reduce the amount it pays the SPV. These are known as "deductions."

No payments are made to the SPV until the school is built and ready for use. This is different to a conventional building contract in which the client pays progressively as construction proceeds. With a PFI contract the client is paying for services – such as having classrooms available for teaching in a safe, clean and warm environment. Failure to make the accommodation available to these standards as and when required by the contract triggers the use of the payment deductions. As a result of this “performance-related” approach, PFI contracts have a much better record of delivering schools open on, or before, the agreed date than other types of contract. The contract is between the local authority and the SPV. The school governing body or trustees does not enter in to any contract directly with the SPV.

What are the benefits of the PFI approach?

Benefits of using PFI include the following:

- the burden on school management can be eased where a PFI contractor delivers effective serviced accommodation to an agreed service standard to the school. The school should therefore have more scope to concentrate on delivering the curriculum and on raising levels of educational achievement
- at the end of the contract (normally 25 years) the school is returned to the authority in the same condition as it was first built.

What type of companies will be involved in PFI projects under BSF?

Where a LEP is formed for the delivery of BSF projects, it will set up and invest in an SPV for the PFI contracts. Many organisations and consortia bidding to form LEPs are composed of companies with previous experience of PFI contracts. Where no LEP is planned, PFI contracts will be let for schools directly by the local authority as described above.

Who owns a school under PFI?

Under a PFI contract, the SPV provides, pays for and operates the school buildings over the period of the contract. It therefore acts as if it is effectively the owner of the school buildings. However, the local authority, or trustees (in the case of a VA school) retain the freehold of the site, and the SPV has a lease or a licence to use or occupy the site. At the end of the contract the whole school reverts to the local authority or governors (or trustees for VA). When the buildings are handed back they must be ‘fit for purpose’ for a period beyond the end of the contract.

Existing schools with new facilities provided under PFI are operated in their entirety under the contract. It is not practical or desirable to have parts of schools subject to such long-term agreements, whilst other parts are not.

How are PFI buildings and services paid for?

PFI Credits – once a contract is signed, the local authority receives financial support towards the cost of the contract through revenue support from the government. However, this contribution, whilst substantial, is intended to cover only that part of the unitary charge relating to the repayment of capital and life cycle maintenance. The local authority will therefore need to cover the remainder of the charge, often referred to as the affordability gap or an increase to the council’s contribution. It should, however, be noted that the service specification for PFI schools is often set at a higher standard than conventional service contracts.

Unitary Charge – the local authority pays a monthly fee called the Unitary Charge to the SPV to cover its capital repayment and service delivery costs. The Unitary Charge is subject to inflation on pre-agreed indices and is subject to benchmarking (soft services costs only) at periodic intervals, usually every 7 years. Broadly the local authority knows from the start what the payments will be and can budget accordingly, as can the schools. If the quality of service provision falls below agreed performance levels, or if the accommodation is not available, the Unitary Charge will be

subject to deductions as per the contract.

Under Local Management of Schools, each school has a delegated budget. With PFI the school agrees to pay the local authority, from this budget, that part of the Unitary Charge that relates to the operation and management of the school facilities – such as maintenance and cleaning – that would otherwise have been paid for by the school. This is subject to a binding Authority/Governors Agreement.

What will an Authority/Governors agreement cover?

The local authority must have the written approval of the governing body to use its delegated budget. The agreement is usually based on a model document, and should cover:

- the amounts to be repaid and how these are linked to the services being provided
- arrangements for monitoring performance and reporting faults to the LEP
- treatment of payment deductions
- provisions covering the right of the local authority to step in or terminate the contract and the circumstances in which this could happen.

In BSF schemes this agreement will also usually cover any contribution by the governing body to the ICT service provision.

Governing bodies will need to make sure that they are clear about their rights and responsibilities under these agreements. They will need independent legal advice which is normally paid for by the local authority. Detailed arrangements for performance monitoring, reporting faults and remedying them need to involve the governing body and the teachers, who will have valuable input on the practicalities of the mechanisms agreed. Whilst BSF standard documentation will deal in detail with the relationship between the local authority and its LEP or contractor, governors will need to discuss with the local authority how the payment mechanism

will operate in practice on their particular scheme, and how changes in requirements would be dealt with. Deductions made under the contract arise because of poor performance by the SPV, and as a consequence, monies not paid by the local authority may be, if agreed, returned to the governing body.

