

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

27 SEPTEMBER 2007

**REPORT OF
CORPORATE
MANAGEMENT TEAM**

CABINET DECISION/KEY DECISION

Children and Young People – Lead Cabinet Member – Councillor Cunningham

PREPARING FOR BUILDING SCHOOLS FOR THE FUTURE (BSF)

1. Summary

The government has approved the Authority's BSF "Readiness to Deliver" document submitted with Cabinet agreement in October 2006. The next formal stage in the process will be the preparation of a "Strategy for Change" for submission in summer 2008. The Strategy will cover the entire borough, and officers have opened discussions with government to explore the possibility of treating the borough as a single BSF area rather than two separate waves.

The Strategy must set out how BSF investment, estimated at £150 million for the borough, will be used to transform educational opportunities. A combination of local factors (including falling pupil numbers) and national policy imperatives (particularly the need to increase diversity in the range of school types) will require a different pattern of school provision in the future. BSF funding cannot be used to maintain the status quo. Meetings with secondary headteachers and other stakeholders have produced a range of possible options for changes to school organisation. These are options, not firm proposals, and it is now time to consult more widely on them. It is not suggested that these are the only possible options: new options may emerge during this process. No changes to schools can be made as a result of this initial consultation. If formal proposals for change become necessary, Cabinet will be asked to authorise full statutory consultation in due course.

The scale and complexity of BSF requires input from appropriate external financial, legal, technical and specialist advisors. These can be selected from framework agreements set up by the government's BSF delivery agency following a formal tendering process. The cost of these medium-term contracts would exceed the limit of officer delegation in the Council's procurement strategy (£50,000). Members are therefore asked to delegate appropriate powers to Chief Officers to enter contracts without further reference to Cabinet.

2. Recommendations

1. Members are asked to agree that consultation should take place with school governors and staff, parents, carers and pupils, on possible school organisation options for Building Schools for the Future across Stockton-on-Tees. Appendix 1 to this report sets out some options, and Appendix 2 the proposed consultation strategy.
2. Members are asked to delegate to the Corporate Director for Children, Education and Social Care, in consultation with the Lead Cabinet Member for Children and Young People, authority to enter contracts with financial, legal, technical and specialist advisors where the cost of those contracts exceeds the £50,000 limit provided under the Council's procurement strategy.

3. Reasons for the Recommendations/Decision(s)

Building Schools for the Future will bring an estimated £150 million of capital investment to Stockton-on-Tees. Release of this funding is conditional upon the submission and satisfactory assessment of a "Strategy for Change." This document must set out how the Authority proposes to spend the money in order to transform educational opportunities. As part of the preparation of the Strategy it is time to engage school governors and staff, parents, carers and pupils in debate about the future pattern of school provision across the borough.

The Authority needs to supplement its officer team with appropriate external expertise in the financial, legal, technical and specialist aspects of BSF. Companies of national and international standing have been selected by the government's BSF delivery agency following a formal tendering process. These framework agreements will allow the Authority to engage advisors without repeating the tendering process. The cost of these medium-term contracts would exceed the limit of officer delegation in the Council's procurement strategy (£50,000).

4. Members' Interests

Members (including co-opted members with voting rights) should consider whether they have a personal interest in the item as defined in the Council's code of conduct (paragraph 8) and, if so, declare the existence and nature of that interest in accordance with paragraph 9 of the code.

Where a Member regards him/herself as having a personal interest in the item, he/she must then consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgment of the public interest (paragraphs 10 and 11 of the code of conduct).

A Member with a prejudicial interest in any matter must withdraw from the room where the meeting is being held:

- in a case where the Member is attending a meeting (including a meeting of a select committee) but only for the purpose of making representations, answering questions or giving evidence, provided the public are also allowed to attend the meeting for the same purpose whether under statutory right or otherwise, immediately after making representations, answering questions or giving evidence as the case may be;

- in any other case, whenever it becomes apparent that the business is being considered at the meeting;

and must not exercise executive functions in relation to the matter and not seek improperly to influence the decision about the matter (paragraph 12 of the Code).

Further to the above, it should be noted that any Member attending a meeting of Cabinet, Select Committee etc.; whether or not they are a Member of the Cabinet or Select Committee concerned, must declare any personal interest which they have in the business being considered at the meeting (unless the interest arises solely from the Member's membership of, or position of control or management on any other body to which the Member was appointed or nominated by the Council, or on any other body exercising functions of a public nature, when the interest only needs to be declared if and when the Member speaks on the matter) and if their interest is prejudicial, they must also leave the meeting room, subject to and in accordance with the provisions referred to above.

