

CITY COUNCIL - 12 JULY 2010

REPORT OF THE PORTFOLIO HOLDER FOR CHILDREN'S SERVICES

BUILDING SCHOOLS FOR THE FUTURE

1 SUMMARY

- 1.1 The purpose of this report is to outline the current position with the plans to rebuild or renovate every secondary and special school in Nottingham following the most recent announcement by the Secretary of State for Education on Monday, 5th July 2010.
- 1.2 As part of the BSF programme in Nottingham City, Wave 2 funding of approximately £90m was agreed on 11th June 2008. This facilitated work on half of the city's secondary and special schools. Financial Close was reached on Wave 2 on 13th June 2008 and work has been completed or is ongoing on five schools.

A further round of BSF - Wave 5 – involved a second programme of planned work for Nottingham, completing the rebuilding or renovation of secondary and special schools in the city. The Outline Business Case (OBC) was submitted to Partnerships for Schools (PfS) on 22nd December 2009 and agreed on 15th February 2010. A letter was received from PfS on 15th February 2010 approving approx £36m funding for Trinity, Top Valley and Top Valley Learning Centre (LC).

Construction work on the first three schools in Wave 2 began in the summer of 2007; Big Wood School opened in September 2009; Oak Field School and Sports College opened in November 2009 and Hadden Park High School completed in April 2010. Many more schemes currently under construction – representing £111m of investment; The Bulwell Academy - due for completion in August; Nottingham University Samworth Academy (NUSA) - due for completion in August; Rosehill Special School - due for completion in April 2011 and Nottingham Academy - two of the three sites due for completion in September 2011.

This means that in terms of the Wave 2 schemes Nottingham City is well underway to complete the whole Wave. This compares favourably with other BSF schemes nationally, where Nottingham is one of a few BSF Local Authorities that has started its Phase 2

schemes.

- 1.3 The announcement by the Secretary of State for Education was accompanied by a list that detailed the impact on BSF schools by Local Authority. BSF schools within the list were grouped into three categories; those that are unaffected, those that are for discussion (these relate to proposed Academies), and those that are stopped.
- 1.4 Following the announcement the current position of the Nottingham City BSF programme is as follows;
 - (i) The following BSF and Academies schemes are unaffected; Nottingham Academy, The Bulwell Academy, Nottingham University Samworth Academy (NUSA), Big Wood School, Hadden Park High School, Oak Field School and Sports College, Ellis Guilford School, Farnborough School Technology College, Nethergate Special School and Rosehill Special School.
 - (ii) Manning Academy is for discussion.
 - (iii) The following BSF and Academies schemes are stopped; Nottingham Bluecoat School and Technology College, Top Valley School, Fernwood School, Beckhampton Learning Centre (LC); Unity LC; Top Valley LC, Nottingham Academy LC; Trinity School and Westbury Special School.
 - (iv) Bluecoat is identified as 'stopped' in the list however both the Wave 2 and Wave 5 funding for Bluecoat was combined, in agreement with PfS, as the school moved towards a single site development. The position regarding the funding for Bluecoat remains unclear.
 - (v) Clarification is being sought regarding Woodlands School as there have been two lists that have been issued since the announcement was made. The first list identified Woodlands School as unaffected whereas the second list does not include Woodlands School.

A list of BSF Schools and Academies that are for discussion or stopped and the Wards affected is attached at Annex A of this report.

- 1.5 Early indications are that all schools that have been identified as being stopped may be subject to further review in the Autumn following the outcome of the Comprehensive Spending Review (CSR). At the moment there is no information about the substance or criteria of this review.

2 RECOMMENDATIONS

- 2.1 This council calls on the Government to reverse the decision to 'stop' the funding for the schools included in Wave 5.
- 2.2 This council resolves that it will use all measures possible to campaign against this funding cut, up to and including legal action if possible.
- 2.3 This council notes that this funding cut will not only disappoint school staff, governors, pupils and their families and hamper school improvement in Nottingham, but will also have a detrimental effect on the Nottingham economy.
- 2.4 This council notes that school Headteachers and governors heard that their scheme had been cancelled through the media, that the list of schools affected was incorrect and that even after several corrections, the funding position for schemes at Nottingham Bluecoat School and Woodands School remains unclear.
- 2.5 This council recommends that the Nottingham Schools for the Future Team continue to have detailed discussions with PfS in order to maximise the opportunity to access funding for the schemes classified as 'stopped' and to recoup money already expended on these schemes.
- 2.6 This council continues to develop with the Local Education Partnership (LEP) those schools that have been categorised as unaffected and to seek urgent discussions with regard to the school categorised as 'for discussion'.
- 2.7 That all work on schemes categorised as 'stopped' be frozen until the funding position is resolved.

