

Special Meeting of the Select Committee on Children's Services – 25th November, 2008

Report of the Lead Officer to the Committee for this Meeting

Call-In of Cabinet Decision on Building Schools for the Future and Academies

Purpose of Report

1. To respond to the Call-In of the decision of the Cabinet, at its meeting held on 29th October, 2008, in relation to the Building Schools for the Future Capital Investment Programme for Schools and the Academies programme.

Background

2. On consideration of the report attached as Appendix 1 hereto, the Cabinet, at its meeting held on 29th October, 2008, resolved as follows:-
 - “1. That progress to date on Building Schools for the Future and Academies be noted.
 2. That the Cabinet determine to proceed with the Academies Programme as set out in paragraphs 20 to 31 of the report now submitted.
 3. That the Expression of Interest for Building Schools for the Future, as referred to in paragraphs 2-19 of the Report now submitted, be deferred to waive 8 or a later stage.”
3. The decision, in its entirety, has been called-in by 5 members of the Select Committee in accordance with Paragraph 15(c) of the Select Committee Procedure Rules.
4. The questions from the Members calling-in the decision to be put to members, senior officers and other invitees in accordance with paragraph 15 of the Scrutiny Protocol for Select Committees are currently awaited and will be circulated as soon as they are received. Meanwhile, Councillor Crumpton, on behalf of the Members calling-in the decision, has indicated that those Members may propose that other person(s) should be invited to attend the meeting and address the Committee.

5. Paragraph 14 of the Select Committee Procedure Rules provides that a Select Committee may invite people (other than Members and Officers giving account) to address it, discuss issues of local concern and/or answer questions. It is therefore for the Committee to decide whether or not those person(s) should be invited to attend the meeting to address it.
6. In determining the call-in of the Cabinet decision, the following options are open to the Committee:
 - a) To confirm the decision, in which case no further action is necessary, except that a “minority report” must be allowed if some members do not agree with the conclusions reached by the majority.
 - b) To refer the decision back to the Cabinet, as decision maker.
 - c) To refer the matter to the full Council.
7. In the case of referral to the Cabinet or the full Council, the nature of the concerns of the Committee must be set out in writing to those bodies. Should the decision be referred to the Cabinet, the decision must be reconsidered within a further five working days.
8. The Members who have called-in the decision have asked for the background papers to the report to the meeting of the Cabinet to be provided for this meeting. These are as follows:

Report to the Cabinet Meeting held on 15th June 2005; Learning for the Future – Proposals for Governors Arrangements.

Report to the meeting of the Cabinet held on 13th December 2006 – Investing in the Future – Transforming Secondary Education.

Report to the meeting of the Cabinet held on 13th June 2007 – Investing in the Future – Transforming Secondary Education.

Copies of the reports and the minutes arising therefrom are attached as appendices 2, 3 and 4, respectively. They may also be accessed via the Committee Management Information System (CMIS).

Finance

9. The financial implications in relation to the issue of Building Schools for the Future and Academies are as set out in the report of the Director of Children’s Services to the Cabinet, attached to this report as Appendix 1.

Law

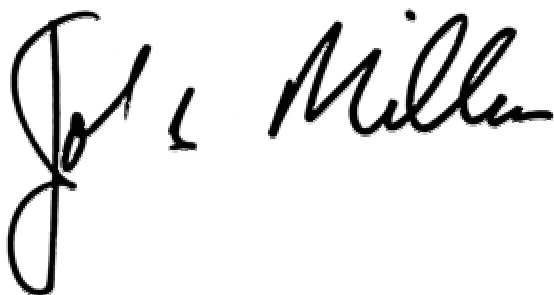
10. The provisions regarding call-in are contained in the Council’s Constitution under the Select Committee Procedure Rules and the Scrutiny Protocol for Select Committees. The Constitution was adopted by the Council under Part II of the Local Government Act, 2000.

Equality Impact

11. In relation to the specific nature of the call-in, there are no special considerations to be made with regard to equality and diversity to receiving and noting this report.

Recommendation

12. That the contents of this report be noted.
13. That the Committee determine whether any invitee(s) proposed by the Members calling-in the decision, as indicated in paragraph 4 above, be allowed to attend the meeting and address the Committee.
14. That the decisions of the Cabinet on Building Schools for the Future, as set out in paragraph 2 above, be considered.



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John Millar
Lead Officer to the Committee for this meeting

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Background Papers –

Attached

Meeting of the Cabinet – 29th October 2008

Report of the Director of Children's Services

Transforming Secondary Education – Building Schools for the Future and Academies

Purpose of Report

1. This report informs the Cabinet of progress with proposals for Building Schools for the Future (BSF) and Academies and seeks a decision on the way forward.