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RECOMMENDATIONS

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DETAIL

1. On 5 October 2006 Cabinet agreed a "Readiness to Deliver" document for submission to government in order to secure the place of Stockton-on-Tees in the national Building Schools for the Future programme. That document, and a covering letter signed by the Leader and the Chief Executive, confirmed the Council's agreement to the assumptions underpinning BSF:
 - a commitment to government policy aims such as diversity of provision (including academies and foundation schools where appropriate);
 - the use of PFI for most new-build projects, and a disposition towards outsourced Facilities Management;
 - a managed ICT service (a contract with an external partner for the supply, maintenance and replacement of hardware and software);
 - the use of a Local Education Partnership (LEP), a company formed by the local authority and a private-sector partner to deliver the local programme;
 - commitment to fund a full-time project team and engage external advisers experienced in the financial, legal, technical and specialist aspects of the programme.
2. Following the government's acceptance of that submission, it was confirmed that Stockton-on-Tees would enter the national BSF programme at two points: Stockton town would enter at wave 6 (funding to begin in 2010), and the other parts of the borough between waves 10 and 12 (funding in 2014 at the earliest). Officers have opened discussions with government ministers and officials to explore the possibility of bringing these two waves together to create a single BSF programme for the borough. Initial responses have been positive, though the final outcome is not yet certain.
3. A project board and project team have been set up to make the necessary preparations to meet the timetable for wave 6. In summer 2008 the Authority will be invited to submit a "Strategy for Change," a document setting out how BSF funding will be used to transform educational opportunities for young people across the borough. Funding estimated at £150 million for the combined waves will be subject to the satisfactory assessment of the Strategy for Change.

The Strategy for Change approval process

4. This will be covered in detail in a future report, but Members may welcome a brief summary of the roles of the three separate government bodies involved. The Department for Children, Schools and Families (DCSF - previously the Department for Education and Skills) sets national policy and provides the funding for BSF. Various policy teams within the Department will scrutinise particular elements of the Strategy for Change before advising the Minister who will take the final decision. Partnerships for Schools, (PfS) the national delivery agency for BSF, must ensure that the Authority has a coherent, marketable strategy and has allocated sufficient resources to support the complex procurement process. This will include the appointment of external advisers referred to in this report. The Office of the Schools Commissioner (OSC - a new agency) has a specific remit to promote diversity and choice. This means widening access to the most popular schools, and increasing the range of different types of school, including foundation schools (state schools owned by a charitable foundation) and academies (state-funded independent schools that do not charge fees to parents).
5. The Office of the Schools Commissioner will have a direct impact on the school organisation proposals that will feature in our Strategy for Change. Stockton-on-Tees currently has five voluntary aided secondary schools (three Roman Catholic and two

Church of England) and nine community schools. There are no academies or foundation schools. The Commissioner has stated explicitly that every local BSF programme should include academies and foundation schools (sometimes called trust schools). The Commissioner has also insisted that there should be no proposals to reduce the size of popular schools.

The need for change

6. A key word in this report is “change.” Building Schools for the Future offers a unique opportunity to transform educational opportunities for our young people with £150 million of external funding. This money is intended to create a new pattern of school provision to meet the needs of the twenty-first century. It cannot be used simply to retain the schools we have now and put them in better buildings.
7. In addition to the national policy imperatives, changes to the present pattern of secondary school provision are inevitable for local reasons:
 - in some parts of the borough the supply of school places does not match demand;
 - pupil numbers are projected to fall by 1,500 over the next ten years;
 - our secondary schools already have about 1,000 empty places;
 - falling pupil numbers may threaten the educational and financial viability of some schools.

Consultation on possible options for change

8. A series of meetings has taken place between Council officers and secondary school headteachers, college principals and the Tees Valley Learning and Skills Council. Separate meetings have been held with the Education Directors of the two Anglican and two Roman Catholic dioceses. These very positive meetings have demonstrated agreement that BSF in Stockton-on-Tees should:
 - put the learner first;
 - have schools at the heart of the community;
 - make every school a good school.
9. Discussions in these meetings have followed two strands. One is working towards an agreed vision of secondary education in the future, including elements such as the new 14-19 curriculum, the central place of Information and Communications Technology, personalised learning, PE and sport, and provision for pupils with special educational needs. The Authority has engaged consultants from Place Group Ltd., a company with considerable experience in this field, to support this important work which will continue over the next year.
10. The second strand of activity looked at options for change in school organisation, particularly the number, size and location of secondary schools after the BSF programme is completed. The Stockton-on-Tees Children’s Trust Board has agreed a strategy of integrated service provision based on four Integrated Service Areas: Billingham, North Stockton, Central Stockton, and South of the Borough (Thornaby, Ingleby Barwick, Eaglescliffe and Yarm). The options considered by the headteachers and principals’ group follow the same geographical pattern. It is now time to bring these options to a wider group of stakeholders including school governors and staff, parents, carers and pupils.
11. Appendix 1 to this report sets out in some detail the national background to Building Schools for the Future and the aspirations of “Future Learning,” the local programme for Stockton-on-Tees. It includes some school organisation options for each of the four