Is a Governing Body Agreement binding on future members of the governing body?

Yes. The governing body is a 'statutory corporation', which exists independently of its members, so any legal agreements will bind the body until the contract expires or is terminated.

Would individual governors be personally liable if things went wrong?

No, other than in extreme circumstances, involving, for example, fraud or negligence, lack of care, breach of trust, criminal behaviour etc. Good records should be kept, to show that the school has taken appropriate advice and has acted reasonably in the circumstances. Evidence of a good working relationship between the school and the local authority in their joint role as clients will clearly assist in any dispute with the SPV.

How important is it to build a relationship with the contractor?

In a school provided through a PFI contract the headteacher is no longer directly responsible for many aspects of the school buildings – the responsibilities are transferred to the contractor (which has a contract with the local authority rather than directly with the school). Establishing a good working relationship with the SPV will be key to the successful transfer of responsibilities over the contract period, and the SPV, local authority and headteachers should look to develop this before the school buildings become operational.

What if the contractor goes bankrupt?

Nearly all PFI contracts involve a large amount of finance which is usually provided by a bank. A “direct agreement” between the local authority and the bank permits the bank to “step in” where companies in the consortium are in significant performance or financial difficulties, so that they can remove members of the consortium and appoint another company. They have an incentive to rectify – after all, the bank would be more likely to recoup its investment by ensuring that the service continues.

What happens if a classroom is out of action?

If a room is unavailable for use the contractor will have a target time to rectify the problem. As with the LEP, all problems and requests for services will be routed through the SPV’s Helpdesk – a single telephone call to an operator who will log the issue and instigate appropriate action. A review of existing projects suggests that the Helpdesk is critical to the successful operation of a project – so time should be spent during negotiations to ensure that what is proposed will be truly responsive.

What if an extra power socket is needed in a classroom?

For small works a standard rate for jobs should be agreed in advance – the contract should anticipate that such requests will be a common occurrence and a streamlined system should be in place, with agreed rates for typical jobs.

What if the school wants to construct an extension at some future date?

The SPV has the right under the contract to build and operate any extension, but has to price the project on the basis of approved rates and specifications. The SPV will include in its price costs associated with changes to the contract documentation and to ongoing facilities

management arrangements. The overall cost is therefore not directly comparable with alternative bids that might be received from the school for construction only: however, these can be used to benchmark the SPV’s proposals in subsequent negotiations. The contract (and the initial scope of the project when it was advertised to the market) must allow for such eventualities, and clearly state how both construction and operating costs, and therefore the unitary charge, would be affected.

Who monitors the contract?

To keep monitoring costs low, most monitoring is ‘self-monitoring’ (in agreed formats) by the SPV. The local authority, and the school will undertake random ‘spot checks’ (or if appropriate more intensive monitoring) to monitor the quality of services. Successful contract monitoring is dependent on confidence in the Helpdesk system (see above). Experience suggests that contracts are best monitored by those who have been involved in the contract negotiations, at least in the early years. Likewise, schools will need initially to allocate a member of staff who understands the contract to work with the local authority’s contract monitoring officer.

How should the authority plan for transition to the operational phase of the PFI contract?

PFI contracts are long term contracts and it is important that the local authority starts planning for the operational phase of their project from outline business case (OBC) stage onwards. Appropriate contract management resources should be budgeted and allocated to monitor and manage the contracts.

For further advice and support in project transition, or any other operational PFI issues, the Treasury has established an operational taskforce currently run by partnerships UK, available to provide free assistance on 0207 273 8356 or email: operationaltaskforce@partnershipsuk.org.uk.

In addition, 4ps runs regular national network meetings for authorities with schools PFI projects, and a web-based forum for discussion of current issues. Further information can be found at www.4ps.gov.uk.