Building Schools for the Future

2. In 2003 the then-Department for Education and Skills (DfES) announced Building Schools for the Future, the largest-ever capital investment programme, intended to transform the outcomes of secondary education for children and young people through the creation of 'world-class' schools fit for 21st Century learning. All local authorities were invited to submit Expressions of Interest in this 15-year national programme. Dudley submitted an Expression of Interest which set out its vision for the future of secondary education within the Borough. However, the DfES prioritised local authorities with:

- low standards of attainment at GCSE;
- high levels of deprivation;
- intervention following a very poor inspection report; and
- a large number of secondary schools.

Dudley's prospects of inclusion in the early waves of BSF were therefore not high given the criteria set by the DfES.

3. Early in 2008, the DCSF invited further proposals for local authorities to join the BSF programme in the so-called Wave 6a. This was an interim assessment round for local authorities which, like Dudley, were well down the priority order but were considered to have the capacity to enter the programme at short notice. Dudley then submitted a Readiness to Deliver Statement in April 2008 with a view to joining Wave 6a. However, that submission also was unsuccessful.

4. The uncertainty around when Dudley might be included in the programme has presented major challenges for strategic and financial planning. However, although the management of expectations has been difficult, schools have continued to improve provision and plan for transformation.
5. The DCSF has now consulted on the management of BSF for Waves 7-15 and new guidance was issued to local authorities at the end of September 2008. There is a clear shift in emphasis towards so-called National Challenge schools (those which, in 2007, were below the floor targets of 30% 5A*-C GCSE passes including English and mathematics) and the establishment of strong schools based on strong governance with an external element (so-called 'structural solutions'). Dudley would be unlikely to be included in the BSF programme unless structural solutions had been identified for the four schools identified in the National Challenge.
6. The four schools identified are Castle High School, Pensnett School of Technology, Coseley School and Wordsley School. It is proposed that Castle High School will be replaced by a new academy on its existing site, and that Pensnett School of Technology and Crestwood High School will be replaced with a new academy. The move to Trust status is being actively followed through by Coseley School and Wordsley School.
7. The Office of the Schools Commissioner (OSC) is one of a number of government departments that has to approve an Authority's BSF proposals. At a meeting with the Office of the Schools Commissioner (OSC) in September these proposals were agreed as being sufficient to secure the necessary improvements.
8. Work is now underway on a revised Expression of Interest with a view to Dudley being included in BSF Wave 7, that is, from April 2009. A project manager has been appointed and a secondary headteacher has been seconded to support the development process. The intention to date has been to submit the revised Expression of Interest by the deadline of 30 November 2008.
9. The new guidance issued by DCSF has stated the submission should be for projects up to a capital value of £80 million and should include no more than five schools in the first phase; other schools will be included at later stages in the programme. Criteria to enable local authorities to prioritise their schools have been set as:
 - social and educational need, including:
 - National Challenge schools
 - less well-performing schools
 - areas of deprivation

- building need (suitability and/or condition);
- contribution to local or regional regeneration, including opportunities for collocation with other public services;
- school reorganisation;
- contribution to sustainable communities, and new housing and population growth.

BSF revenue funding

10. The DCSF requires that local authorities should identify 2% of the total projected capital cost as an up-front one-off allocation. This equates to £1.6m for the first phase of BSF. Further allocations would be needed to support future phases of BSF development. These costs are required to fund external consultancy in addition to staffing and other internal expenditure.
11. The capital receipts resulting from the sale of Cradley High School have been reserved for supporting the BSF programme. Should this prove inadequate, further one-off resources will need to be identified.

BSF capital funding

12. If successful, we expect the overall BSF capital programme, excluding academies, to be in excess of £200 million, based on the DCSF formulaic funding allocation model. BSF capital funding made available by the DCSF will be a combination of Private Finance Initiative (PFI) and capital grant.
13. The proposed BSF programme is required to include a mix of complete new schools (which will be funded through PFI) and major refurbishments (which will be funded through capital grant).
14. PFI programmes are funded through an allocation of 'PFI Credits'; however there is typically a revenue 'affordability gap'; for the Summerhill and Colley Lane PFI scheme the affordability gap was around £0.5m which was allocated from growth in the overall schools' budget; that option is no longer available and, should there be an affordability gap, it would need to be met from revenue budgets.
15. The funding of academies is through a different route and is not included in the figures above.

Governance

16. The governance arrangements for the BSF programme have been set out in previous reports and encompass, in summary:

- a cross-party Member Reference Group;
- a BSF Programme Board comprising:
 - the Director of Children's Services
 - the Director of Finance
 - the Director of Law and Property
- a cross-Directorate Officer Support Group

In addition regular reports will be made to the Select Committee on Children's Services.

17. Progress will be reported to the Cabinet on a regular basis.

Proposals

18. The proposals for the schools to be included in the first phase of BSF will be finalised shortly but would be likely to include two full rebuilds and three major refurbishments.

