



Building schools for the future

partnerships for schools

January 2006

transformation

In this edition

The role of design in BSF

Working together – a view
from two authorities

4ps – help for local authorities

January conference

The Case for Investment

Establishing and delivering the public
private partnership



Welcome



Richard Bowker CBE
Chief Executive

I have joined Partnerships for Schools (PFS) at a crucial and exciting time in the development of Building Schools for the Future (BSF). The first Wave 1 authorities are about to announce their preferred bidders, and so we are very much getting to the business end of the programme.

I've been in the position for a couple of months now, and I inherited a programme in basically good health, for which I am grateful to my predecessor, David Goldstone. As you will see elsewhere in this newsletter, there is a great deal going on, not least within PFS itself, and I am delighted that our core senior management team is now in place with the recent arrival of Caroline Wright as Communications Director.

Our focus in the medium term is to support local authorities and help them through each stage of the BSF process. It is worth re-iterating that nobody has done anything like BSF before, and as a result it is a learning curve for all concerned; local authorities, private sector partners, DFES and ourselves. The other big challenge is that the programme has to be flexible. Fifteen years is a long time, so the programme will need to absorb and respond to policy developments such as those announced in the recent education White Paper, as well as developments within the supply market.

The potential rewards, in terms of the impact we can have on educational outcomes, are enormous, but we will only achieve them if all effort is directed at delivery. The right programme, on time and on budget – none of this can be clichéd, it has to be real. PFS will challenge, cajole and support stakeholders at every step of the process and we expect similar levels of challenge and engagement in return. Robust but positive partnership will see the programme deliver to expectations, and I for one am really excited about the prospect.

This newsletter has been one of the ways we have kept you informed and updated and I hope you enjoy this edition. However, we are looking at new ways of updating you in the future, so watch out for exciting developments later in the year!

PfS team goes from strength to strength

The PFS Team has changed in recent months, with the arrival of Richard Bowker as Chief Executive and Caroline Wright as Communications Director, as well as additions to the project and education teams.

Richard joined in September, having previously been chair and chief executive at the Strategic Rail Authority. Caroline joined us recently from her former role as head of news at the Office for Standards in Education.

Other new staff members include: Martin Pugh, project director for Liverpool, Nottinghamshire and North Lincolnshire; Martin Magnago and Mo Farrell, who have joined the education team; Val Knight, standardisation manager on secondment from Partnerships UK; Liz Vago, joining the legal team on secondment from Beachcroft Wansborough; and Robert Woolgar, joining the national programme team as knowledge manager.

January will see a further strengthening of the education team with the arrival of Ros Asher and David Walker. Ros will be working with Shirley Goodwin to cover the south of the country, while David will be working with Russell Andrews covering the north. Also joining in the New Year, as ICT advisers, are Elaine Barret and Jill Collinson.



Pathfinders/Wave 1. Total number of projects:17

Local authority	Bradford	Bristol	Newcastle	Greenwich	Solihull	Lancs	Leicester	Sherfield	Lewisham
Education Vision signed off									
SBC submitted to DFES	Sep-04	Aug-04	Oct-05	Dec-04	Jun-04	Dec-04	Mar-05	Oct-04	
OBC submitted to DFES	Sep-04	Aug-04	Mar-05	Jan-05	Sep-04	Dec-04	Mar-05	Oct-04	
OBC to PRG review	Sep-04	Aug-04	May-05	Sep-05	Dec-04	Jan-05	Apr-05	Dec-04	Feb-05
OJEU issued	Oct-04	Oct-04	Dec-04	Jan-05	Mar-05	Apr-05	May-05	Jan-05	Apr-05
Long list announced	Dec-04	Dec-04	Feb-05	Apr-05	Jun-05	Jun-05	May-05	Mar-05	Jul-05
ITN issued	Feb-05	Jan-05	Jun-05	Nov-05	Sep-05	Aug-05	Sep-05	Sep-05	
Preferred bidder announced		Dec-05							
Financial close/LEP set up									
Start construction									
Opening of first school									
Opening of last school									

Bristol Win Race to Name Preferred Bidder

Bristol City Council have become the first local authority to announce their preferred bidder, selecting Skanska Education Partnerships to work with them on their BSF programme. The authority and Skanska will work in partnership on the £150 million programme to deliver radical improvements in the quality of schools in the city over a ten year period.