What happens if there are serious shortfalls in the contractor's standards?

Generally, shortcomings are addressed by deductions from the unitary charge, but if there are serious shortfalls the local authority will meet with the contractor to agree a way forward. In the worst case, the contract can be terminated and re-let to another contractor. Provisions in the standard terms of BSF contracts are designed to protect the interests of schools in such circumstances.

How are staff affected under a PFI contract?

Teaching staff are not affected but a PFI scheme may involve the transfer of employment of some non-teaching staff to the PFI contractor, under TUPE regulations. Typically, these have involved caretaking, cleaning, catering staff or ICT technicians. Once the scope of projects and the range of services to be provided by the PFI contractor has been determined, the project team and the contractor need to agree which staff should be transferred and on what basis. Staff and unions should be informed as soon as possible to make sure that they understand any implications and they need to be kept informed throughout the procurement process. Formal consultation will need to take place with affected staff at an appropriate time.

What if the school closes or its student numbers drop?

The number of students at the school will inevitably vary slightly from year to year. It is important that before entering into a PFI project there is agreement between the school and the local authority on the long-term student projections for the school, to ensure that the project is sustainable for the foreseeable future. Indeed, as part of the Strategy for Change

process, local authorities are required to submit detailed pupil place projections for a ten-year period, taking account of demographic shifts and trends. This significantly reduces the risk of surplus places in BSF schools.

What is refinancing?

Once building work is complete the 'risk' in the project diminishes and the SPV is able to negotiate more favourable financial terms with their lenders, which result in financial gain. Standard PFI contract terms now state that any such financial gain will be shared between the public and private sector partners. It is usually shared on a 50/50 basis.

What is a secondary PFI market?

As PFI projects move into the operational phase with building works completed, a secondary market may develop which will involve investors in the original project SPV selling their shares in the SPV to financial investors who are attracted by the potential return on investment available over the remaining term of the project.

What happens at the end of a PFI contract?

The school will revert to the local authority or trustees (for a VA school). Depending on the contract, the local authority or school could let a new contract after competition, or they could extend the existing contract, or revert to operating the facilities themselves.

Where can I find more information?

Partnerships for Schools www.partnershipsforschools.org.uk/StandardDocumentList
4ps Guide to Contract Management for PFI and PPP projects
www.4ps.gov.uk

12

Conventionally Funded Projects

(Design and Build Contracts)



How will building works be procured if PFI is not being used?

In a design and build contract the client prepares a performance specification for the building works required (traditionally referred to as the Employers' Requirements) and invites the LEP to state how they propose to meet those requirements. This approach gives the LEP flexibility to innovate and use their experience of construction techniques, whilst assuring the local authority that specified standards will be met. It is therefore similar to PFI, but this type of contract does not deliver long-term maintenance services, for buildings, nor is it subject to a regime of 'payment by performance'. The starting assumption in BSF is that this design and build approach, funded by traditional allocations of capital funds, will be used for both major and minor refurbishment projects. However, it may also be used for some new-build too, depending on the availability of appropriate funding and local circumstances.

PfS has prepared two standard form contracts: one is for lump sum contracts, where the LEP builds a school for a fixed price and the other is for a target cost contract, where up to an agreed limit the LEP and local authority may share in the risks of certain costs. The target cost contract is likely to be most suitable for refurbishment costs where the contingencies are high. As with PFI, the governing body or trustees do not enter in to an agreement directly with the LEP.

If a LEP is in place, it will procure a 'design and build' contract. If there is not a LEP, the PfS national framework for design and build contracts may be considered for delivering single or small grouped school schemes.

How does the funding work in this route?

The initial investment in the buildings is through direct grant from DCSF to the local authority. Operating costs for the buildings will fall to the school budget.

How are the buildings maintained?

The local authority and governing body are responsible for maintaining the buildings. The DCSF expects buildings to be maintained to a suitable standard, but contractual arrangements will have to be agreed separately.

What about building handover and commencement of services?