19. Based on development rates in other local authorities, we could expect the rebuilds to be completed between 2012 and 2014, and the refurbishments to be completed between 2011 and 2012. However, the early phases of BSF have been subject to severe delays, and these completion dates can only be tentative.

Academies

20. Following a selection process which included the DCSF, Oasis Community Learning have been selected as the sponsors for the two proposed academies. Oasis Community Learning have nine academies open across the country and were selected for their commitment to work with local communities and schools.

21. An Expression of Interest (EOI) for a proposed new academy was submitted to DCSF during August for Castle High School. The EOI was approved and that project has entered feasibility stage. Subject to consultation, and the conclusion of a Funding Agreement, the school will close at the end of August 2009 and open as a new academy, initially in its existing buildings, from September 2009. The buildings would then be subject to major redevelopment by September 2012.

22. The EOI for a proposed new academy to replace Crestwood School and Pensnett School of Technology is to be submitted to DCSF during October 2008. Should the submission be approved, and subject to consultation and the

conclusion of a Funding Agreement, both schools will close from the end of August 2009 and a new Academy will open from September 2009 in the existing buildings on both sites. A local consultation is presently being undertaken on the site for the proposed academy, with a stated preference of the Crestwood site. The new buildings would be scheduled to open in September 2012.

Academy revenue costs

23. The DCSF requires the local authority to contribute towards the costs associated with TUPE transfers and any restructuring upon creation of an academy. The DCSF criteria identify when the local authority will be expected to meet all severance, restructuring and associated pension costs in respect of the formation on an academy. These are:

- an academy inheriting staff from more than one school;
- an academy operating on fewer sites than predecessor school(s);
- an academy offering fewer places than at the predecessor school(s);
- the predecessor school(s) being overstaffed; or
- the predecessor school(s) running at a deficit.

It is expected that the above criteria would apply in respect of the academy proposed for Pensnett / Crestwood Schools and possibly Castle High School.

24. The DCSF expects the local authority to meet 50% of any other severance and associated costs incurred by an academy not covered by the criteria set out above.
25. Until the staffing structures have been reviewed and agreed with the sponsor of the two proposed academies, which could be around March 2009, we will not be in a position to quantify the costs associated with the TUPE transfers and restructuring. In the nine academies they have opened to date, Oasis Community Learning have secured employment in the academy for between 86% and 96% of the staff from the predecessor schools. However, particularly in the case of Pensnett and Crestwood schools, this could be a significant cost.
26. Arrangements have been made to ensure that no further appointments are made to the three schools concerned, while supporting the staffing structure for the present year through short-term arrangements.

Local Authority Central Spend Equivalent Grant (LACSEG)

27. Each academy will be entitled to LACSEG. Whilst this is payable to the academy by the DCSF, this is funded from a top slice of the local authority's Dedicated Schools Grant (DSG); the LACSEG relates directly to central functions provided

by the local authority, such as admissions and special education needs, and is a grant to the academy in order that it can fulfil these obligations.

28. It is estimated that for two academies the LACSEG will cost Dudley £70,000 in a full year; this will need to be found from within existing resources within the centrally-held element of the DSG.

Academy capital funding

29. The capital build programme in respect of academies is managed by the local authority; the local authority therefore carries the risk associated with the building programme.
30. The delivery of the capital build for academies is via the PfS (Partnership for Schools) national framework. The DCSF provides capital grant funding based on their formulaic funding allocation model. Any shortfall in affordability is the responsibility of the local authority. The Council will therefore need to exercise tight control over design and development in order to avoid cost over-runs.
31. If an academy needs to take up occupation prior to the exchange of the development agreement, it will do so through a short term lease. The short term lease is to be developed by the local authority and agreed with the academy trust. In the case where two schools are moved onto one site then the capital receipts resulting from the sale of the redundant school site are required to be re-invested in the academy project.

Finance

32. The funding and associated costs of academies and BSF are detailed within the main body of this report and until detailed plans are drawn up then the full financial implications cannot be quantified. However, the current DCSF guidance advises that:
- the severance, restructuring and associated pension costs in respect of the formation of an academy are the responsibility of the Council; this could be significant in the case of Pensnett and Crestwood schools;
 - the Local Authority Central Spend Equivalent Grant will be payable to the academies by the Council from the centrally-held element of the Dedicated Schools Grant at an estimated annual cost of £70,000;
 - any shortfall in affordability for the building programmes will be the responsibility of the local authority.