Councillor Jos Clark, executive member for children’s services, said: “We received three high quality bids from contractors and are delighted to select Skanska as our preferred bidder and our new strategic partner who will quickly set about re-providing and maintaining the four new schools and associated facilities. Not only will we see exciting, bright new buildings with top-class facilities but the ICT provision will enable greater ability to provide improved teaching and learning opportunities.

“This is an exciting step as it is a

key element of the council’s policy to transform secondary education in Bristol. The management of the school buildings, which will also be taken on by Skanska, will free up more time for teaching staff to teach.”

Partnerships for Schools Chief Executive Richard Bowker said, “I am delighted to see the next stage of the Bristol City Council programme for transforming education being delivered and congratulate Bristol on its achievement. We look forward to signing final contracts with Skanska in the new year and importantly to see new schools capable of delivering real change being delivered. This gives a clear signal that the BSF programme has really arrived.”

As preferred bidder Skanska will now be working exclusively with Bristol Council and Partnerships for Schools in finalising their proposals culminating in the formal establishment of the partnership in the New Year.

Jargon Buster

BSF, in common with many initiatives, has its own language and shorthand, as well as a range of acronyms. For those of you new to the programme, here is an explanation of the most common ones you will come across:

- Partnerships for Schools (Pfs) – Non Departmental Public Body (NDPB) that supports the local level delivery of BSF
- Benchmarking – the process for measuring how a programme is delivered to ensure the sharing of good practice and knowledge in areas such as price, performance and quality
- SBC – Strategic Business Case: initial plans for BSF submitted to DfES for approval
- OBC – Outline Business Case: second stage, more detailed BSF plan, again submitted to DfES
- OJEU – Framework for asking private companies to bid for work from public bodies
- ITN – Invitation to negotiate
- 4ps – Local government’s project delivery specialist. 4ps works in partnership with all local authorities to secure funding and accelerate the development, procurement and implementation of PFI schemes and public private partnerships.



Wave update

Wave 1

The Wave Chart shows the stage of each authority in Wave 1 as this newsletter went to print:

- 17 Pathfinders and Wave 1 projects have had their Education Visions signed off
- 15 have submitted SBCs
- 14 OBCs are through to PRG
- 14 have reached OJEU
- 14 have long listed bidders
- 12 authorities have short listed bidders and issued ITNs
- Bristol has announced its preferred bidder
- Bradford is set to announce its preferred bidder

Waves 2 and 3

Authorities in both Waves are now getting their education visions signed off, with the majority of the remaining authorities at first draft stage. 10 Wave 3 authorities have done the first draft of their visions, ahead of schedule, and some will be signed off in January. Some of the Wave 2 authorities have complex issues to deal with and, as a result, their timetables have been moved to Wave 3 schedules.

Knowsley	Leeds	Manchester	Stoke	Waltham Forest	StAG	Newham	Sunderland
Jul-04	Feb-05	Jun-05	Sep-04	Jan-05	Dec-05		
Jan-05	Feb-05	Jul-05	April-05	Jul-05			
Mar-05	May-05	Jul-05	May-05	Aug-05			
Jun-05	Aug-05	Jul-05		Aug-05			
Aug-05	Nov-05	Jul-05		Oct-05			
Dec-05	Dec-05	Jul-05		Nov-05			

*Where no dates are provided, this stage is not relevant to this local authority’s procurement model

The role of des

Beech Williamson, PfS national programme manager, looks at the impact of design on BSF

Why is design important to BSF?

Design is all about functionality and flexibility. It can inspire the teaching and learning experience, allowing it to adapt, and ultimately impact educational standards in schools. As a result, design quality is something that PfS is committed to, as is the Government and PfS' design partners CABI and RIBA. This commitment has been given added emphasis by the perception that early PFI projects did not necessarily meet design quality standards.

Sometimes, the problem in the past has been that there has not been the time or resource to produce well-designed buildings that are flexible to the needs of all learners rather than just designed for the teacher – for example, organising buildings by department, rather than thinking about the real, flexible needs of the whole school.