Agreeing acceptance of the finished buildings or, in the case of PFI contracts, the commencement of services, is normally the responsibility of an Independent Certifier, who will also establish a robust snagging process (to deal with minor defects to be corrected after occupation). The exact process will depend on the type of contract used for each school.

Will a governing body agreement be needed for a conventionally funded Design and Build school?

Yes, as there will need to be an agreement in place between the local authority and the governing body in relation to the ICT contract managed service, and where appropriate other facilities management services

Where can I find more information?

PfS design and build standard documents:

www.partnershipsforschools.org.uk/StandardDocumentList.htm

For information on PfS design and build framework:

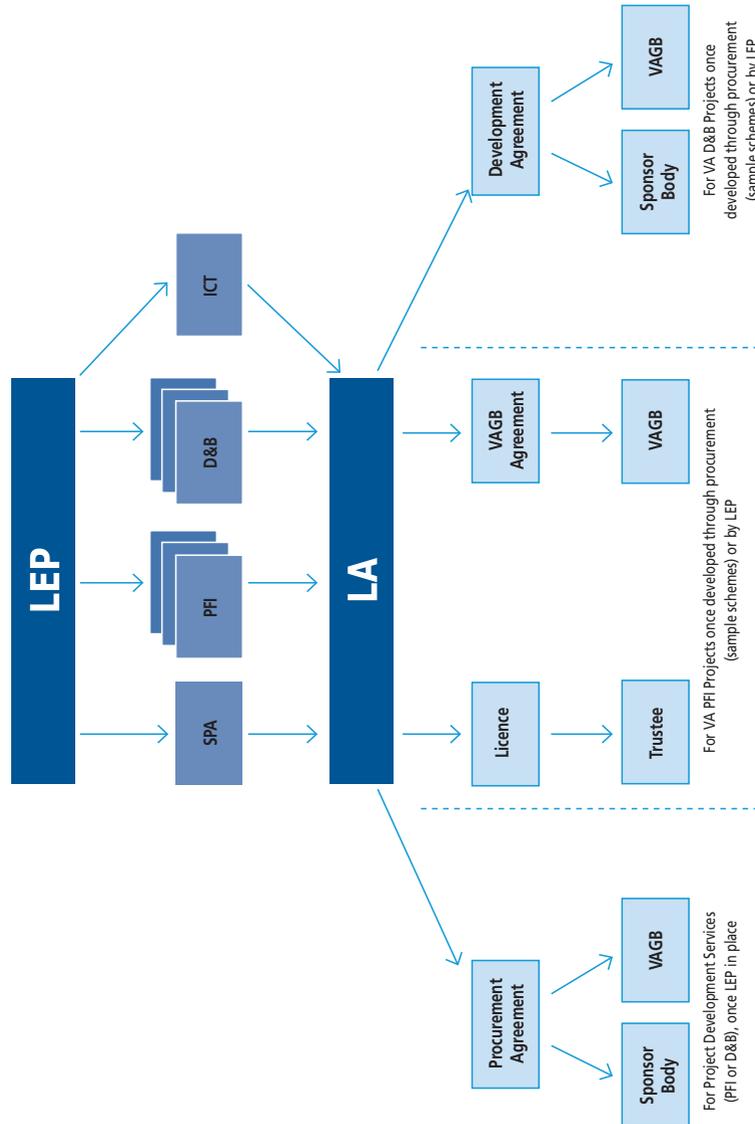
www.partnershipsforschools.org.uk

13

Special issues for some categories of school



Illustrative Summary of Proposed BSF Contractual Structure for VA Projects



Will all categories of schools benefit in the same way?

Yes. BSF will transform every secondary school, providing 21st century learning environments, regardless of whether community, voluntary controlled, voluntary aided, foundation, Trust schools or Academies.

Projects for Voluntary Aided (VA) schools normally require a 10% contribution from the governors (often funded through a Diocese). However, DCSF will fund the 10% contribution for VA schools in BSF. The local authority will act as an agent for the procurement and development of VA school buildings, as set out in the agreements between the local authority, governors and, as appropriate, any Sponsoring Body.

What legal agreements are needed for new buildings developed on VA, foundation or Trust school sites?