33. The one-off and set-up costs for the BSF and academies programme are estimated at around £2m, which will be financed from the capital receipts from the previous Cradley High School site.
34. The Cabinet will need to consider the following factors in determining how to proceed with the academies programme and the BSF programme:
- the long-term benefits to learners of the re-provision and refurbishment of secondary schools; and
 - the short-term and long-term costs of the programmes.
35. The Cabinet will need to consider the costs of the programmes in light of: the overall financial position of the Council; the expectation over the last year that RSG settlements for 2009/10 and following years will be difficult; recent international and national financial turbulence; and the recent sharp reduction in land values, which will impact on the capital receipt from the sale of the former Cradley High School site.

Law

36. As the projects develop there will be significant implications covering school organisation, land, employment and finance. The Council's statutory powers relating to the building of schools and the provision of education are set out in the relevant Education Acts.

Equality Impact

37. The report takes into account the Council's Equality and Diversity Policy.
38. Children and young people will be fully consulted during the development of detailed proposals for the BSF and academies programme, directly and through school councils.

Recommendation

39. In the light of the educational and financial arguments set out in the report, the Cabinet has to determine whether or not to proceed with the academies programme as set out at paragraphs 20 to 31. The options are to proceed or to withdraw.
40. In the light of the educational and financial arguments set out in the report, the Cabinet has to determine whether or not to proceed with the proposals for the BSF programme set out at paragraphs 2 to 19. The options are to proceed with

an Expression of Interest for Wave 7 (April 2009) or to defer consideration for Wave 8 or a later stage.

It is recommended that:

41. the Cabinet notes progress to date on Building Schools for the Future and academies;
42. the Cabinet determines whether or not to proceed with the academies programme;
43. the Cabinet determines whether to progress the Expression of Interest for BSF Wave 7 or to defer consideration until a later stage.



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List of Background Papers

15 June 2005

Cabinet Report Learning for the Future – Proposals for Governance Arrangements

13 December 2006

Cabinet Report Investing in the Future – Transforming Secondary Education

13 June 2007

Cabinet Report Investing in the Future – Transforming Secondary Education

Extract of the Minutes of the Cabinet Meeting on the 15th June 2005

1 **“LEARNING FOR THE FUTURE” PROPOSALS FOR GOVERNANCE ARRANGEMENTS**

The report of the Director of Education and Lifelong Learning was submitted, setting out arrangements for the governance of “Learning for the Future”, the overarching development programme for all aspects of the Dudley Education Service. Details of the initiatives included in the programme were set out in paragraph 2 of the report now submitted and expanded upon in paragraphs 3-10.

RESOLVED

- (1) That the arrangements for Governance of “Learning for the Future”, as referred to in the report submitted to the meeting, be endorsed.
- (2) That effective engagement of the Council and external partners, including Health, Police, Fire and Transport Authorities and the Voluntary Sector, be supported.

(This was a Key Decision with the Cabinet named as Decision Taker).

Dudley Metropolitan Borough Council

The Cabinet – 15 June 2005

Report of the Director of Education and Lifelong Learning

‘Learning for the Future’ – Proposals for Governance Arrangements

Purpose

1. This report sets out arrangements for the governance ‘Learning for the Future’, the overarching development programme for all aspects of the Dudley education service.

Background

2. ‘Learning for the Future’ (LFF) is an over-arching framework designed to join a series of wide-ranging initiatives into a coherent and manageable development programme. The initiatives include:
 - the development of pre-school settings;
 - the development of Children’s Centres;
 - the Primary Schools Review;
 - the Secondary Schools Review (including 14 – 19 strategy);
 - ‘Building Schools for the Future’;
 - the implementation of the SEN Strategy;
 - the implementation of Full Service Extended Schools;
 - the development of integrated children’s services;
 - the development of community use including leisure, libraries and lifelong learning.
3. Each of the initiatives in paragraph 2 will require significant capital investment with the largest element required for transforming secondary education. ‘Building Schools for the Future’ (BSF) is a DfES programme to provide very significant capital investment for transforming whole geographical areas such as Dudley. Using national comparators we might expect to receive upwards of £100 million. Access to this scale of funding will be dependent on meeting a series of approvals against strict DfES and Treasury criteria. This report sets out the general governance arrangements for LFF set in the specific

context of needing to demonstrate to the DfES and Treasury our arrangements for BSF.

4. BSF is a national initiative intended to transform secondary education through a major capital investment programme over the next 10 – 15 years. The DfES have structured the BSF programme in fifteen groups, referred to as 'waves', of about 10 local authorities.
5. Dudley, along with almost all local authorities, submitted an Expression of Interest to the DfES in October 2002 for inclusion in the first wave.
6. DfES criteria for inclusion in the first three waves prioritised local authorities with low attainment at GCSE and high levels of deprivation. The DfES have ranked all local authorities using pupil attainment and deprivation as key indicators. DfES issued indicative Forward Planning Information in February 2005 suggesting Dudley would be included in waves 7 – 9, consistent with a ranking between 70 and 90 of around 150 local authorities. Wave 7 local authorities would be expected to receive BSF funding in 2010/11, Wave 8 in 2011/12 and Wave 9 2012/13.
7. The DfES stressed the indicative nature of the Forward Planning Information

