

Dear Sir

BUILDING SCHOOLS FOR THE FUTURE

The following comments have been contributed to by the following:

- (i) Education Service – Departmental Management Team
- (ii) Birmingham’s AMP Property Working Group (stakeholder reps)
- (iii) Birmingham’s Corporate Finance Department
- (iv) Individual school submissions
- (v) Initial discussions with other stakeholders e.g. some adjacent LEAs

Birmingham has a track record of initiating new solutions and striving for best value. Having implemented the first school group rebuild under PFI in this country and successfully secured central government support for a second PFI package, we are keen, in collaboration with key partners, to implement further our strategic vision by utilising the opportunity afforded by this initiative.

We are concerned that this initiative must reflect local needs, autonomy and accountability, acknowledge the local authority(ies) as key client(s), and that to be successfully implemented, issues of affordability must be practically addressed.

We would be delighted to participate in further development of national proposals to resolve these key issues and keen to develop a local bid for consideration at the earliest opportunity.

Yours sincerely

Tony Howell
Chief Education Officer

QUESTION 1

Do you agree with the case for a new approach to managing the extra capital investment that will be available in 2005/6?

We welcome the proposed increase in capital funding, and the notion that it can provide the means to implement coherent strategy across a wide area, rather than focus on one or a handful of schools for major spend; or 'patch/mend' through the entire estate. The way in which implementation should be addressed however must be sensitive to local needs/wishes as defined in the Asset Management Plan(s) as well as responding to government priorities. A 'new approach' should mean an agreed innovative approach that has the best chance of achieving transparent success criteria/KPIs, not an approach 'directed' from central government.

QUESTION 1a

What other issues do you think we should take into account?

Having established the key criteria, (and the draft criteria included in the consultation appear appropriate) DfES should allow Local Education Partnerships, (LEPs) led by LEA(s), but in partnership with other education stakeholders, to submit what they consider an appropriate bid to make a 'step change' in implementing the shared strategic vision. This application should not be artificially constrained by unnecessary DfES criteria e.g. funding only applicable to secondary phase, or constrained by the adoption of detailed standardisation e.g. if locally, a 'best value' procurement route has been determined/demonstrated, the National Procurement Body ('SchoolsCo') should offer assistance but not reject the bid because a national model is not the preferred option. Advice and exemplar standardisation materials/models will be helpful, as 'SchoolsCo' perhaps develops into a role which is part-4Ps and part-DfES PFI team, but there should be no mandatory dictate that a national template has to be used where a detailed bid demonstrates that local proposals meet the key criteria.

We welcome the references in the consultation to 'local educational vision' but are not clear how this will be taken into account. Exemplar designs and large-scale procurement could create a straitjacket with little local choice or responsiveness to local needs. The Audit Commission has previously criticised government capital allocation mechanisms which meet central government aims but which result in poor value for money because local needs are not taken sufficiently into account ('Capital Gains'). The role of schools and local authorities in understanding their local communities should not be neglected.

A Birmingham area bid may, for example, seek to utilise the framework agreement for procurement of property professionals including strategic partnerships with contractors, which is currently being developed.

A huge issue also, is the one of affordability. Generally speaking the experience of PFI has been that LEAs just about manage to meet capital objectives with PFI credits and some ancillary help, but that the significant affordability gap is in the cost of post-contract operation of property-related services. Whereas a LEA may opt to swallow a significant affordability gap to rebuild a school/group of schools that are in an

extreme state, any LEAs ability to manage a pro rata gap for a much larger 'strategic' proposal, is hypothetical. We believe that the 'new approach' looked for by government must address this issue and would hope that the DfES or 'SchoolsCo' could make innovative proposals in this area, to make schemes more affordable to the local stakeholders. Government is highly concerned about 'capacity' issues, but it is our contention that the most significant of all capacity issues is the ability of the local stakeholders to afford the deal - this is a potential deal breaker.

A Birmingham area bid may, for example, seek to restrict 'operate' phase of the contract to repairs/maintenance, and seek some support/earmarking from DfES towards the ongoing costs involved.

QUESTION 2

Do you agree that we should aim to collaborate better with other funding and decision-making bodies to help achieve wider goals?

We believe that DfES should expect proposals from LEAs, which reflect appropriate local collaboration, and also, at a national level, ensure that appropriate stakeholders are represented on "SchoolsCo". For example, Birmingham LEA is currently working jointly with Birmingham & Solihull Learning and Skills Council to plan effective and efficient 14-19 provision in all areas of the city. Local proposals will meet the needs of the locality in addition to meeting the economic and employment needs of the city and the region. This does not imply that all LEA(s) proposals will contain the same model of collaboration – content will depend upon the nature of proposals and other local circumstances. The problem of adding complexity through multi-collaboration, and the potential time/cost implications, cannot be ignored.