3 REASONS FOR RECOMMENDATIONS (INCLUDING OUTCOMES OF CONSULTATION)

- 3.1 As part of the PfS processes a large amount of work is undertaken on schools in advance of contracts being exchanged, this includes; education and ICT visioning, new project development, detailed design development and drafting of legal documentation. More specifically work has been undertaken in respect of Trinity and Top Valley Schools where funding had previously been approved by PfS

and the City Council had acted in good faith in taking these schemes forward. The amount of funds expended in respect of schemes that have been stopped is currently being calculated. Furthermore, work will be undertaken to mitigate the amount of costs that have been incurred in respect of work completed on these schemes. All future expenditure relating to these schemes has now been frozen, with the Council anticipating no further funding will be received for these schemes from PfS.

- 3.2 The advice given to the Schools for the Future Team by PfS and contained within the announcement is that schemes categorised as unaffected should go ahead as they were formally agreed as part of the creation of the LEP, even where financial close has not been reached on these particular school projects.
- 3.3 The reason for the recommendations is to secure commitment from Councillors to the approach to be adopted. It is still too early for a full impact assessment as the BSF announcement was made on Monday, 5th July 2010. It is also recommended therefore, that the Schools for the Future Team continue to have detailed discussions with PfS in order to maximise the opportunity to access funding for the stopped schemes.

4 OTHER OPTIONS CONSIDERED IN MAKING RECOMMENDATIONS

- 4.1 None.

5 BACKGROUND

BSF Project Background

- 5.1 BSF was a previous government initiative aiming to promote a change in the quality of the nation's educational provision. BSF was a 10-15 year programme aimed at re-building and renewing school facilities so that every secondary school in England has 21st Century facilities. For Nottingham this initially meant investment of over £90m in Wave 2.
- 5.2 Following a lengthy procurement process which began in early November 2006, *inspiredspaces* was announced as the Selected Bidder following Executive Board approval on 22 January 2008. The project reached Financial Close on 13 June 2008 when the Local Education Partnership (LEP) was established.

- 5.3 Since the LEP has been established the following BSF schools and Academies have been completed and/or are in development; Hadden Park High School, Big Wood School, Oakfield School and Sports College, Rosehill School, The Bulwell Academy, Nottingham University Samworth Academy (NUSA) and Nottingham Academy.
- 5.4 Nottingham City Council was also successful in securing approval of its Wave 5 OBC and received approved funding in February 2010. This included approval of approx £36m funding for Trinity, Top Valley and Top Valley Learning Centre. A further amount of indicative funding totalling approx £61m was set aside for Fernwood, Westbury, Woodlands and Bluecoat (Aspley Lane) Schools and Learning Centres. This followed approval of the Nottingham City Council's Strategy for Change (SfC) Part 1 and 2, and the Wave 5 Outline Business Case (OBC).

Secretary of State for Education statement on BSF

- 5.5 This report has been produced on the basis of the most recent statement by the Secretary of State for Education to the House of Commons on 5th July 2010, about the BSF programme and the future of capital spending in schools. The announcement outlined that the BSF model of investment in school buildings would not continue, except where Financial Close has been reached on a particular LEP. Where Financial Close has not been reached the statement outlined that these projects should stop.
- 5.6 With regard to our Wave 2 project most of the schools in this wave (with the exception of the Bluecoat Wollaton site – where the position is ambiguous) are unaffected by the announcement.
- 5.7 In respect of the Academies programme only Manning Academy is left to be approved. The announcement has made it clear that Manning is for discussion. There is a possibility that building work will be allowed for this project where this satisfies criteria around exceptional education need, demand for a significant number of new places and where existing buildings could cause very significant educational problems.