Flexibility and adaptability are the key words for BSF designs. It means designs must be flexible and adaptable enough that they can be changed every day and can take into account future, unpredictable macro changes to the way schools are organised and run – for instance, breakout rooms and advanced skills teachers with larger groups. Teaching needs to be allowed to evolve and the best school designs allow teachers to innovate themselves, without forcing them down a particular route.

How is PfS influencing the design aspect of the Programme?

PfS has been working with the DfES and partners to produce standard models of design, so the wheel does

Design



in the BSF Programme

not have to be reinvented for each project and for each local authority. It is also important to establish standard solutions to more difficult design problems.

It is important that local stakeholders and users, particularly pupils, are at the heart of design decisions and local authorities are encouraged to ask a wide range of stakeholders what they think about the school and the design. If these questions are taken into account at the design briefing stage, then it will mean that the design will best fit the needs.

Design Quality Indicators (DQIs)

DQIs form a process to evaluate the design quality of buildings. They work at all stages by collecting respondents' views on a design or building's functionality, build quality and impact.

- **Functionality** is concerned with the way in which a building is designed to be useful
- **Build quality** relates to the performance of a building fabric
- **Impact** refers to a building's ability to create a sense of place and have a positive impact on the local community and environment.

DQIs can be very useful as a tool for comparing possible bidders' designs at evaluation stage and for ensuring the scheme design (RIBA work stage D) is appropriate. Design quality indicators were produced by the Construction Industry Council (CIC). DfES and CIC are now producing DQIs for schools and PfS will be asking all BSF projects to use them.



'It is about evolution rather than revolution – the designs need to be the best environment for teaching now, but flexible enough to allow for future innovation.'

What support is there for the local authority?

PfS is currently supporting CABI enablers to go out and help the local authorities to identify best practice, showing case study examples and helping them work out what they want and what they can get for their money. Longer term, we will use real case studies to show how authorities can produce well-designed schools within the funding available for BSF.

The key recommendation is for the local authority to have client design advisers who will have schools experience and will be able to help authorities to use the Design Quality Indicators. PfS will support those client design advisers and these advisers will also be accredited to ensure they have the right skills to support the local authorities, with the support of RIBA and CABI.

Linking education vision and design

It is a misconception in the design community that BSF is just another PFI (Private Finance Initiative) scheme – it is not. The LEP (Local Education Partnership) model means that many of the schools will not be delivered using PFI and there will not be the replication and waste of design work associated with repeat tendering processes.

The key is to construct buildings that are appropriate to a school's current and future need and vision. Design quality is not just about bricks and mortar, it is also about getting the strategic direction right. The schools themselves must lead on design direction.

Working to

– a view from two authorities

BSF joint project director Stan Johnson gives an insight into the South Tyneside and Gateshead (STaG) BSF partnership

How many schools are there in the combined BSF area?

The joint BSF programme comprises eight out of the 10 secondary schools in South Tyneside along with two of the 10 secondary schools in Gateshead, and quite recently STaG have received a funding uplift for 6 SEN schools, adding an extra £13m to the Joint BSF funding total.

What levels of attainment have there been to date in these schools?

Schools have been performing well despite the relatively high levels of deprivation in the region (37% of school pupils are on free school meals), and exam results compare well with the national picture.

What is the current state of play with regards to school building provision?

In South Tyneside 54% of the secondary school stock by condition is rated as poor, with many past their best and using temporary accommodation. Gateshead's school building portfolio mirrors this pattern. However, we are involved in the Wave 1 programme to deliver a step-change in the quality of education provided in the region. This programme is not just about improving the physical condition of the buildings.

Why did the authorities decide to work together

on BSF and what leverage do they get from this collaboration?

Geographically, the two areas are difficult to separate, and the boundaries are administrative rather than actual. It made sense for the two authorities to work together because they are such a good fit and would benefit from economies of scale, and as it could be used as an example of partnership working for future BSF waves. The STaG project now has an established Joint Project Board comprising both chief executives, political leaders, deputy leaders, the lead member for Lifelong Learning and Leisure and the portfolio holder for Children and Young People, which has met three times to date. The Board has agreed a Memorandum of Understanding for partnership working, which enabled a Joint Project Director and Joint Project Team to be put in place. These shared resources are beginning to produce benefits in terms of sharing of information, best practice and economies of scale.

