



# Cabinet

29 MARCH 2010

**LEADER**

*Councillor Stephen Greenhalgh*

**BUILDING SCHOOLS FOR THE FUTURE  
PROGRAMME PROCUREMENT PHASE AND  
NEXT STEPS - CAPITAL EXPENDITURE ON  
SCHOOLS**

All Wards

**CABINET MEMBER  
FOR CHILDRENS  
SERVICES**

*Councillor Sarah Gore*

Details of procurement proposals for the Building Schools for the Future Programme, and Capital expenditure for Primary Schools to develop / extend capacity to meet the increasing number of families seeking places.

**CONTRIBUTORS:**

DChS  
DFCS  
ADLDS

**Recommendations:**

1. That authority be delegated to the Chief Executive, in consultation with the Cabinet Member for Children's Services and the Director of Finance and Corporate Services, to take the necessary steps to progress the following recommendations contained within this report:

<p><b>HAS A PEIA BEEN COMPLETED?</b> <b>YES</b></p>
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- a) Delivery of the co-location of Cambridge School with Adult Education and Youth Services on the Bryony site;
- b) Approval of the Long List (up to 3 bidders) following the evaluation of responses to the Pre-Qualification Questionnaire (PQQ) and approval to issue the Invitation to Participate in Dialogue documentation;
- c) To take decisions to progress the BSF procurement programme to the next stage of the procurement process, Invitation to Participate in Dialogue Phase 1 (IPD1), including the approval of the Short List of no more than 2 bidders to take forward into the following stage of procurement, Invitation to Participate

**In Dialogue Phase 2 (IPD2), following the evaluation of the submitted initial solutions;**

- d) Approval to continue dialogue into Phase 2 (IPD2) of Competitive Dialogue with the short list of bidders, to further develop the submitted initial solutions with bidders through to the Close of Dialogue and the submission of Final Bids (the appointment of a Selected Bidder through to Financial Close will be subject to a Cabinet decision);**
- e) Procurement of additional Technical, Financial, Legal and Client Design Advisor support services to support the BSF programme, where required, within existing resources.**

**2. That authority be delegated to the Chief Executive, in consultation with the Cabinet Member for Children's Services and the Director of Finance and Corporate Services, to take the necessary steps to progress the following recommendations contained within this report:**

- a) to amend the scope and priority of schemes within the Primary Capital Programme and identify substitute schemes as necessary, to address any operational circumstances during 2010/11 to deliver the Council's objective of providing a quality primary phase education;**
- b) to approve financial sums to develop PCP schemes through procurement within the financial parameters set out in this report.**
- c) for the Programme Director and the Cabinet Member for Children's Services to develop and take the necessary steps to implement the Children's Services Revenue Maintenance Programme for 2010/11.**

## 1. BSF

- 1.1 The Hammersmith & Fulham Schools of Choice Strategy delivered through investment provided by the Building Schools for the Future (BSF) programme and Hammersmith & Fulham Council, will provide Capital Investment to rebuild/remodel (including ICT developments) every secondary school in the authority. We are a wave 6 Authority, and as such contained within the current comprehensive spending review cycle; the overall Capital envelope for the programme is £207 million, to be spent in line with deliverability of the schemes detailed within the OBC (Outline Business Case) document. The anticipated commencement of the estate re-development is Summer 2011. The OBC was submitted on the 7 October 2010 and is currently awaiting approval from Partnerships for Schools (PfS) before the Procurement phase can commence.
- 1.2 To ensure that the programme progresses through the Procurement phase with efficiency, thus protecting our future investment, the authority must ensure that effective delegations are in place to deliver a Private Sector Partner within an efficient programme timescale. This report identifies the necessary delegations required to enable us to meet an efficient programme prior to the approval of the Selected Bidder; this decision will be a Cabinet decision based on the advice of officers.
- 1.3 We formally entered the programme as a wave 6 authority following our "Remit for Change" meeting on 23 June 2008. Our Strategy for Change Part 1 was approved on 11 November 2008 and the Strategy for Change was approved on 14 July 2009. Our OBC was submitted to PfS on the 7 October 2009 and is still to be approved by PfS. There has been an ongoing communication between PfS and the BSF Programme Director in response to the submitted OBC and the required clarifications to the OBC document submitted to PfS in October 2009. The PfS Peer Review of the OBC was issued to the Chief Executive on 16 December 2009, identifying the lack of two confirmed bidders and a number of minor clarifications to be addressed prior to the formal approval of the OBC and ability to enter the Procurement phase. All clarifications and responses to the PfS Peer Review have been made to the OBC document.
- 1.4. A fundamental aspect of the PfS approval of the OBC document is the ability of PfS to confirm that there is "*sufficient market interest*", prior to the formal issue of the OJEU notice, by at least two bidders in the Hammersmith & Fulham BSF programme. The BSF Programme team have undertaken extensive soft market testing and engagement over an eighteen month period; this has included the successful bidders day held at the Ark (March 2009), Local Supply Chain Event (July 2009), ICT Bidders Day (September 2009) and the more recent Bidders Event at Fulham Palace (January 2010). Despite the extensive interest shown at these events, a second bidder has not been secured at this point in time. The level of BSF programmes currently being procured, aligned with current economic conditions and the forthcoming General Election, are considered to be factors affecting the private sector's ability to engage within a BSF procurement. It is anticipated that a private sector bidder embarking on a BSF procurement is

required to commit approximately £3 million of risk capital. The ability of the programme to attract a second bidder, prior to the release of the OJEU notice, is a priority for the Programme Director and he is currently engaged with potential private sector partners to satisfy this PfS requirement and enable OBC approval, and therefore OJEU publication, by early March 2010.