The diagram on the opposite page summarises the agreements needed for voluntary aided schools.

Will a change of category affect what the school receives through the BSF programme?

No. As noted above, all secondary schools will be transformed by BSF. However, given the different legal agreements needed for the building procurement process, a change during the BSF procurement or delivery process may cause delays.

Is a change of category possible for a school where the buildings are provided through PFI?

The inclusion of a school in a PFI scheme (including in BSF) should not be a barrier to a change of category. However, the new governing body or trust will inherit the contractual benefits and obligations of the predecessor school.

Where can I find more information?

PfS standard documents include voluntary aided school template documents and guidance

www.partnershipsfor schools.org.uk/StandardDocumentList.htm

14 Sources of information, advice and training



Partnerships for Schools (PfS):

www.partnershipsforschools.org.uk

PfS has overall responsibility for the delivery of the BSF programme and allocates a team of experts to work with authorities and schools. PfS has a team of educationalists who work with local authorities prior to their formal entry to the BSF programme. Having done so, a multi-disciplinary team, led by a Project Director, will work with the local authority to ensure that BSF delivers transformational education in the local area. PfS' areas of expertise include: overall project management, education and ICT, design, commercial issues and communications.

4ps (local government's project delivery specialist)

www.4ps.gov.uk

4ps involvement in BSF has drawn on its expertise in schools PFI and the experience of working with local authorities on major partnerships projects. The purpose of 4ps activity is to support local authorities in delivering their projects, particularly through advice and support to elected members, corporate management teams and school governors.

4ps support for BSF authorities has been encompassed into a programme of work – the Expert Client Programme (ECP) which includes:

- advice to local authorities on the BSF programme
- assisting local authorities, headteachers and governors involved in BSF schemes through training, membership of project boards and network meetings

- providing skills and resource audits for the authority
- providing support to the local authority BSF project team at critical stages through project team training
- providing Gateway Reviews.

Department for Children, Schools and Families (DCSF)

www.dcsf.gov.uk

DCSF is the government department responsible for BSF, which is an important part of its overall schools capital strategy. The DCSF has responsibility for strategy, overall funding and policy within BSF, and reporting on programme and project progress to Ministers

Teachernet:

www.teachernet.gov.uk/management/resourcesfinanceandbuilding/funding

Teachernet is DCSF's website for schools, which has information regarding schools PFI projects and BSF developments.

Becta: www.becta.org.uk

Becta provides a range of information to support teachers and governors in understanding the potential of using ICT in schools.

NCSL: National College of School Leadership www.ncsl.org.uk

NCSL is contracted by DCSF to provide training for groups of school leaders involved in BSF projects, with an emphasis on development of a transformational approach.

Commission for Architecture and the Built Environment (CABE)

www.cabe.org.uk

CABE is commissioned by DCSF to ensure that a high standard of design is achieved in BSF. It does this through its enabling programme and by the work of the Schools Design Assessment Panel (See section 5).

Sorrell Foundation www.thesorrellfoundation.com

The aim of the foundation is to inspire creativity in young people, and to improve the quality of life through good design. Their initiative Joinedupdesignforschools explores how good design can improve quality of life in schools by linking pupil client teams with professional designers.

Learning Through Landscapes www.ltl.org.uk

Charitable trust promoting better use of school grounds.

Royal Institute of British Architects www.riba.org.uk

Association of School and College Leaders www.ascl.org.uk/

Managing a PFI project – September 2003 Booklet available from ACSL, 130 Regent Road, Leicester, LE1 7P

School Works www.school-works.org

An organisation working to link the design of school buildings with their impact on teaching, learning, culture and management of those schools. Participation and partnership are at the heart of its approach, connecting those who design and build schools with those who work and learn in them.

ConstructionSkills www.citb-constructionskills.co.uk

An organisation which works with construction employers, training providers and Government to tackle the skills and productivity needs of the construction industry in the UK. It has produced a booklet called 'Being Involved in School Construction', supported by the CITB-Construction Skills Regional Education Teams, to help schools make the most of construction projects.