"It is important to stress that this information is for planning purposes only, and does not constitute a formal decision. It could not, for example, be used by a school organisation committee as evidence of funding for a reorganisation, and authorities will need to be careful in managing school's expectations. The actual programme will, of course, only emerge over the coming years, and will be subject to:

- *Future public spending decisions*
- *Refinements in BSF policy aims*
- *Updating and supplementing the data used for prioritising areas (i.e. GCSE and free school meals), which increasingly will be insufficient to discriminate between similar geographical areas*
- *Adjustments to the programme arising from lessons learnt from waves 1 to 3 (e.g. the optimal size of projects, their phasing, regional and national market capacities etc) and*
- *Changes in the plans, priorities and local circumstances of local authorities"*

(Prioritisation and Forward Planning Information, DfES, Nov 2004)

8. Dudley has developed strong ambitions for continuous improvement in the education service. However, significant capital developments taking place in neighbouring local authorities including Sandwell, Birmingham, Solihull and Walsall threaten these ambitions by weakening Dudley's potential for staff recruitment and retention. There is also a risk to pupil numbers in some parts of the Borough particularly where new primary schools or academies are established close to Dudley boundaries. Dudley therefore needs to position itself with the DfES for the earliest possible inclusion in the programme. This means aiming for Wave 7 or earlier, should that be possible.
9. BSF is very much more than a major building project. It is focussed on transforming secondary schools, raising standards, and economic and social regeneration. It is, however, focussed on the secondary age range and learning within school settings. Within Dudley, preparations for BSF are set in the broader context of LFF which covers the complete age range 0 – 19+ and brings together learning in school and other settings.
10. On 24 February the Corporate Board considered a first report which set out the background, general approach and initial scope for the BSF project. On 3 May the Corporate Board considered a further report on proposals for governance and project management. The arrangements in this report to the Cabinet reflect discussions at the Corporate Board, DfES and Treasury criteria, and approval processes followed by BSF wave 1 and 2 local authorities.

Finance

11. The initial costs can be met from within existing 2005/6 budgets. Further financial modelling required to assess revenue and capital requirements will be addressed in future reports.

Law

12. There are no specific legal implications in this report. As the project develops there will be however significant implications including school organisation statutory processes, land ownership and planning control and it is important that this is taken into account in the governance arrangements.

Equal Opportunities Policy

13. 'Learning for the Future' is intended to provide the best teaching and learning opportunities for all within the resources available.

Proposal

14. The proposals for governance and management of the project are:

Authority

- The Cabinet will hold authority for decision making including the endorsement of the Vision and Business Case before submission to the DfES.
- The Cabinet Member for Education and Lifelong learning will hold authority for decisions in accordance with the constitution.

Challenge

- The Select Committee for Education and Lifelong Learning will provide challenge and scrutiny of the Vision and Business case and make recommendations to Cabinet as appropriate.
- Further challenge will be provided by the Children and Young People's Strategic Partnership.
- External challenge, review and approval will be provided by the DfES through a quango set up for this purpose, 'Partnership for Schools'.

Reporting Arrangements

- The Corporate Board will receive regular progress reports and make recommendations as appropriate. Identified officers will report to specific groups as appropriate.
- Area Committees will receive progress reports relevant to each area and make recommendations to the Cabinet Member or Cabinet as appropriate

Project Director

- Learning for the Future, particularly the BSF element, will require a full-time Project Director through and beyond the development and procurement phases. The timetable for such an appointment will be subject to the DfES inclusion of Dudley within the overall programme and may not be required for two or three years.

Project Sponsor

- Dudley MBC and the Director of Education and Lifelong Learning will be the Project Sponsor. The Project Sponsor will be the senior officer who will generally support the Project Director, be involved in key negotiation meetings, and be responsible for promoting the project with members, stakeholders and other external bodies.

Project Board

- The Project Board will be responsible to the Director of Education and Lifelong Learning for the development and procurement of Learning for the Future. The Project Board will set the objectives of the project consistent with Council policy and carry out the following functions:
 - approve the Strategic and Outline Business Cases for Cabinet ratification;
 - select the procurement short list;
 - approve the Invitation to Negotiate (ITN) including all contractual negotiation;
 - select the Preferred Bidder;
 - Approve the Final Business Case subject to Cabinet ratification.
- The Project Board will also be responsible for risk management and managing the political dimensions of the project. Membership of the Project Board is likely to include Chief Executive, senior officers with responsibility for Finance, Procurement, Education, Children's Services, Law, Property as well as the Cabinet Member, school representation and possibly

Partnership for Schools (PfS). Terms of reference and meeting cycles will be addressed in later reports.

