



# Building Schools for the Future

A Toolkit for Effective Local  
Education Partnerships

Practitioner Note 7:  
Capacity to Deliver

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**partnerships** **for schools**

building schools for the future

# Capacity to Deliver

## Introduction and purpose

This Practitioner Note is one of nine that make up a Toolkit to support the successful set-up and operation of a Local Education Partnership (LEP). This note covers Capacity to Deliver.

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Partnerships for Schools (Pfs) and Building Schools for the Future Investments (BSFI) continue to gather examples of good emerging practice from across the Building Schools for the Future (BSF) project and we encourage and welcome conversations with local projects about how to make their BSF project as effective as possible.



# Capacity to Deliver

## Executive summary

Effective resourcing of the BSF project from the outset is critical to success. The most effective operational LEPs originate from a well-planned and well-resourced pre-procurement stage of the project with the level of resource being appropriate to each stage of the BSF process. Resource will need to be provided by the local authority, the LEP and stakeholders, including schools, to support an effective project and the resourcing demands on all partners will change during the course of the project.

Key elements of effective resourcing are:

1. Recognition that the BSF project will take around 3 years to reach the point when the LEP is operational – resourcing is for the long-term and needs to be built into budgets in this context.
2. Resourcing will need to flex and respond to the stages of the project – the resource required by a local authority to manage an operational LEP contract will not be the same resource that was required to procure the LEP.
3. A BSF project will need resources from a combination of sources – existing local authority staff, new appointments and external adviser support.

4. Previous BSF experience is valuable but, equally, good Project Direction, Programme Management and Procurement skills from any sector will be transferable to a BSF project.
5. Ensuring that each of the partners is able to provide the appropriate level of resource for the LEP to deliver the project and services required. The private sector partner's resource commitment is a key area of evaluation in the competitive dialogue process.
6. Understanding that the contract management of a strategic partnership requires a different kind of resource to the approach required for a traditional construction contract. Careful thought will need to be given to where this function best sits in the local authority and how it should be resourced during the operational life of the LEP.

## What capacity challenges does the BSF project present?

The successful delivery of a local BSF project from the pre-procurement phase through procurement and into operation requires a long-term commitment from the local authority. The key challenges are:

- the **length of the resource planning timescale** - from entry into the project at the pre-procurement stage to successful mobilisation of the LEP to deliver projects is likely to take 3 years. This will require resourcing through a combination of recruitment, secondment from within the local authority and the commissioning of external advisers.
- the **need to put together multi-disciplinary teams** – a wide-range of different skills sets is required to deliver the project successfully. This includes expertise in education and learning, programme management and stakeholder engagement and communication, strategic and operational procurement, as well as specific technical disciplines in relation to asset management, commercial, financial and legal matters and operational services.
- the **changing mix of resources needed** - as the BSF project evolves from strategic planning through pre-procurement, procurement phases and into delivery, the profile of the resource requirement changes. For almost all local authorities, a significant part of the resource required will come from specialist external consultancies and this input needs to be managed and co-ordinated by the authority.

- the **need for effective stakeholder management** – to be successful, a local BSF project needs to establish effective links with national bodies such as Pfs, DCSF and others; co-ordinate other services and corporate departments within the local authority; and build and sustain effective relations with schools and their stakeholders.
- the **importance of planning for delivery** – from the point at which a private sector partner is identified, the local authority also needs to commit resource to work with the LEP to deliver the project on time. The long-term delivery implications in terms of resourcing also need to be considered and planned for during the procurement phase to allow the delivery phase of the BSF project to be effective.
- the **need to measure effectiveness** - ultimately, as a major strategic partner of the local authority, the LEP will need a system of performance and contract management to ensure that it delivers against key objectives and performance requirements. This is a long-term resource commitment with an impact on revenue budgets and the local authority will need to think about how the function best fits with the performance management of other major partnerships and projects.