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Glossary of terms



Academies

Academies are all ability independent schools established by sponsors from business, faith or voluntary groups working in partnership with central government and local education partners.

Becta (The British Educational Communications Technology Agency)

UK agency that supports DCSF in its strategic ICT developments.

Building Schools for the Future Investments LLP (BSFI)

The vehicle set up by DCSF and PUK to work with Pfs to invest in the BSF programme

BREEAM (British Research Establishment Environmental Assessment Method)

BREEAM assesses the performance of buildings in the following areas – management, energy use, health and well-being, pollution, transport, land use, materials, and water.

Building Bulletin 77 (BB 77)), Designing for Pupils with Special Educational Needs and Disabilities in Schools

Publication by DCSF that contains information on designing for pupils with special educational needs in mainstream and special schools.

Building Bulletin 98 (BB 98)), Briefing Framework for Secondary School Projects

Publication by DCSF that sets out area guidelines for secondary school buildings.

Call for Final Bids

The request for final submissions which is made by the local authority to the remaining participants after the conclusion of the dialogue phase.

Commission for Architecture and the Built Environment (CABE)

A national body promoting good design of buildings and spaces. Advisory body to the BSF programme in design issues funded by DCSF to support LAs with design enablers, providing 10 – 12 days of free time allocated to each local authority project, previously to the schools PFI programme, and now to BSF authorities.

Commercial close

This term is often used to mean the point at which all contractual documents are agreed, but will not become effective until Financial Close. This point should occur shortly before financial close.

Competitive Dialogue

The procurement process used by the public sector for the award of complex contracts such as those for the Private Finance Initiative (PFI). This procedure was introduced by the EU and became part of English law in January 2006.

Conventional capital

Capital grant or borrowing approval for non-PFI projects. See definitions for Supported Capital Expenditure (SCE).

DCSF Project Adviser

Each local authority will be allocated a BSF Project adviser at the DCSF, who will work closely with their project team and provide access to policy advisors at the DCSF. The Project Adviser will also manage the various project approvals for the DCSF, and report to Ministers on programme and project progress.

Design and Build (D&B)

A form of contract in which a single contractor is responsible for both the design and construction of a building project. In BSF this will usually be the LEP.

Design, Build, Finance & Operate (DBFO)

A form of contract in which a consortium takes responsibility for the design, construction, financing and operation (including maintenance) of an asset for a period of years. PFI contracts are DBFO contracts.

Design Quality Indicator (DQI)

The DQI is a tool to assist with the briefing, development and evaluation stages of a project.

Dialogue phase

The phase of the procurement starting with the Invitation to Participate in the Dialogue and ending prior to the Call for Final Bids. The dialogue phase enables the local authority to discuss and negotiate with pre-qualified participants with the aim of identifying the solution(s) best suited to satisfying its needs.

Exemplar Designs

The DCSF has produced a compendium of exemplar designs for new secondary schools. These schemes are the result of a design competition held during 2003, which resulted in five teams being chosen to produce model schemes for different types of site. A sixth design is for an "all-through" school combining secondary and primary. (There are also five primary school exemplars, although these are not expected to be widely used for the BSF programme).

Final Business Case (FBC)

The authority's document submitted for approval to the DCSF to ask them to fund the BSF project. This is required before conclusion of the contract.

Final Bids

The tenders submitted by remaining participants, in response to the ITSFT, once the dialogue phase has been concluded and which must include all elements necessary for the performance of the contract. Final bids should be based on the solution(s) identified in the dialogue phase.

Financial Close

Point at which, if PFI is being utilised, the interest rate is fixed on the bank debt taken out by the bidder to finance the project.

Funding Allocation Model (FAM)

PfS provides the local authority with a funding "envelope" for a group of schools in a project. The envelope is calculated using the FAM, based on the recommended gross floor areas and the agreed projected number of pupils.

Gateway Review

A Gateway is a review of a procurement project carried out at key decision points by a team of experienced people who are independent of the project team. The Gateway Review process provides assurance to the Project Owner that their project can progress successfully to the next stage. Gateways have been designed to support projects that procure services, construction/property projects and IT enabled business change projects. The Gateway Review process in Local Government is managed by 4ps.