Project Team

- The Project Team will include senior colleagues from education, children's services, technical support, legal, procurement and financial expertise. External support will be required to complement the skills and capacity of in-house staff.
- The Project Team will support the Project Director in the delivery of the business cases, procurement and implementation stages.
- Each member of the Project Team will be responsible for a major area of work within robust project structures and systems that will deliver the defined objectives
- Terms of reference and work streams will be addressed in later reports.

Stakeholder and Service User Groups

- These groups will include
 - The Children and Young People's Strategic Partnership (CYPSP);
 - the Schools Forum;
 - governors (through the Dudley Association of Governing Bodies);
 - young people (through the Youth Parliament and otherwise);
 - staff (through unions and associations and otherwise).

Stakeholder and user groups will provide additional expertise and guidance on specific matters. Reporting arrangements will follow existing procedures where appropriate or will be developed to meet respective needs. It is likely that Project Board agendas will include reports from these groups as appropriate.

Communications Strategy

The Project Board will approve a communications strategy and plan for the project. The plan will include methods for communicating with all of

the potential stakeholders in the 'Learning for the Future' project including children and young people.

Recommendations

11. The Cabinet is requested to:
 - a. endorse the arrangements for governance of 'Learning for the Future';
 - b. support effective engagement of the Council and external partners including health, police, fire and transport authorities and the voluntary sector.



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Extra of the Minutes of the Cabinet Meeting 13th December 2006

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**INVESTING IN THE FUTURE – TRANSFORMING SECONDARY
EDUCATION**

A report of the Director of Children's Services was submitted on the progress to date in preparing for inclusion in the national Building Schools for the Future Programme and the next stage.

RESOLVED

That the information contained in the report submitted, on the progress to date in preparing for inclusion in the national Building Schools for the Future Programme and the next stage, be endorsed and that the Director of Children's Services be authorised to further develop the Transforming Secondary Education Strategy.

The Cabinet – 13 December 2006

Report of the Director of Children's Services

Investing in the Future - Transforming Secondary Education

Purpose of Report

1. This report sets out the progress made so far in preparation for inclusion in the national Building Schools for the Future (BSF) programme and the next stage.

Background

2. BSF is a national initiative intended to transform secondary education through a major capital investment programme. The programme brings together significant investment aimed at renewal or replacement of every secondary school in England, ICT (information and communications technology) to support the government's educational reform agenda.
3. The DfES have structured the BSF programme over 15 years with around 10 local authorities commencing in each year. These groups are referred to as 'waves'. In February 2005 indicative forward planning information was issued by the DfES suggesting Dudley would be included in waves 7-9. This is consistent with Dudley's ranking against deprivation and attainment of between 70 and 90 out of 150 authorities. In this scenario Dudley could expect to receive BSF funding in 2010/11 (Wave 7), 2011/12 (Wave 8) or 2012/13 (Wave 9).
4. Birmingham, Coventry, Sandwell, Solihull and Wolverhampton were included in Waves 1-3 or 4-6. Walsall has received substantial capital investment through other programmes and is scheduled for Waves 7-9. This presents a significant challenge for Dudley with regard to recruitment of staff as many of these authorities will be able to offer modern fit for purpose accommodation. There is also a risk to pupil numbers in some parts of Dudley particularly where new schools or academies are established close to the Borough boundaries.

5. Preparations have continued in a range of areas. These are set out below.
6. The BSF programme incorporates several approval stages. The first stage includes strategic vision that includes all of the major government policy areas such as personalised learning, specialist schools and diversity. The first step in developing such a vision for Dudley was taken through the consultation on Investing in the Future – Transforming Secondary Education (TSE). The consultation document included all of the relevant policy areas and the responses will be shaped into a clear vision statement or prospectus. This statement will set out the broad strategic direction for transforming secondary education in Dudley. The statement is in preparation within Children's Services and will be circulated for further comment as soon as possible.
7. The government's education reforms are central to the national regeneration agenda. In the same way, the TSE strategy should make a major contribution to the Black Country Study. The four headline objectives for the Black Country Study are to:
 - a. reverse net out-migration and grow population to 1.2 million;
 - b. raise income levels to 90% of the UK average (from 81% today);
 - c. accommodate a more balanced population achieving parity with the national social grade profile; and
 - d. create high quality sustainable environments.
8. The objectives set out in paragraph 6 will be driven by the Black Country Education and Skills Strategy for all phases of learning. The first 10 years of the strategy will challenge learning providers, educators, students, local communities, employers and government to work together in new ways to raise attainment and aspirations across the Black Country. The strategy aims to secure significant additional investment at national and regional level. This investment will be additional to the BSF and Primary Capital Programme funding. The draft guiding principles are:
 - e. Vision Led. Education and skills are acknowledged as a fundamental driver leading to achievement of future growth and competitiveness
 - f. Shared Commitment. Working together with key partners and sponsors will provide a stronger vehicle and enhanced leverage to build confident, aspiring and proficient communities