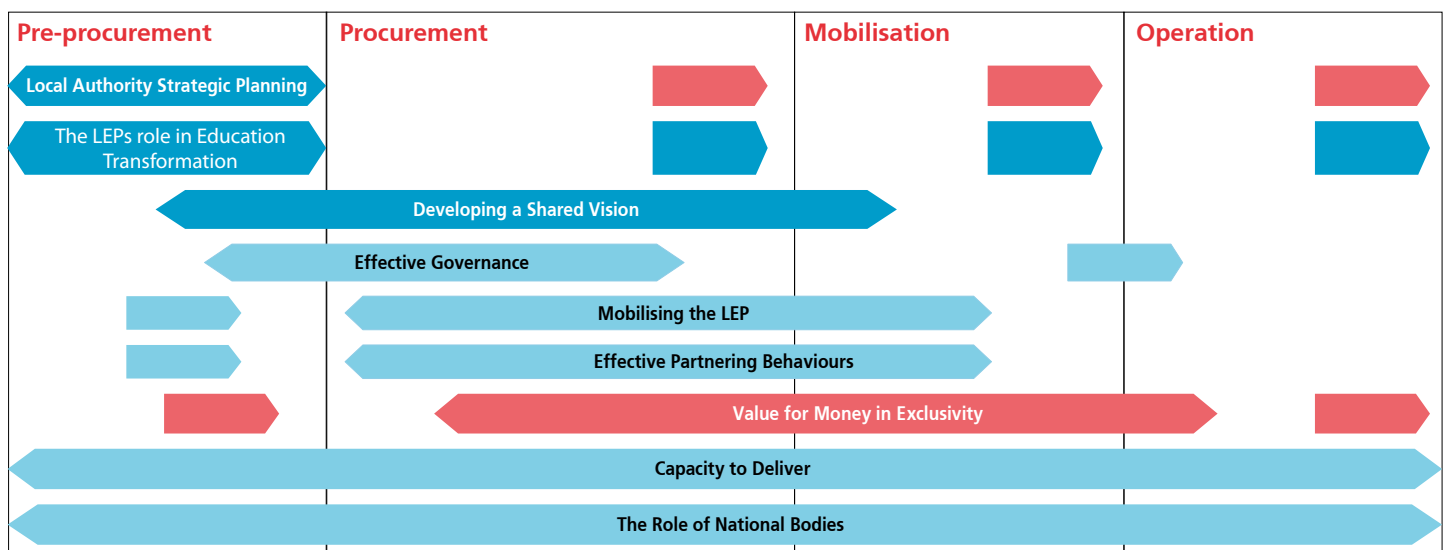
While there is no prescribed budget that local authorities should set aside, it may be helpful to note that our analysis of existing LEPs shows that local authorities have committed between £5m and £10m over 3 years to the delivery of their BSF project up to the point at which the LEP becomes operational.

### When should we think about our capacity to deliver?

Assessing capacity to deliver is going to be a recurrent issue throughout the lifetime of any BSF project. This is put in the timeline context of the other eight component elements of an effective LEP in the diagram below.

BSF is a complex programme, involving an extensive procurement exercise. It is therefore essential that all those involved are realistic about identifying their resource requirements and taking the necessary steps to ensure that they are in place. It is important to demonstrate to other stakeholders the local authority's commitment to resource the project appropriately. Schools see objectives matched with funds and capacity to deliver; potential private sector partners will assess a local authority's capacity to deliver before deciding which projects to bid for. This is understandable. Bidders may commit £3m or more to each BSF bid and they are keen to see their own investment

supported by a well-run and effective local authority team. Pfs is also keen to assess and review capacity to deliver at key milestones through the BSF process, such as Strategy for Change (SfC) and Outline Business Case (OBC). It is therefore useful to confirm with Pfs and the 4ps, through the BSF Project Board, that the right resource is in place to deliver.







## What resource might a local authority need to deliver the project?

When assessing the demand for resource, points to consider include:

- how the project is led and sponsored and by whom;
- the amount and type of resource in terms of the balance of skill sets and the combination of internal, seconded or external adviser support. This will change as the project progresses (see Practitioner Note 5: Mobilising the LEP for more on this);
- the degree to which there is in-house resource with expertise in programme management, stakeholder consultation and engagement, procurement experience and partnership management and working. For example, some authorities now have highly-experienced corporate procurement functions that have delivered a number of Public Private Partnership transactions;
- existing relationships with advisers who can provide specific technical expertise to deliver the project;
- whether individuals with the skills and experience to fill key posts, such as the BSF Project Director and Programme Manager roles, are already identifiable or will need to be recruited;
- the part that the governance process can play in ensuring that staff turnover and continuity issues can be managed effectively; and
- whether to pool some resources with other local authorities. This may particularly assist smaller authorities facing capacity issues.