For example, STaG has met with local Primary Care Trusts (PCT's), which has resulted in both South Tyneside and Gateshead PCT's agreeing to work with STaG to deliver a number of their Capital Works Projects through the Local Education Partnership (LEP). They have also agreed to use shared external legal, financial and technical advisors.

What do schools think about the project?

Schools have been very supportive and positive about the project. In South Tyneside, the BSF project managers have set up working groups in each of the schools, chaired by the project manager with representatives including head teachers, governors, pupils, and teachers. All the working groups are looking to bring in other stakeholders such as teaching unions, parents and members of the community. Gateshead have a similar arrangement, with the BSF team meeting the heads and governors on a fortnightly basis.

The schools are extremely excited about the possibilities that BSF offers, so part of the role for the local team is to manage their expectations, so they have a realistic view of what can be achieved within the assigned BSF funding allocation. Part of that management of expectations is to include schools in discussions on all aspects of the project including design, education vision and timetables.

What reaction have you had from the market (contractors)?

Both South Tyneside and Gateshead have experience in traditional and PFI procurement. Gateshead have just moved their seven school PFI project (nine schools amalgamating to seven on five sites) to preferred bidder stage

gether

in partnership

and South Tyneside have recently concluded Financial Close on their Boldon School PFI project, which when complete in October 2006 will deliver a 21st century standard school with a four-lane swimming pool and 244-seat theatre. Recent involvement in PFI negotiations has provided both authorities with the added benefit of being able to gauge with some accuracy the 'appetite' of the market regarding BSF. Over 40 companies attended a soft marketing testing day in December, which is a real vote of confidence from the market for the StaG project and LEP model, and the addition of the potential PCT work being delivered through the LEP has added to the market's appetite.

What successes have you had so far and what issues have you overcome?

The biggest success to date is being selected as part of BSF Wave 1. This is a huge feather in the cap for both authorities, as it demonstrates confidence that we can develop and deliver ambitious infrastructure projects such as BSF. Also the fact that the PCT's are going to use the LEP to deliver their projects is a major success in demonstrating how the LEP can deliver added value.

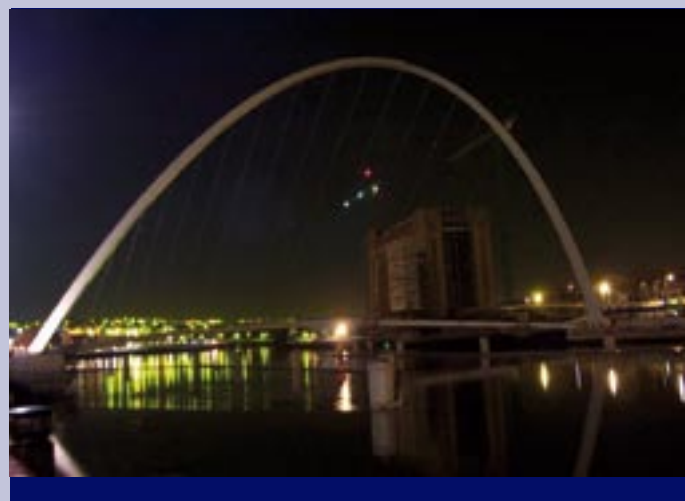
We also see our close relationships with local sustainability groups as a success. These groups comprise all the big players, whose remit is to work closely with school design projects to ensure they are sustainable, eco-friendly and of the highest quality.

What is your current state of play and what are the crucial next steps for the STaG BSF project?

Our joint Strategic Business Review has been submitted to DfES and we are looking to have the approved OBC1 out to market by January, with the aim of PRG approval in April 2006.

What are the key lessons you would pass on to other authorities considering a partnership?

