

To: Chief Education Officers,  
Respondents to the consultation, and  
Attendees at regional consultation events

Ref: LEA/0227/2003

26 June 2003

Dear colleague,

#### BUILDING SCHOOLS FOR THE FUTURE: NEXT STEPS

David Miliband is making an announcement on Building Schools for the Future today, and I wanted to let you know how the Government proposes to take things forward, and the results of the consultation.

#### Consultation

Firstly, thank you to every one who responded to the consultation, who came to one of our six regional events, or who debated with us at events such as the Local Government Association/ 4Ps event in London, or the Education Building Development Officers Group conference in Chester. As well as supporting strongly this new approach to capital investment, you have also shared concerns and points of detail. Your feedback has been enormously helpful to us in planning the next steps, and we found it invaluable to be able to talk to so many of you face to face. We want to continue that approach.

Attached is a short summary of the consultation responses. A fuller summary and a report on the regional events are available on the Internet at [www.teachernet.gov.uk/bsf](http://www.teachernet.gov.uk/bsf) (or on request from Stephen Newing on 020 7925 5471). Now begins the process of examining individual responses in detail. As we do so, we will put information on the various points you make in a 'question and answer' section on our website to keep you up-to-date. If you have any suggestions about how we should communicate with you, please let us know ([schools.capital@dfes.gsi.gov.uk](mailto:schools.capital@dfes.gsi.gov.uk)).

#### Overall capital strategy

One of the most important things we picked up from the consultation, particularly from the regional events, was the need to put Building Schools for the Future firmly in the context of the overall strategy for capital and asset management. Funding in 2005-06 for Building Schools for the Future will amount to only some two-fifths of overall funding available.

There is strong concern about the position of primary schools and of secondary schools which might not be in the early phases of Building Schools for the Future. We want to reassure these schools that current, successful capital programmes are continuing and that this investment

should be sufficient to meet urgent needs. We will look at the availability and balance of these programmes (devolved formula capital for schools, formulaic funds for LEAs, and targeted programmes such as specialist schools or Targeted Capital Fund; but note PFI credits will only be available within Building Schools for the Future) to make sure that they meet the needs of schools and areas not involved in the early stage of Building Schools for the Future.

### Building Schools for the Future

We were very pleased at the level of support for all aspects of the consultation, including 77% of respondents agreeing with the case for the new approach to capital investment. The next section confirms how we propose to take things forward, as well as some news on other aspects of Building Schools for the Future. We plan to issue detailed guidance in mid-July.

### **Year 1 and Pathfinders 2**

You said very clearly that you would like to move away from annual, win-lose bidding rounds, as they can waste time, money and effort. Others said that, given the limited time available for projects that will start in 2005-06, we should run one last traditional bidding round. As this is a transition to a new way of doing things, we are going to run a launch application process which will choose the projects for year 1 (2005-06), and also a small, second batch of pathfinders.

Guidance for LEAs will follow in mid-July, but those who wish to be considered for funding in 2005-06 will need to work up their plans quickly. Paperwork, which we will keep to a minimum, will need to be submitted at the end of October, so that we can make announcements before Christmas, thus enabling approved projects to move quickly into procurement.

As set out in the consultation document, projects starting in Year 1 will cover geographic areas or LEAs where, nationally, standards of achievement are low and deprivation is high. The LEA will have analysed the reasons for low standards at these schools, and consulted on options for change, drawing on the options set out in *A New Specialist System: Transforming Secondary Education*. Funding requested will be sufficient for ambitious plans, and appropriate to the level of building need revealed in asset management surveys. The LEA will have carried out options appraisals and have well-prepared delivery plans. Local partners will be committed to the plans, which should be part of the strategic aims for education in that area/ LEA.

I should stress that the benchmark for success will be high, and it is unlikely that more than, say, 15 to 30 areas will start work in Year 1. So that LEAs do not waste time and effort, we will set clear benchmarks in our July guidance, and provide a means for LEAs to self-assess their likely chances of success.