integrated service areas. It is proposed that a full consultation booklet based on this options paper be printed and distributed throughout the borough. The final version will include a map of each area and a pull-out response form. An independent consultant will be appointed to receive responses at arm's length and to report the views of respondents to the Authority.

12. Appendix 2 sets out the proposed consultation arrangements including distribution of the options booklet to all stakeholders and partner organisations, and a series of meetings at each secondary school to allow views to be expressed and questions to be asked in person. At least one meeting in each area will be open to the public, and meetings will be held specifically for staff and their representative organisations. The outcome of consultation will be reported to Cabinet for further consideration.
13. This initial consultation on possible options is not statutory consultation as required by the Education and Inspections Act 2006. No action could be taken to establish any new school, or close or significantly alter an existing school as a result of this consultation. The 2006 Act (which has replaced the 1998 School Standards and Framework Act in this respect) requires two further stages of formal consultation, including publication of a Statutory Notice, before any such changes might be made. If any firm proposals for change emerge from the present consultation process, Cabinet will be asked to authorise full statutory consultation in due course.

Appointment of external advisors

14. The report to Cabinet in October 2006 advised members of the need to support the local BSF project with funding estimated at £1million annually. Cabinet agreed to recommend the allocation of £2 million to support the local BSF project over three financial years from 2007-08.
15. It is now necessary to appoint advisors for the financial, legal, technical and specialist aspects of the programme. The scale and complexity of BSF requires their professional input as our programme moves towards procurement. Partnerships for Schools has established framework agreements with a number of suitably experienced companies. Local authorities may appoint advisors from these frameworks without carrying out a full tendering process. It is proposed that in each case a mini-competition should be held. All the advisors on the appropriate framework will be invited to submit a proposal in response to a brief that specifies the work expected and the criteria for selection. The cost of each of these services will exceed the current limit of £50,000 delegated to Chief Officers. Cabinet is asked to delegate authority to the Corporate Director, CESC, in consultation with the Cabinet Member for Children and Young People, to enter into contracts with the selected advisors.

FINANCIAL AND LEGAL IMPLICATIONS

Financial

Capital funding in the region of £150 million will be made available by government. Developing and managing a local BSF programme will require the commitment of revenue resources of at least £1million annually.

Legal

The proposed consultation on options for school organisation does not constitute statutory consultation as required by the Education and Inspections Act 2006. Cabinet will be asked to agree to statutory consultation at a later stage, should that be necessary.

The appointment of financial, legal, technical and specialist advisors from the frameworks established by Partnerships for Schools does not require a full tender process. The mini-competition will be carried out in accordance with the Council's procurement strategy.

RISK ASSESSMENT

A risk assessment has been carried out for this stage of the BSF project. The proposal is categorised as low to medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk.

COMMUNITY STRATEGY IMPLICATIONS

Environment

Any change in the pattern of secondary education provision is likely to have some implications for the environment. A full Environmental Impact Assessment will be carried out if necessary before any specific proposals are put forward.

Community Safety and Well-Being

No implications.

Health

No implications

Economic Regeneration

No implications

Education and Lifelong Learning

The aim of Building Schools for the Future is to transform educational opportunity.

Arts and Culture

No implications

EQUALITY IMPACT ASSESSMENT

A full Equality Impact Assessment will be carried out before any specific proposals for change are put forward.

CONSULTATION INCLUDING WARD/COUNCILLORS

The options paper attached to this report has been developed in consultation with the secondary headteachers, college principals, and the Tees Valley Learning and Skills Council. The Education Directors of the Anglican Dioceses of Durham and York, and the Catholic Dioceses of Middlesbrough and Hexham & Newcastle have also been consulted.

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Background Papers

Cabinet report dated 5 October 2006.

Ward(s) and Ward Councillors:

Not ward-specific.

Property

The investment of £150 million through the BSF programme will have a significant impact on the secondary school estate at a later stage.