- g. Transformational. The challenge campaign will provide real options for transforming learning opportunities from early years to adulthood. For example, a dynamic curriculum will build a strong and diverse future workforce through a range of teaching and learning styles which exploit new technology.
 - h. Inclusive. Transformation of our local neighbourhoods will ensure that the most vulnerable at all stages of learning are included and that differential rates of educational achievement across communities are tackled effectively.
- 9. In June 2005 The Cabinet approved the corporate governance arrangements for Learning for the Future proposed by the then Director of Education and Lifelong Learning. The title of this strategic planning framework was amended to Investing in the Future to reflect the broader role of Children's Services within and beyond the Council. The TSE Strategy is a major part of this planning framework and the next steps in development are:
 - a. complete the prospectus and circulate for further discussion with stakeholders;
 - b. build professional and political consensus in support of the vision;
 - c. secure the necessary funding to implement the strategy.

Finance

- 10. The initial costs of this work have been met from existing budgets. Inclusion in the BSF programme will attract government capital funding in excess of £200 million. Inclusion in the Primary Capital Programme is expected to attract in excess of £45 million. The Black Country Education and Skills Strategy is seeking to attract further substantial investment.
- 11. There will be implementation costs which will be addressed in a further report at the appropriate stage.

Law

- 12. The Council's statutory powers relating to the building of schools and the provision of education are mainly contained in the Education acts and subordinate legislation.

Equality Impact

13. Investing for the Future – Transforming Secondary Education is intended to transform the range of learning opportunities from early years to adulthood. It will improve the outcomes set out in Every Child Matters for all children and young people. Children and Young people will be asked to comment on the prospectus at the next stage.

Recommendation

14. It is recommended that:
- The contents of this report are endorsed;
 - The Director of Children's Services is authorised to further develop the Transforming Secondary Education Strategy.



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John Freeman
Director of Children's Services

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List of Background Papers

Extra of the Minutes of the Cabinet Meeting 13th June 2007

13

INVESTING FOR THE FUTURE - TRANSFORMING SECONDARY EDUCATION

The Cabinet considered a report of the Director of Children's Services on the progress made in preparation for the national Building Schools for the Future (BSF) programme together with measures being undertaken to ensure the Council's successful and early inclusion in the programme. The Cabinet was advised of the potential costs involved in establishing sufficient capacity for effective project management and associated resource implications for the Council.

In considering the report, the Cabinet noted the recent announcement of the Secretary of State for Education and Skills in relation to the success of the Black Country Challenge initiative to raise standards in schools.

RESOLVED

- (1) That the Council be recommended to include the project management costs of up to £3m in the capital programme.
- (2) That up to £3m of the sale proceeds from the disposal of property within the control of the Directorate of Children's Services be earmarked to fund the project management costs associated with the development of the Building Schools for the Future (BSF) scheme for Dudley and that, in the event of this funding not becoming available, alternative funding be identified within the Directorate of Children's Services.
- (3) That the Cabinet Member for Children's Services and the Director of Children's Services bring forward proposals to the Cabinet by the end of 2007 with a view to the successful inclusion of the Borough's schools in Wave 7 of BSF, starting in 2010.

(This was a Key Decision with the Cabinet named as Decision Taker)

The Cabinet - 13 June 2007

Report of the Director of Children's Services

Investing in the Future - Transforming Secondary Education

Purpose of Report

1. This report sets out the progress made so far in preparation for the national Building Schools for the Future (BSF) programme and the steps that are being undertaken to ensure successful and early inclusion in the programme.

Background

2. The BSF programme is intended to renovate or rebuild all secondary schools in the country by 2015 in order to transform secondary education. BSF brings together all of the secondary school capital programmes supported by the DfES.
3. The DfES has structured the BSF programme over 15 years with around 10 local authorities commencing in each year. These groups are referred to as 'waves'. In February 2005 indicative forward planning information was issued by the DfES suggesting Dudley would be included in Waves 7-9. This is consistent with Dudley's ranking against deprivation and attainment of between 70 and 90 out of 150 authorities. Dudley could expect to receive BSF funding in 2010/11 (Wave 7), 2011/12 (Wave 8) or 2012/13 (Wave 9).
4. Preparation for BSF will require a great deal of work to ensure that there is a clear strategy for transforming secondary education in Dudley supported by widespread consensus and commitment from all key partners.
5. Birmingham, Coventry, Sandwell, Solihull and Wolverhampton were included in Waves 1-3 or 4-6. Walsall has received substantial capital investment through other programmes and is scheduled for Waves 7-9. This presents a significant challenge for Dudley with regard to recruitment of school staff as many of these authorities will be able to offer modern fit-for-purpose accommodation. There is also a risk to pupil numbers in some parts of Dudley particularly where new schools or academies are established close to the Borough boundaries.