There will also be an opportunity for a small second wave of pathfinder projects – perhaps 2 or 3 projects at most. For these, overall need will be less of a consideration, but we will be looking for innovation and testing of, e.g., ways of joining up with further education to deliver the 14 to 19 curriculum, or of applying our procurement proposals in rural areas. These LEAs will have a strong record of delivery, and we may ask them to mentor some year-1 projects where the LEAs have less experience.

### **Expressions of interest**

You also made the point strongly that, given the importance of the task, it was unrealistic to expect most LEAs to do this sort of strategic planning in so short a time, where proposals are not already at a highly developed stage. We will, therefore, be asking most LEAs to submit only high-level expressions of interest at this stage. Guidance for LEAs on this will also follow in mid-July. The expressions of interest will be light-touch, covering basic information about

schools in each LEA, their level of need, and broad phasing of building work. We will ask for the paperwork by December, and we will make announcements in March 2004.

The expressions of interest will enable us to start to build up an overall picture of the work needed over the full 10 to 15 years of the programme. By March we will be able to give all LEAs an indication that they are either in:

- a group which should start planning work for years 2, 3 or 4 of the programme; or
- a group that is in line for later investment, but which can be working on what might be done in the interim with investment available from other sources.

This will, we hope, give LEAs sufficient certainty to plan, and ensure that all parts of the education service are focusing on the long-term aim of 21<sup>st</sup>-Century facilities.

### **Advice available**

Many of you asked for more dialogue with us as you make your plans. We will make sure that all the normal sources of advice are available to LEAs, including DfES's Local Implementation Division, School Capital and Buildings Division, and education advisers, as well as 4Ps, the local government body that advises on public-private partnerships, and Partnerships UK. We are thinking about running another series of regional events for LEAs in September, when you could discuss your plans with us face to face. We are discussing with 4Ps whether we might arrange these events around their existing LEA network groups.

Some of you made the point that success in gaining funding should depend on need rather than ability to write good bids. We would welcome immediate views and ideas about how LEAs who have had little success in bidding for capital investment, for example to the Targeted Capital Fund or Private Finance Initiative, could build their capacity. Please respond to [schools.capital@dfes.gsi.gov.uk](mailto:schools.capital@dfes.gsi.gov.uk).

Full details of the support available will be in the guidance in mid-July.

### **Subsequent Gateways**

We hope to make the pre-approval process for year 1, pathfinders 2 and expressions of interest as light-touch as possible. It is intended that, once in-principle approval is given to a project, the system will provide a way of challenging and checking the health of that project as it moves from planning into procurement, and then into building. We have not looked at the options for this 'gateway' phase in detail, and we would again welcome your views (send to [schools.capital@dfes.gsi.gov.uk](mailto:schools.capital@dfes.gsi.gov.uk)).

### **Exemplar designs**

Work is progressing well with 11 teams just appointed to develop five primary, five secondary and one all-through school designs. There has been considerable support for the idea of a range of designs that explore how we can procure high-quality school buildings. Responding to concerns from some of you, they will be a starting point, demonstrating schools for the future in organisation, curriculum and management terms in buildings. They will explore opportunities to rationalise the ways in which buildings are constructed and procured to maximise on the potential programme and secure economic benefits with improved quality of design. The designs will be tested on a range of real sites that many of you have made available to us to represent the types of site conditions that are commonly experienced. There is scope for the designs to be developed to suit specific needs of a school community.

## **National Joint Venture Company**

We do intend to form a national joint venture company, which will help create local joint venture arrangements devoted to procuring the school buildings work. More details on this will follow shortly in a separate communication.

### Other news

Finally, there are a few items of other news, in which you may be interested.

I am pleased to announce that Sally Brooks has been appointed as Ken Beeton's replacement as Divisional Manager, School Capital and Buildings. Sally comes from a local authority background, and works in Haringey at the moment. She starts at the beginning of August.

We will be writing again shortly, setting out the arrangements for this year for new pupil places (basic need) funding and the Targeted Capital round.