Invitation to Participate in Dialogue (ITPD)

The document which invites participants who have pre-qualified to participate in a competitive dialogue.

Invitation to Submit Final Bids (ITSFB)

The document which invites remaining participants to submit Final Bids once the dialogue phase has been concluded.

Key Performance Indicator (KPI)

The KPIs will measure the ongoing performance of a contract. They are extensively used in the Strategic Partnering Agreement.

Local Management of Schools (LMS)

The majority of funding available for schools is allocated direct to school budgets (LMS), allowing headteachers and governors to make decisions on priorities and use of funds.

Local Choice Fund

Part of the ICT funding which allows choice of ICT equipment, peripherals and software by individual schools as part of an overall managed service.

Local Education Partnership (LEP)

The joint venture company for local delivery of the BSF programme, formed by a local authority, BSFI and a Private Sector Partner (PSP) which is usually a consortium. The standard model anticipates the PSP owning 80% of the shares, BSFI 10% and the local authority 10%.

Major Review Assessment (formerly, the Project Review Group)

The MRA is an inter-departmental group chaired by PfS and comprising membership of HM Treasury (HMT), DCSF and PUK. The MRA assess all BSF projects to agree their readiness to go to market and issue OJEU.

Official Journal of the European Union (OJEU)

The publication in which contract notices appear, to which interested suppliers respond – previously the Official Journal of the European Community (OJEC). OJEU is commonly used as an abbreviation of the official notice which appears in the Supplement to the Official Journal of the EU.

Office of the Schools Commissioner

The Schools Commissioner is appointed by the Secretary of State and has a national role to promote choice, diversity (through bringing in new providers) and fair access in the education system. This will involve encouraging the development of new Academies and Trust schools, with a view to delivering better educational outcomes.

Outline Business Case (OBC)

Business Case which sets out in detail the scope, costs, affordability, risks, procurement route and timetable of the project such that it can be approved by the local authority to the satisfaction of DCSF and the Project Review Group (if PFI included), and for advancing to the procurement stages of the project. The OBC is written using guidance provided by PfS.

Output Specification

A detailed description of the functions that the new accommodation must be capable of performing. Usually split into building functions and service functions. The Output Specification is intended to state only the outputs required of the services, and not the way in which the PSP will achieve these

Partnerships for Schools (Pfs)

The non-departmental public body (NDPB) set up to deliver BSF, working at both a national and local level. It is separate to BSFI, the investment vehicle. Pfs has also been tasked with delivering the government's Academies programme.

Partnerships UK (PUK)

Partnerships UK was established by Government to accelerate the development, procurement and implementation of public private partnerships (PPPs). PUK works exclusively with and for the public sector. It is 44% owned by HM Treasury and 5% by Scottish Ministers.

Pathfinder project

Four projects selected in March 2003 to help shape and prove the BSF programme and which have now completed their procurement stages.

Payment Mechanism

The basis of payment to the Contractor which provides for deductions for non-availability of spaces and non-performance by the Contractor.

Pre-Qualification Questionnaire (PQQ)

Bidders expressing an interest in the project advertised in the OJEU are issued with a Pre-Qualification Questionnaire to establish whether potential bidders have the technical capacity and ability, economic and financial standing to deliver the project.

Private Finance Initiative (PFI)

A procurement route established in 1995, and more widely adopted since 1997. It is an important route for much Government spending on assets, as it transfers significant risks to the private sector. PFI requires private sector consortia to raise private finance to fund the project, which must involve investment in assets, and the long-term delivery of services to the public sector. In BSF, to ensure value for money, PFI is the funding route favoured for new build projects.

Private Finance Initiative Credit (PFI Credit)

PFI Credits represent a commitment on the part of the Government to provide a certain level of revenue support to a local authority, under the Local Government (Capital Finance) Regulations 1997. The government reimburses a contribution to the local authority (which contracts with the private sector to provide facilities) for that element of the contract price that relates to the repayment and servicing of funds borrowed to provide the facilities. The revenue support acts as a contribution to the unitary charge that the local authority will be contractually committed to paying to its PFI contractor.