- Do not underestimate the set up costs and human resource required to progress your BSF project effectively.
- Make sure the joint team is compatible, in terms of a good mix of skills sets, experience and character blend.
- The joint team must be able to talk openly, honestly and frankly to each other and have mutual respect.
- Try to have as much of the necessary documentation agreed and in place e.g. Roles and Responsibilities, Terms of Reference and a robust Memorandum of Understanding. Standardisation of documentation should make this possible.
- To avoid unnecessary difficult negotiations further down the line, make sure that the scope and nature of the partnership is fully understood by both parties from day one.
- Ensure your joint high-level



- programme is realistic and has adequate time allowance for all key elements/milestones to be assembled, debated and mutually agreed.
- Make use of PfS' external consultants framework, as the work already carried by PfS in identifying the firms who have the skills and experience needed to support your project, will save you valuable time.
 - And finally, the partnership project will work best where the outputs for each authority are balanced, both in terms of scale and value, thereby ensuring equal commitment.

The Case for Investment

PfS Commercial Director, Andrew Robertson, explains the importance of the equity funding model to the success of BSF

Nothing like Building Schools for the Future has been attempted before. Over £2 billion investment per year for 15 years, every secondary school in the country renewed, a focus on improving educational outcomes rather than simply renovating buildings.

As a result, it was clear from early on in the planning process that conventional delivery models alone such as PFI, design and build, partnering and frameworks wouldn't provide the model needed to deliver a programme of this ambition and scale. This realisation led to the development of the Local Education Partnership (LEP) model.

This new, unique delivery model was born from extensive

consultation, and its basic structure is a strategic partnership between the local authority, a private sector partner and Partnerships for Schools. The LEP model allows the partners to develop their BSF programme using the approach most suited to the programme's needs, whether it be PFI, design and build or another approach.

One of the key aspects of the LEP model is the requirement for the local authority and Partnerships for Schools to take an equity stake in the partnership, based on an assumption of 10% for each, with the remaining 80% taken up by the private sector partner. It is important to note that the partnership established covers

all the elements of delivery and as a consequence, where a long term relationship is created (such as in PFI), that co-investment is considered equally essential.

For the local authority, this equity investment in the LEP allows them to exert their influence and ensure transparent decision making, to make sure that the long term investment programme delivers the desired results for the local area and maximises value for money.

From a national perspective, it makes sense for the centre to take an equity stake so it can ensure the national interest is represented at a local level – sharing good practice and benchmarking information, acting as an intermediary between



nt



the local authority and the private sector partner, and as a result ensuring that BSF objectives are achieved locally and nationally.

The equity investment model also helps to move the relationship between public and private sector away from the conventional contractual model, which can sometimes develop into an adversarial relationship, towards a genuine partnership of shared interests. Only a partnership of shared interest like this can deliver such a long term strategic initiative as BSF. By the public sector taking strategic stakes and becoming part of the partnership through commonality of commercial interests, their understanding of the requirements and practices of the private sector partners will become more readily appreciated. In turn, this will increase the private sector's appreciation and recognition of the needs of the education community in the drive to transform education outcomes.

If the public sector partners did not invest in the LEP, then all the benefits outlined above would be lost. Since its launch the whole BSF offer has been promoted on the basis of the public sector taking on 20% of the risk capital associated with the LEP and its initial projects.

Pragmatism is a key word for Partnerships for Schools however, and there is an appreciation that

individual bidding consortia may have a composition that means the public sector stake may be disproportional and in such cases the public sector may consider reducing the overall quantum of its investment.

‘The main purpose of this investment model is to protect the public sector interest, at a local and a national level, and to maximise the value from the capital being invested in BSF’

LEPs and the associated investment structure are now the accepted norm in the delivery of the BSF programme and PfS looks forward to co-investing in the near future as the first of the pathfinders reach financial close.

LOCAL AUTHOR

Martin Lipson, 4ps Schools Director, explains how the organisation is supporting local authorities to deliver BSF



Our Role in BSF

As one of the three national partners involved in BSF, 4ps' role is to help develop and build stakeholder support for BSF in your authority. In our capacity as a local government central body, we have developed the 4ps Expert Client Programme, funded by DfES, and available to all BSF authorities. Support is provided through a combination of:

- Elected Member briefings, held at key points in the decision-making process
- Briefings for corporate and departmental management teams
- School heads and governors workshops, throughout the process.