### Enquiries

I hope this letter has answered some of your questions about the next steps on Building Schools for the Future. The guidance that we will send to LEAs in mid-July should answer specific questions about accessing funding for 2005-06 and expressing interest for subsequent years. In the meantime, if you have a query, we have a team of people to help; please ring Stephen Newing on 020 7025 5471 or e-mail [schools.capital@dfes.qsi.gov.uk](mailto:schools.capital@dfes.qsi.gov.uk) .

Yours sincerely,

**STEPHEN CROWNE**

Director

Resources, Infrastructure and Governance Group

Schools Directorate

## ANNEX TO LETTER: OVERVIEW SUMMARY OF CONSULTATION RESPONSES

Q1. Do you agree with the case for a new approach to managing the extra capital investment that will be available in 2005-06?	77%	9%	14%
Q2. Do you agree that we should aim to collaborate better with other funding and decision-making bodies to help achieve wider policy goals?	83%	3%	12%
Q3. 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?	52%	19%	30%
Q4. Do you agree that we should develop exemplar designs as a starting point to ensure consistently high standards of design for all new schools?	79%	9%	12%
Q5. Do you agree that a dedicated national body could help support local plans?	54%	18%	28%

### Key to consultation responses

Agreed	Did not agree	Were not sure
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The majority of respondents supported the case for a new approach to managing capital investment available from 2005/06. However many had concerns that the funding favoured secondary schools, and said that primary school buildings were also in need of renewal and restoration. It was felt that investment should be given to the primary sector so children could benefit in the early stages of education. A few respondents questioned whether the DfES had a strategy for renewing voluntary aided (VA) schools, or would PFI become an imposed system. Also, with regard to assigning funding, in what way would the VA sector be able to bid for the non-PFI balance of the strategic renewal fund, if at all.

Most said in order to achieve this vision it was essential that collaboration took place. Many respondents felt that collaboration should not be detrimental to local choice. Some said the mechanisms for consultation must be strongly designed to avoid confusion in the decision making process and to ensure clear lines of authority.

Over fifty percent of respondents agreed that it would be more efficient to target

required capital investment in natural groupings even if it meant crossing local boundaries. Many suggested this should only be contemplated with the full and open agreement of local authorities. Some respondents were concerned that if funding was targeted in 'bigger lumps' on a relatively small number of areas each year, it was likely that some authorities and partnerships would not participate in the programme for many years.

Many respondents believed it was vitally important to clarify the role of the asset management plan (AMP) process in targeting investment, identifying the scope of projects, and ongoing maintenance projects with major capital investment schemes.

Some suggested that because of changes in demographics some schools were no longer located in the right place, and before capital investment went ahead on existing sites, location should be examined critically to take account of present and foreseeable changes in population. A few respondents said consideration must be given to the substantial disruption to staff and pupils during the rebuilding period. Some said the reintroduction of an ILEA-type of authority would be capable of delivering the new strategy in London.

Most respondents welcomed the development of exemplar designs but said these designs must be appropriate to local situations, including community needs and local building styles. Many said it was important that the designs did not become overly prescriptive, and should be flexible enough to encourage innovation and creativity. Some said a range of modular designs should be created which could reflect local cultural and environment needs. A few suggested that the exemplar designs should be kept under review because designs now may not be the most appropriate design in years to come. Many said the use of exemplar designs was a useful tool as a starting point but it was important that exemplars were benchmarks and not templates. A few thought there was scope for more than six designs each for primary and secondary schools.

Although many respondents agreed that there was a role for a national body to provide leadership in the development of new approaches to procurement, many felt that the role of a national procurement body detailed on page 28 of the document was over-centralised and prescriptive. Respondents said this was likely to result in excessive bureaucracy rather than greater clarity and effectiveness. They suggested that the role of a national body should have a developmental and advisory focus rather than a management and delivery focus.

This overview and a fuller summary, together with a report on views expressed at six regional events, are available on the Internet at [www.teachernet.gov.uk/bsf](http://www.teachernet.gov.uk/bsf) . If you prefer a paper copy, please ring Stephen Newing on 020 7925 5471.