

**STOCKTON-ON-TEES BOROUGH COUNCIL**

**CABINET RECOMMENDATIONS**

**PROFORMA**

Cabinet Meeting .....1st October 2009

1. Title of Item/Report

Building Schools for the Future - Draft Outline Business Case

2. Record of the Decision

Consideration was given to a report that presented the Outline Business Case (OBC) for Wave 6 of the programme. Submission of the Business Case represented the final stage in the formal process of securing the release of BSF funding.

The draft OBC was provided to Members and a brief summary of its content was provided.

It was noted that if agreed by Cabinet the OBC would be submitted for formal assessment by government agencies later in October. Once approval had been received a lengthy procurement process would be carried out by the Council's BSF Team, in consultation with government agencies and external advisors. Members were informed of the principal stages of this procurement process which would culminate in the

Changes to school organisation such as closing schools, establishing new schools and transferring a school to a new site required a statutory process of consultation and decision. This process was ongoing and appropriate reports would be submitted to Cabinet when necessary.

Members were provided with details of the financial implications associated with the programme including its affordability. It was noted that it was estimated that capital costs would exceed the available funding allocation and it was intended that this shortfall be met from the sale of sites released through the BSF Programme.

It was explained that it was a requirement of the PfS that the Council's Corporate Director of Resources sign off a section 151 letter. The purpose of the letter was to demonstrate the Council's ownership and understanding of the OBC and to give confidence that the proposals set out were affordable and represented value for money. The letter would also commit the Council to the financial proposals set out in the OBC.

RESOLVED that:-

1. the draft Outline Business Case, as presented to Cabinet, be submitted for assessment by government agencies.
2. the affordability position as set out in the report be approved
3. delegated authority be granted to the Corporate Director of Resources, in consultation with the relevant cabinet member, to sign the S151 letter, required as part of the OBC submission. The letter commits the Council in line with the information and assumptions set out in the report considered by Cabinet and requires the Council to make every endeavour to bridge any affordability gap.
4. delegated authority be granted to the BSF Project Board to manage the procurement process as far as preparing a report to a future meeting of Cabinet recommending a preferred LEP provider.

RECOMMENDED to Council that:-

5. the affordability gap, as detailed in the report, be met from the sale of the surplus BSF sites, released through the BSF Programme.

### 3. Reasons for the Decision

The release of government funding for the local Wave 6 BSF programme was dependent on the successful assessment by government agencies of a series of documents. The Outline Business Case was the final document in that series following successful submission of Strategy for Change Part 1 in July 2008 and Strategy for Change Part 2 in April 2009. The OBC had been prepared by the BSF Project Team in accordance with government guidance, and support has been received from external advisors with recent successful experience of supporting other local authorities in OBC preparation.

Approval of the OBC by government agencies will initiate a procurement process to select a private sector partner to manage the Local Education Partnership and deliver the local BSF programme on behalf of the Council and government agencies. Stages in the procurement process include:

- Publication of the OJEU notice
- Pre-Qualification Questionnaire (PQQ)
- Evaluation of initial bids to form a long list (3 bidders)
- Competitive Dialogue (first phase) to create short list (2 bidders)
- Competitive Dialogue (second phase)

- Selection of recommended preferred provider.

The key decision, the selection of preferred provider, would be made by Cabinet. It was suggested that responsibility for the management of the technical and lengthy procurement process be delegated to the BSF Project Board in consultation with government agencies and the Council's external advisors.

It was a requirement of PfS that the Authority's Corporate Director of Resources sign off a "Section 151 Letter". The purpose of the letter was to demonstrate the local authority's ownership and understanding of the OBC and to give confidence that the proposals set out in the OBC were affordable and represent value for money. It would also commit the Council to the financial proposals set out in the OBC.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillor Cook declared a personal non prejudicial interest in the item entitled Building Schools for the Future – Draft Outline Business Case as he was a Governor at one of the schools referred to in the report.

Councillor Nelson declared a personal non prejudicial interest in the item entitled Building Schools for the Future – Draft Outline Business Case as he was a Governor at one of the schools referred to in the report.

6. Details of any Dispensations

None

7. Date and Time by which Call In must be executed

By Midnight, Friday, 9th October 2009 in respect of resolutions 1 to 4

Proper Officer

05 June 2009