QUESTION 2b

How might this be best achieved?

Locally – seek satisfactory reference in LEA(s) outline proposals and monitor implementation of it through SchoolsCo.

Nationally – set up broad-based board of SchoolsCo.

A Birmingham area bid is likely to look for collaboration between more than 1 LEA, and 'LIFT', but also, potentially, with Early Years Development and Childcare Partnership (if permitted to include early years in a proposal), Children's and Young People's Strategic Partnership (re: 'extended schools'), Health representatives (in relation to inclusion strategy as it effects the future of "special schools" across all phases) as well as other major education stakeholders e.g. governors, staff, parents, aided sector. Subject to local circumstances there is also the opportunity to collaborate with other service areas such as libraries, sport, social care etc.

QUESTION 3

Do you agree that we should target secondary renewal funding on geographical areas, covering local natural groupings of schools, even where these would cross local authority boundaries?

Our response to question 1a illustrates our rejection of the premise that the fund should be restricted to secondary phase.

That stated, we believe that any proposal from LEA(s) should be judged on its merits, and that single and multi LEA bids be considered equally against quality/strategic criteria as outlined in the consultation document.

We have tentatively been in communication with two adjacent LEAs regarding possible joint bids covering the Birmingham area and further meetings are planned.

QUESTION 3a

What special arrangements would we need to consider for London and how might these best work?

We do not accept that special arrangements are necessary anywhere, preferring to lobby that all LEAs proposals are considered transparently against the criteria as outlined in the consultation document. Although London has a level of complexity due to the number of small boroughs, other areas of the country – e.g. West Midlands – have a range of challenges, which are similar to those faced in London. We would prefer consideration to be given to the role of Core Cities in Regions to be given equal consideration to the case of London. The country's large cities experience similar challenges in inner-city regeneration as London.

QUESTION 4/4a

Do you agree that we should develop exemplar designs as a starting point to ensure consistently high standards of design for all new schools? How might these be best used in practice to avoid 're-inventing the wheel'?

The production of exemplar designs is welcomed as one element of support, which 'SchoolsCo' could provide. The status of such designs should be similar to that afforded to Building Bulletin 95 guidance and LEA(s) asked by 'SchoolsCo' to demonstrate through the monitoring process the reasons for any significant deviation from exemplars in a similar way to current requirement for justification for deviation from other aspects of guidance. It is essential that exemplar designs are not regarded as a 'straitjacket' and that if any other requirements are mandatory e.g. building cost per m² or fee level – that these are made transparent and added to the list of key criteria. Satisfying local needs should also be a key criterion.

Regarding a potential Birmingham area proposal, we would also suggest that several, site specific proposals, will not fit any of the initial group of exemplars being

developed – principally as a result of the focus on inclusion – hence our suggestion that “Longmoor/Banners Gate” be adopted as a project.

OTHER COMMENTS

We would also make the following comments:

- (i) submitted proposals should be able to project a cashflow which reflects local conditions, and not be artificially constrained by any statement that construction work re: a particular bid round must be completed by a due date, bid advice could however suggest an ‘ideal’ timeframe.
- (ii) LEPs should be led by LEA(s) submitting the proposal.
- (iii) Birmingham area proposal is likely to seek a mix of PFI and conventional funding based around option appraisal, possibly PFI for complete rebuild and conventional funding for partial rebuild/refurbishment.
- (iv) given slow progress re: the initial four pathfinders, a ‘first wave’ of new proposals should be used to select proposals which will pathfind a variety of routes/approaches within the context of “Building Schools for the Future”
- (v) planning of sufficient pupil places through effective forecasting is a significant element, and LEA(s) proposals must refer to this strategic aspect.
- (vi) it is essential that simple statements are made about roles and responsibilities so that all stakeholders, local and national, have a common understanding. This has ‘hard’ impacts re: issues such as accountability for procurement choice, option appraisal, funding and propriety etc, but also ‘softer’ impacts re: the building up of openness and trust which will be required.
- (vii) individual school feedback obtained on the consultation paper apart from supporting several of the above points also emphasises the need to continue with ‘devolved capital’ and to innovate without increasing the bureaucratic burden.
- (viii) there is a danger that SchoolsCo will add an extra tier of complexity and confuse the accountability and responsibility for school premises. This could result in slower, not faster procurement. The proposals must be developed in a way, which enables local authorities to be properly accountable and responsible for the school premises they own. Authorities need to have a say in decisions about designs, procurement, and where the money is spent, if they are expected to be responsible for expenditure during the contract and ownership and maintenance of the assets afterwards. Unclear arrangements could seriously prejudice authorities’ fiduciary duty to taxpayers and the Section 151 officer has responsibility for proper financial administration. Decision-making, legal contractual

issues, ownership/accounting for assets and delivery should all be in the same hands. The LEA(s) must be identified as the lead re: a specific contract.