6. While the published information does not specify a start date for Dudley within the period 2010 to 2013, there are a number of indications that point to Dudley's involvement from 2010/11. These include:

- DfES-initiated visits from the Schools Commissioner responsible for 'choice and diversity' and a key link in the DfES approval routes for BSF;
- the Black Country Challenge bid to government, which requires all partner Local Authorities to be in the BSF programme;
- Dudley's established track record and national profile through successful developments such as the Dudley Grid for Learning, the Halesowen Pathfinder Trust, and our work on involving children and young people in decision-making;
- outstanding progress with Specialised Diplomas and the 14-19 curriculum, in partnership with colleges.

7. The BSF programme is highly complex and incorporates several stages each with specific DfES controlled approval points. The first stage includes the development of a strategic vision that includes all of the major government policy areas such as personalised learning, specialist schools and diversity. In Dudley, the next stage in developing the strategic vision will begin formally on 11 June with a joint event for secondary schools, special schools, colleges, the Learning and Skills Council, senior officers from Council Directorates, and health authorities. A series of consultation events will continue through until October including Area Committee Meetings, Clinical Forum Workshop (Health), the Children's Trust (the Children and Young People's Partnership), engagement of children and young people, MPs, union secretaries, Black Country Consortium and other neighbouring authorities. This stage needs to clearly identify:

- the overall vision for transforming secondary education;
- what is proposed for individual schools;
- how and when the capital programme will be phased;
- how the project will be managed;
- evidence of commitment by the Council and other stakeholders.

In order to secure entry into BSF Wave 7, this information needs to be with the DfES by December 2007.

8. The BSF programme provides a wide range of opportunities for improving educational provision and the DfES will be particularly focussed on how the

proposals will transform secondary education provision and create facilities fit for 21st century education. 'Transformation' will need to be clearly evident in ambitions for significantly improved outcomes for children and young people. There are a number of significant challenges that Dudley's proposals will need to address:

- Improving educational outcomes for all
- Promoting diversity of provision;
- Promoting collaborative working between schools and with colleges;
- Ensuring fair access and choice;
- Promoting personalised learning;
- Integrating education with other services for children, such as health;
- Developing integrated provision between primary and secondary;
- Ensuring the number and size of schools required in the context of local demography.

Finance

9. Inclusion in the BSF programme will attract government capital funding in excess of £200 million. The DfES Primary Capital Programme is expected to attract in excess of £45 million. The Black Country Challenge is seeking to attract further substantial investment.
10. The cost of work so far has been met from within existing budgets. The experience of Local Authorities in the first Waves demonstrates that there are very significant costs involved in establishing sufficient capacity for effective project management, securing high quality specialist financial and legal advice and other professional fees. Initial estimates suggest that the costs will be in the region of £1m per year for three years until the projects are underway and resources are released by the DfES. These estimates are in line with the costs of setting up the Paragon Project, the PFI scheme that has rebuilt Summerhill School and Colley Lane School. Proposals are being developed that will secure this level of funding from capital receipts.
11. The DfES is requiring local authorities to set up a Local Education Partnership (LEP) to procure each project unless there is a sound case for making alternative arrangements. There are different models of LEPs emerging but in summary they

are joint venture arrangements with shares held by the local authority, a private partner and Partnership for Schools (set up by the DfES for BSF).

Law

12. The Council provides its Education Service predominantly under the Education Acts and may do anything which would be incidental or conducive to or which would facilitate the discharge of its functions under section 111 of the Local government Act 1972 including for instance the formation of JVCs.

Equality Impact

13. 'Investing for the Future – Transforming Secondary Education' is intended to transform the range of learning opportunities from early years to adulthood. It will improve the outcomes set out in Every Child Matters for all children and young people. Children and Young people will be asked to comment on the prospectus at the next stage.

Recommendation

14. It is recommended that the Council agree to include the project management costs of up to £3m in the capital programme.
15. It is recommended that up to £3m of the sale proceeds from the disposal of property within the control of the Directorate of Children's Services be earmarked to fund the project management costs associated with the development of the BSF scheme for Dudley. Should these proceeds not materialise then alternative funding will need to be identified within the Directorate of Children's Services.
16. It is recommended that the Cabinet Member for Children's Services and the Director of Children's Services be asked to bring forward proposals to the Cabinet by the end of 2007 with a view to successful inclusion of the Borough's schools in Wave 7 of BSF, starting in 2010.



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List of Background Papers

15 June 2005

Cabinet Report Learning for the Future – Proposals for Governance Arrangements

13 December 2006

Cabinet Report Investing in the Future – Transforming Secondary Education