Working particularly with authorities that have not had experience of major partnership projects or PFI, we have delivered tailor-made sessions to these groups of people, whose support is key to success in BSF. Authorities often ask us to address concerns that are current in these groups, and our role is to explain, open up issues for discussion, and demystify what may often seem to be complex matters. Recent sessions that authorities have asked us to run have included:

- PFI – how does it work, what lessons have been learned, and what are the risks?
- The Local Education Partnership – who has responsibility for what, how are schools involved, and is a LEP suitable for the local situation?
- Project governance – what arrangements work best?
- Joining-up – how should strategies for wider community initiatives be integrated with BSF, extended schools, and other changes in the local authority role?

ITIES : EXPERT CLIENTS

4ps has recently published *Building Schools for the Future – a Guide for school governors and headteachers*, distributed through all BSF LEAs to the schools in the programme. It is also available to download from 4ps website, www.4ps.gov.uk.

4ps also works to ensure that the standardisation process works for local government, and can be adapted where necessary to local needs. For example, we are currently working with Pfs to further develop the standard authority/school governor agreement, and consulting authorities to ensure it will work for them. Our team is frequently invited to attend project team and project board meetings to contribute our best-practice experience from 10 years of PPP and PFI projects for schools and other sectors.

But 4ps does more than deliver the Expert Client Programme. A separate 4ps team organises gateway reviews for all BSF projects, which DfES has made mandatory at two stages – Gate 1 prior to OBC and 3 before FBC. We also offer a preliminary review at project inception (Gate 0) which is fast becoming a

standard part of the BSF process. Authorities tell us how valuable these reviews have become in keeping projects on track.

In 2006 we will be offering an additional service, jointly delivered with Pfs – training for new procurement teams. Based on three years' experience of delivering a similar course, we will take a team through a series of modules timed to provide them with the skills needed to successfully deliver the next stages of the project. The modules are:

- Overview of BSF and getting started
- Strategic and Business planning and LEP options
- PRG approval to shortlist
- Developing the ITN
- Bid receipt and evaluation
- Negotiation and clarification
- Contract management and delivery of future waves.

Readiness to deliver

In 2006, we will be working with a wider group of Authorities eligible to enter the BSF programme in the next stages. 4ps will help them to assess their needs for support through training, capacity development, skills and resources, and then plan to deliver elements of that support. The

well-prepared client organisation, which is our shared aim, is going to be in a strong position to deliver BSF smoothly and effectively.

The 4ps team is:

- Martin Lipson (Director)
- Steve Leigh
- Afiong Edem
- Norman Ballantyne
- Kim Ambury
- Peter Foale (Associate)
- Stuart Parry (Associate)
- Alan Wilkinson (Associate).

You can contact 4ps at enquiries@4ps.gov.uk or on 020 7808 1470.





Latest news from Pfs

The BSF Portal

This can be accessed on the home page of www.bsf.gov.uk.

The portal is currently available to all those LEAs who are on the programme (Pathfinders and Wave 1,2,3).

To register, or for any queries regarding the portal please call 020 7273 0001.

If you would like to contact us about this newsletter, please email transformation@partnershipsfor schools.org.uk

This is the last issue of Transformation. We will be in touch with more Partnership for Schools news later in the year.

Update on Benchmarking

A key aspect of making BSF a success, the work on benchmarking has really progressed over the last few months. The methodology has been developed for new build and refurbishments and the data capture pro-formas are being trialled by pathfinder bidders.

On the technology side, PA Consulting have been announced as preferred bidder, proof of concept is under way, the team has been put together and detailed plans are in place for delivery in 2006. We are now planning the rollout of methodology to the Wave programmes so benchmarking can become an active part of BSF.

January Conference for Private Sector

Winning Work in BSF – Lessons to be learnt to improve your bidding strategy, will take place on 18 January at QE 2 Conference Centre in Westminster, central London.

The aim of the conference is to give the private sector an insight into BSF and an update on progress in the early waves. Chaired by Pfs CEO Richard Bowker, and with a keynote speech from schools minister Jacqui Smith, the main audience will be private sector providers involved in or considering involvement in BSF.

For further information and to book a place at the conference, please visit www.cityandfinancial.com and go to the conferences section, or email bookings@cityandfinancial.com.