Private Sector Partner (PSP)

The private sector organisation with which a local authority enters into a PPP or PFI contract. In BSF, the PSP will have the majority stake within the LEP, and may also be in direct contract with the local authority through PFI contracts. The PSP is usually a consortium made up of a range of private sector companies working collaboratively. These might include Construction Companies, ICT Providers, Legal Advisors and Education Consultants.

Procurement

The whole process of acquiring goods, works and services from third party providers.

Procurement Route

The systems and procedures for commissioning work. In BSF it is anticipated that around 50% of the schools will be PFI new builds which means they will be built, maintained and serviced by an SPV set up by a LEP. The rest of the schools will be refurbished, and in some cases will also be maintained over a period of time by the LEP.

Project Agreement

The legal agreement reached between the local authority and the private sector partner for PFI projects. For BSF projects the Pfs standard form of Project Agreement is used.

Project Directors (PD)

The Pfs staff who advise the local authority project team, and lead them through the standardised BSF process.

Public Private Partnerships (PPP)

The relationship formed between the private sector and public bodies often with the aim of introducing private sector resources and/or expertise in order to help provide and deliver public-sector assets and services. The concept of PPP embraces many forms of partnership including PFI.

Public Private Partnerships Programme (4ps)

4ps is local government's project delivery specialist. 4ps works in partnership with all local authorities to secure funding and accelerate the development, procurement and implementation of PFI schemes, public private partnerships, complex projects and programmes. 4ps' multidisciplinary team provides hands-on project support, gateway reviews, skills development and best-practice know-how. 4ps is providing support to local authorities for the BSF programme, through its Expert Client programme.

Sample Schools

A small number of schools chosen by the local authority as a cross-section of the type of schools the LEP will be likely to deliver. Designs developed during the procurement process and form a significant part of the evaluation process to select the private sector partner.

School Organisation Committee (SOC)

The SOC considers individual statutory proposals for changes to schools (e.g. new schools, school closures, enlargements and additions of nurseries and sixth forms) until May 2007 when this role passes to the local authority.

Shareholders Agreement (SHA)

The agreement between the co-shareholders in the LEP (the local authority, BSFI and the private sector partner (PSP) which provides the basis for joint working within the Local Education Partnership (LEP), including their individual rights and obligations. It ignores the exclusivity granted to the LEP and sets out the safeguard for the public sector e.g. KPIs and continuous improvement so as to ensure ongoing value for money.

Special Purpose Vehicle (SPV)

The company that will be established by the LEP to operate and manage individual tranches of the BSF project. Its sole purpose will be the delivery of the tranche. It will deliver the services using either PFI or traditional funding.

Strategic Partnering Agreement (SPA)

The contractual agreement between the local authority and the Local Education Partnership (LEP) which sets out the details of the partnership working between them and defines key terms such as exclusivity and the new project approval process.

Standardisation of PFI Contracts (SoPC)

Guidance documentation and approved drafting produced by PUK on behalf of HM Treasury, which sets out national standards for PFI contracts. The fourth edition (SoPC4) was produced in April 2007 and is binding on all PFI-funded projects.

Strategy for Change (SfC)

The first formal component of the BSF approvals process. It is designed to capture both the local authority's strategy for secondary education and the requirements that strategy places upon the physical school estate.

Supported Capital Expenditure (Capital) (SCE(C))

This refers to capital grant usually paid by DCSF to local authorities through the standards fund.

Supported Capital Expenditure (Revenue) (SCE(R))

This refers to support to local authorities for borrowing for capital purposes, paid through a revenue stream by the Department for Communities and Local Government. The monthly payment made by the local authority to the provider over the lifetime of the project for the services received under the Project Agreement.

Transfer of Undertakings (Protection of Employment) regulations (TUPE)

TUPE is intended to safeguard the interests of an employee if the organisation they are working for transfers to another employer. Existing terms and conditions are automatically transferred to the new employer.

Wave

A group of BSF projects in a number of authorities with funding starting in a particular financial year.