The scale of each local authority's BSF project will, of course, affect the amount of resource required. A multi-phased project will tend to require a less variable amount of resource – for example, in the procurement phase of the project the amount of work that needs to be done with each bidder will tend to be very similar across each local authority project because of the standardised nature of the process. A key driver of resource requirement is the number of sample scheme schools that local authorities procure. The latest standardised documentation from PfS assumes two sample schemes.

Set out below is an example resource structure based on full-time equivalents from one authority's BSF project over the four high-level stages of the BSF project. The profile of the resource is shown graphically below, highlighting the different types of skills involved and the ebbs and flows between the different skills sets through the project.

	Pre-procurement (0-6 months)	Pre-procurement (6-12 months)	Pre-procurement (12-18 months)	Pre-procurement (18-24 months)	Pre-procurement (24-30 months)	Pre-procurement (30-36 months)	Pre-procurement (36-42 months)	Pre-procurement (42 months >)
<b>Project Director</b>	1	1	1	1	1	1	1	0.5
<b>Programme office</b> <ul style="list-style-type: none"> <li>• Programme manager</li> <li>• Project support</li> <li>• Communications and engagement</li> </ul>	2	4	5	5	5	5	5	2
<b>Commercial &amp; Procurement</b>	1	2	2	2	2	2	1	0
<b>Education transformation</b> <ul style="list-style-type: none"> <li>• Change management lead</li> <li>• ICT lead</li> <li>• Client design lead</li> </ul>	2	3	4	4	4	4	3	3
<b>External professional support</b> <ul style="list-style-type: none"> <li>• Technical</li> <li>• Legal</li> <li>• Financial</li> </ul>	3	4	6	6	6	6	4	2
<b>Corporate support</b> <ul style="list-style-type: none"> <li>• Planning</li> <li>• Highways</li> <li>• Property</li> <li>• Finance</li> </ul>	1	1	2	2	2	2	1	0.5
	<b>10</b>	<b>15</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>20</b>	<b>15</b>	<b>8</b>

The key point to note from this illustrative local authority resource model is that the level of resource is significant for any authority and that the procurement phase of the process is particularly resource intensive.

In terms of the co-ordination of the various workstreams that this indicative resource profile sets out, there are two important roles to get right:

- the Project Director takes management and operational responsibility for the efficient and effective delivery of the project. This is not a straightforward building management function; it requires consideration of information coming from different perspectives. The ideal individual should not be overly focused in any one area and a range of experience beyond technical building experience is therefore useful;
- the importance of the Programme and Project Management (PPM) function cannot be underestimated. It is a critical role working closely with the Project Director to ensure the following:
  1. Planning and scoping of activities in a way that ensures they are co-ordinated and deliverable, taking account of interdependencies between different disciplines and teams.
  2. Organisation and Controls: ensuring that the BSF project is a well-managed process that delivers to time and on budget through co-ordination of teams and activities.
  3. Risk and issue management: identifying, analysing and managing programme and project risks and issues.
  4. Quality Management: the PPM role is pivotal in maximising quality of the inputs and outputs at each stage of the process to ensure that the project is ready to progress.
  5. Business case monitoring: references need to be made back at key check points in the process to the SfC documents, the OBC and the Procurement Strategy to ensure that the content of the project is still as anticipated in each of these key documents.

6. Scope management and change control: significant changes to scope are likely as the project evolves, particularly if there is high-quality engagement with bidders during the procurement. These changes need to be properly managed and approved.
7. Communication and management reporting: effective and efficient reporting on the progress of the project and emerging issues to the groups and individuals that will sign-off the process.
8. Approvals: the BSF process requires a series of coordinated approvals from local and national stakeholders at each stage of the process, for example to sign-off the OBC or approve the decision to go to Selected Bidder stage. Establishing effective relationships with PfS and corporate local authority functions is key to this operating smoothly.

The local authority will also need to commit resource to the LEP delivery phase, in terms of both managing the LEP as a client and providing resource that is directly involved in project delivery. A critical part of the procurement phase will be establishing from each bidder what resource they would expect and anticipate the local authority to provide to make the project work, including resource for future waves of investment.



