

**Nottinghamshire County Council
Briefing in respect of BSF
(September 2009)**

Funding Allocation Model

BSF programme funding is allocated using the Funding Allocation Model (FAM). The FAM is based upon a number of factors including the numbers of pupils and a recommended floor allocation per pupil. The FAM is expected to deliver 50% rebuild, 35% extensive refurbishment and 15% light refurbishment across the school estate.

Nottinghamshire was originally allocated an indicative FAM of circa £100million. As you are no doubt aware Nottinghamshire has been seeking additional funding based on our unique position in respect of CLASP schools. A business case was compiled by the BSF Core Team, colleagues from Corporate Property and our external advisors to support our case for additional funding.

PfS and DCSF have struggled to find a way through the dilemma of the gap between their accepted FAM model (which has not to date been varied for any Authority currently in the BSF programme) and our Business Case. Despite independent review, PfS has not been able to challenge the Business Case and the cost model that we have calculated and have accepted the argument.

As a consequence Tim Byles, the Chief Exec of PfS, has provisionally agreed with Mick Burrows a package of additional funding which we believe allows us to move forward with the BSF programme.

BSF funding will not however cover the cost of replacing or improving community facilities. In order to provide some capacity for choice for Members we have indicated an indicative amount of £25million in the capital programme however a business case will need to be made to secure this funding. This will be for both those community facilities that are the responsibility of the Council (e.g. libraries, adult care facilities etc) and those that are provided in conjunction with partners (e.g. swimming pools). The Leader has already indicated that any additional funding will have to be clearly justified and scrutinised and that indeed the overall BSF schools will have to represent excellent value for money.

Whilst the funding package will represent a challenge we believe there are ways that we can reduce the cost of school design and deliver facilities that support the educational improvements that we and our schools are seeking. We will have to ensure that the market is clear that our funding allocation is fixed and bid accordingly. This will mean that our project proposals will be focussed on cost effective solutions and that the functionality of the buildings is the key driver in our bid appraisal.

We will also need to negotiate actively with the private sector consortia that we attract to ensure that the balance of risk is not shifted unfairly towards the Council or that costs become overly inflated.

Programme Timescales

Given the negotiations described in this report the programme is now some nine months behind. Although we will work with colleagues from PfS to recover some of this delay the issues relating to site option appraisal, planning issues and consultation mean that there are limited opportunities to do so. The unwelcome knock on effect of this delay will be increased preparation costs associated with a longer lead in to Financial Close.

Assuming that the funding package from PfS is confirmed we would hope to submit our Strategy for Change 2 submission in October 2009 and our Outline Business Case in early 2010.

Once again assuming these submissions gain early approval this would mean that we would enter the procurement phase of BSF in mid 2010 with a view to signing the contracts mid 2011. The first new schools would open their doors at the end of 2013/early 2014.

Schools Issues

Whilst we await the final decision on CLASP we have continued to work with schools to develop their educational visions and to consider options for the school developments. These options cannot be firmed up until the overall BSF funding package has been approved; however as noted previously BSF funding will only cover the cost of curriculum facilities and any community facilities included in the project proposals will require alternative funding.

We are currently working with schools and the Internal and External Stakeholder Groups to identify existing community facilities on-site and any aspirations for additional facilities post BSF. This work will help us to quantify the scale of additional investment in community facilities required to replicate the current position and any aspirations for enhanced facilities.

As described in previous updates most of the preferred site options for the first wave of BSF schools, with the exception of Magnus Comprehensive and the Nottinghamshire Learning Centre (NLC), have a substantial proportion of CLASP facilities and within the preferred options will be new build projects. Under the current PfS funding regime new build projects are funded through PFI and have associated Facilities Management and ICT contracts managed by the Local Education Partner (LEP). The scope of the BSF contract and shape of the Nottinghamshire LEP are still to be agreed.

Project Board

The new administration has asked for the membership of the BSF Project Board to be reviewed with a view to reducing its size and, whilst retaining cross party membership, ensuring that it becomes a very decision focussed group.

Cabinet will review the proposed membership of the new Board on 16th September 2009, with a view to the new Project Board receiving a report on the indicative funding package in September.

The Regional Director of PfS has indicated his willingness to attend this meeting to outline PfS's approach to the funding situation and its implications.

Future Developments

The final elements of the infrastructure required to deliver the first tranche of school projects have been established and the core team appointed to including some additional resource to develop better communication with internal and external stakeholders.

External expertise has been appointed to across all of the project workstreams and a good working relationship between internal and external project team members is established.

Governance arrangements, including a Project Board and both Internal and External Stakeholder Reference Groups, have been established and officer and stakeholder engagement at the highest level has been achieved.

We are looking to finalise consultation on our SfC2 submission in the next few weeks with a submission to PfS in the late Autumn. The latest updates on BSF and SfC submissions can be viewed on the BSF section of the Nottinghamshire County Council website.

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