Economic Impact

- 5.8 The BSF programme has had a hugely positive impact on Nottingham's economy in the following ways;

- One third of the local labour force are residents from Nottingham City.
- Provided work placements for 58 apprentices.
- Work experience placements for young people and those affected by homelessness.
- Supporting the long term unemployed through training programmes.
- £28m has been with companies with an NG postcode (27%).
- £48m with companies within a 50 mile radius (47%).
- 73% regional spend which exceeded the target of 56%.
- Number of jobs and level of local re-spend due to increase as programmes progress.

Should the BSF funding for Wave 5 not materialise this will have a huge impact on the local economy in those areas specified in the points above.

6 FINANCIAL IMPLICATIONS (INCLUDING VALUE FOR MONEY)

- 6.1 The BSF team has been working on the Wave 5 schemes since the financial year 2008-09.
- 6.2 The amount spent to date (upwards of £1.6m) by the Council is made up of mainly survey costs, design and development costs, legal fees, visioning costs and BSF Team salaries. As well as these costs, disengagement costs may also be incurred before a final decision has been made on whether to abort or not.
- 6.3 The Council will quantify the actual outlay over the coming weeks but in the interim it will be prudent to put all Wave 5 activity on hold immediately until the government has made a final decision on all Wave 5 schemes. Whilst 'on hold' the Council may need to continue to incur some limited costs to ensure it is in a position to continue Wave 5 activity without delay and financial detriment should any Wave 5 schemes be reactivated.
- 6.4 If any Wave 5 schemes are aborted a detailed quantification of indirect costs, direct costs and knock on costs of final disengagement will be undertaken to establish the total liability and to inform discussions about who should bear the liability.

7 RISK MANAGEMENT ISSUES (INCLUDING LEGAL IMPLICATIONS, CRIME AND DISORDER ACT IMPLICATIONS AND EQUALITY AND

DIVERSITY IMPLICATIONS)

- 7.1 Programme risks are managed through a formal Risk Register.
- 7.2 Legal advice to the City Council on the BSF programme is being provided by external solicitors in liaison with the Director of Legal and Democratic Services. The legal ramifications of the government announcement will need to be assessed but, at this stage, the approach of the Schools for the Future Team is supported.
- 7.3 Equality of educational opportunities and choice are at the heart of the BSF.

8 LIST OF BACKGROUND PAPERS OTHER THAN PUBLISHED WORKS OR THOSE DISCLOSING CONFIDENTIAL OR EXEMPT INFORMATION

- 8.1 None.

9 PUBLISHED DOCUMENTS REFERRED TO IN COMPILING THIS REPORT

- 9.1 Strategic Business Case (SBC)
- 9.2 Executive Board, 19 September 2006, 'Approval of the Building Schools for the Future (BSF) Outline Business Case (OBC)'
- 9.3 Wave 2 Outline Business Case (OBC)
- 9.4 Executive Board, 22 April 2008, 'Nottingham Building Schools for the Future (BSF) programme – Approval of Final Business Case (FBC)'
- 9.5 Final Business Case (FBC)
- 9.6 Executive Board, 22 July 2008, 'Approval of Building Schools for the Future (BSF) Wave 5 Strategy for Change (SfC) Part 1'
- 9.7 Building Schools for the Future (BSF) Wave 5 Strategy for Change (SfC) Part 1
- 9.8 Executive Board, 17 February 2009, 'Approval of Building Schools for the Future (BSF) Wave 5 Strategy for Change (SfC) Part 2'

9.9 Building Schools for the Future (BSF) Wave 5 Strategy for Change (SfC) Part 2

9.10 Wave 5 Outline Business Case (OBC)

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PORTFOLIO HOLDER FOR CHILDREN'S SERVICES

List of stopped and for discussion schemes by Ward

Fernwood - Wollaton West

Bluecoat - Wollaton West and Leen Valley

Manning - Leen Valley

Trinity - Leen Valley

Westbury - Bilborough

Top Valley - Bulwell Forest

Woodlands - Leen Valley

Beckhampton Centre for Teenage Mothers - Bestwood

North Learning Centre - Bulwell Forest

Central /Unity Learning Centre - Arboretum

South Learning Centre - Mapperley