## Private Sector Partner resource

In addition to the local authority resource, the private sector partner will bring significant resources to both the procurement phases and the delivery phase of the LEP. Again it is neither possible nor desirable to be prescriptive about what the resource profile should look like, as this will depend upon the scope of the partnering services that the LEP has been asked to provide, but some key points are set out below:

- the transition from the bid team to the final operational team may be best supported by some specific transition or change management expertise from the private sector partner;
- establishing the level of resourcing to deliver is likely to be a brokered exercise in which the local authority and the private sector partner match their respective strengths and weaknesses to complement each other;
- it is important that “man-marking” between the local authority and LEP is minimised. A more complementary way of working may be best achieved through the local authority’s delivery resource being integrated into the LEP team either directly or through secondment;
- the LEP General Manager is the key management role in the operation of the LEP – a joint recruitment process may ensure that all parties are confident of the skills and expertise of the person chosen;

- it is ultimately the private sector partner’s commercial decision as to the degree of resource that sits within the LEP, as opposed to within the LEP’s supply chain. However, irrespective of this, there will need to be a core LEP team to manage the supply chain independently and objectively. Local authorities need to test and be comfortable with the proposed level and cost of providing this resource, as they go through the procurement process.

A key output from the procurement phase of the project should be that the local authority understands in intimate detail what the LEP will need to do and what the authority itself will need to do.

## Key considerations at each stage of the process

In considering capacity and resource issues, from both the local authority and private sector partner’s perspective, it might be helpful to focus on the following areas. Some of the points listed here link strongly to the process of mobilising the LEP and the steps that LEPs will need to take to foster effective partnering behaviours. These specific topics are covered in detail in Notes 5 and 6 respectively.



Stage	Actions and issues for consideration	
<b>Pre-procurement</b>	<p><b>Local Authority</b></p> <ul style="list-style-type: none"> <li>• Be realistic about the level of resource that a major project will require to deliver effectively.</li> <li>• Build in budget provision for the future to ensure that resource continues to be available.</li> <li>• Consult with peer authorities and PFS to understand good examples of BSF project resourcing.</li> <li>• What existing resource or skills do you have available to use and what might you need to go out and get?</li> <li>• As part of the strategic planning process, think about what resources the local authority needs to deliver the BSF project when the LEP is operational (either inside or outside the LEP) – the operational status quo.</li> <li>• The LEP needs to be managed operationally and contractually when it is up and running – who will do this and how?</li> <li>• Procure advisers at the right time – earlier rather than later, even if you do not need to use them straight away.</li> <li>• Plan for the procurement stage in detail so that you do not reactively need to find resource.</li> <li>• Ensure that advisers are working to authority-lead officers and that the input from advisers is well-managed in terms of time, quality and budget.</li> </ul>	<p><b>Bidders</b></p> <ul style="list-style-type: none"> <li>• Identify the local authority's resource plans as a basis for constructing a bid team.</li> <li>• Be proactive in suggesting to local authorities how they can best structure their resource for procurement and delivery through market sounding engagement.</li> <li>• Consider the blend between continuity and new personnel through procurement and into the operational phase.</li> <li>• Consider suitable resource for key LEP positions, such as the LEP General Manager and the Board and joint recruitment strategies – local authorities are increasingly looking at cultural and personal fit in making decisions about long-term partners.</li> </ul>
<b>Procurement</b>	<p><b>Local Authority</b></p> <ul style="list-style-type: none"> <li>• Take stock of the resource requirements of the process and ensure that bidders feel that they are being effectively managed.</li> </ul>	<p><b>Bidders</b></p> <ul style="list-style-type: none"> <li>• Ensure that there is a forum for you to feed back to local authorities on whether your resource needs are being met through the procurement.</li> </ul>
<b>Mobilisation</b>	<p><b>Local Authority and Selected Bidder</b></p> <ul style="list-style-type: none"> <li>• Finalise resource requirements and agree the mobilisation process.</li> <li>• Establish line management and reporting roles.</li> <li>• Review effectiveness of resource models periodically.</li> <li>• Establish resource interfaces with local authority and external stakeholders.</li> <li>• Mobilise the contract management function within the local authority.</li> <li>• Ensure the LEP Board and BSF Programme Board within the authority review resourcing regularly.</li> </ul>	
<b>Operations</b>	<p><b>LEP</b></p> <ul style="list-style-type: none"> <li>• Continue to review resource requirements to ensure that they meet the ongoing project requirements.</li> </ul>	

## The Operational LEP Phase

When assessing resource demand it is useful to bear in mind the roles played by parts of the authority that are not directly involved in the LEP itself but have a part to play in the BSF project. Key operational functions will be undertaken by the following organisations:

Organisation and function	Activities
<b>LEP</b>	<ul style="list-style-type: none"> <li>• Capital Project Development</li> <li>• Capital Project Delivery</li> <li>• Management of the supply chain.</li> <li>• Management of operational services.</li> <li>• Project reporting.</li> </ul>
<b>Local Authority – Strategic Commissioning</b>	<ul style="list-style-type: none"> <li>• Identifying and commissioning projects for delivery.</li> <li>• Providing strategic context and support to schools to prepare for engagement.</li> </ul>
<b>Local Authority Performance Management – Strategic Review</b>	<ul style="list-style-type: none"> <li>• Supporting the Strategic Partnering Board.</li> <li>• Assessing the LEP’s strategic effectiveness, for example through the Track Record Test (Key Performance Indicators and Collective Partnering Targets).</li> <li>• Ensuring new projects continue to meet the local authority’s objectives.</li> </ul>
<b>Local Authority Performance Management – Project compliance</b>	<ul style="list-style-type: none"> <li>• Supporting the approvals of new projects through legal, financial, commercial and technical due diligence.</li> </ul>
<b>Local Authority Performance Management – Operational contract management</b>	<ul style="list-style-type: none"> <li>• Review of the implementation of capital projects or assurance of the LEP’s contract management processes.</li> <li>• Performance review of the operational service contracts (Facilities Management and ICT) or assurance of the LEP’s contract management processes.</li> </ul>

It is important to ensure that these roles are resourced only once, either within the local authority or the LEP. There is a need to avoid both man-marking of the LEP by the local authority and duplication of delivery functions, for example engagement with schools to develop new projects. However, there are two obvious areas of where some degree of overlap may be unavoidable.

1. Early engagement with schools on new projects is likely to be started by the local authority through Children’s Services, but this needs to link with the LEP’s detailed development work.
2. The operational contract management function will need to be considered carefully to avoid unnecessary duplication of effort between the LEP and its supply chain monitoring and the local authority and its LEP monitoring.

## LEP resourcing

During the procurement process the local authority needs to be satisfied that the LEP is sufficiently resourced, (financially and in terms of the number, quality and skills of people) in the right way to deliver. The guidance provided in this Note should help in identifying the points that need to be taken into account, but it is difficult to be prescriptive about the resourcing required for the operational LEP since this depends on factors that will vary widely between LEPs, such as:

- the size of the project and how many schemes the LEP will be required to deliver by when;
- the partnering services required by the local authority and agreed during the Competitive Dialogue process;
- the balance of resources between the LEP and the supply chain and the type of model that is proposed through which the LEP will deliver – integrator or integrated for example; and
- the resources that the local authority makes available either to second to or work alongside the LEP.

## The role of local authority strategic commissioning

The local authority will need to retain a strategic commissioning role to instruct the LEP on the projects to be delivered in the context of the BSF SfC and under exclusivity or additional services, in line with Corporate requirement or Children's Services and Schools strategies. It will therefore need to ensure that the LEP is aware of and can respond to the evolving priorities.

The second strand of the strategic commissioning role is to work with and support schools in the development of their own change management programmes to complement the LEP's responsibility for the detailed interpretation of design and delivery options. The effectiveness of this transition will be critical to successful project outcomes.

## The role of local authority performance management

Four separate types of performance management will need to be undertaken by the local authority. These are:

- strategic review – ensuring the LEP continues to meet the local authority's corporate objectives;
- project compliance – approving new projects and ensuring technical and commercial compliance;
- operational contract management – overseeing the Facilities Management and ICT contracts; and
- compliance with central government policy objectives.

Ultimately the link for all these functions into the governance structure needs to be clear so that the SPB receives a coherent assessment of the LEP's performance that is grounded in the requirements of the contracts and the SfC objectives.

## Skills and quality of resource

The BSF project will succeed or fail on the quality of the people involved. The combination of skills and complementary skills of the Programme Director and the Programme Manager are important factors in delivering a successful project, but careful thought needs to be given to identifying the specific skills needed at each stage of the project and considering from where to source them.

While experience of the BSF project is useful, the core skills that underpin all of the team roles in a BSF project are not necessarily bespoke to this type of project. For example, areas such as programme management, procurement and communications experience from any sector or project are readily transferable to BSF. Notwithstanding this, part of the resourcing plan for any BSF project will need to consider training and personal development to ensure that the BSF team can meet the requirements of the project.