- 1.5. Simultaneous with the preparation and submission of the OBC, the standard procurement and legal documentation has been reviewed and derogations to these documents submitted and approved by PfS.
- 1.6. The detail and development of our strategies has been led by the BSF Programme Board chaired by the Cabinet Member for Children’s Services with senior leadership across the Council and Schools, including the Directors of Children’s Services and Environment, Assistant Director Regeneration and Housing Strategy, and Assistant Director (Legal and Democratic Services). The Director of Finance and Corporate Services (the Corporate Sponsor) is also on the Board and has been integral to the approval of the affordability of the programme as the S151 officer.
- 1.7. The programme has been structured to maximise school and broader Council engagement. BSF is a corporate programme, developing its plans to support the Council achieving the BSF objectives and wider regeneration issues through the development of the scope of services that the LEP is able to offer. Specific workstreams are in place to ensure that the strategies and objectives of the Council through BSF are achievable and sustainable.
- 1.8. The phasing of our proposals are detailed in the Strategy for Change Part 2 but are shown below:

Order	Wave 6 school by phase	Start Date	Completion Date	Duration
<b>Enabling Works</b>				
1	Cambridge School	June 2010	August 2011	14 months
<b>Sample Schools</b>				
2 *	Bridge Academy	July 2011	July 2013	24 months
3	Sacred Heart High School (VA)	July 2011	July 2014	36 months
<b>Phase 1 Schools</b>				
4	Fulham Cross Girls’ School	October 2012	October 2014	24 months
5	Henry Compton School	June 2012	June 2015	36 months
6	Hurlingham & Chelsea School	October 2012	August 2015	34 months
7	Phoenix High School	June 2012	December 2014	30 months
8	William Morris Sixth Form	June 2012	June 2015	36 months

<b>Phase 2 Schools</b>				
9 *	Queensmill School (Phase 1 but timings Phase 2)	April 2013	April 2015	24 months
10	Jack Tizard School	June 2013	June 2014	12 months
11	Lady Margaret School (VA)	April 2013	October 2015	30 months
12	London Oratory School (VA)	April 2013	April 2015	24 months
13	Woodlane High School	June 2013	June 2015	24 months

*\* We are looking to condense the timings of these two schools as they are interlinked, in order to facilitate an earlier relocation of both schools.*

- 1.9. Cambridge School will re-locate in partnership with Adult Education and other services to complement the Phoenix High School Campus at the Bryony site as part of our co-location and inclusion strategy.
- 1.10. The co-location of Cambridge School onto the Phoenix campus at the Bryony Centre site is a key element of the SEN review which identified the need to improve the outreach provision within a mainstream context for those learners. One of the BSF sample projects is the Bridge Academy and its sequencing within the SEN relocation strategy underpins the need to place the Cambridge project as a Pre LEP project ahead of the main BSF programme.
- 1.11 The Bryony Centre is currently an Adult Education facility, and we are consulting with Adult Education to achieve a new-build design solution that, in the context of the wider Phoenix campus, will significantly enhance the lifelong learning opportunities of residents in the north of the borough. The site position allows the community emphasis of the new Cambridge School to be maximised with a close physical connection to Phoenix High School, which shares an inclusive community ethos. Together with the development of post 16 provision and the BSF programme at Phoenix, this will enable the rationalisation of fragmented Adult Education and Youth services through the creation of an integrated campus for the delivery of effective teaching and learning for pupils, parents and the wider community
- 1.12. PfS have accepted the principle of Cambridge School relocation as a pre-LEP enabling project and have confirmed their agreement to release funding (estimated at £8.37m in our OBC) when the BSF Programme reaches Financial Close in Spring 2011. The Cambridge project is currently in the detailed design stage, and the timeline anticipates a construction period of October 2010 to October 2011. The funding strategy for project delivery prior to release of BSF funding at Financial Close is via prudential borrowing - estimated interests costs up to financial close of just under £130k - with the debt being serviced from the ChSD Revenue Maintenance Budget. Officers are exploring with PfS an alternative Business Case with the objective of enhancing forward funding to negate or reduce the need for prudential borrowing.

**Recommendation – delegate authority to officers to take the necessary steps to ensure the Cambridge School re-location is progressed to deliver the BSF programme.**

1.13 The two sample projects, Sacred Heart High School and The Bridge Academy, will engage with bidders during the Procurement phase, and are considered to be reflective of the ongoing estate issues through the BSF programme. As identified within the Strategy for Change documentation, the two schools will also provide the required challenges to bidders in relation to:

- The recognition of a school's Readiness to Deliver according to its individual journey through educational transformation, incorporating strong school leadership with clarity on how the school's SfC can be delivered with a clear Change Management process, including effective stakeholder engagement and curriculum development.
- An acknowledgement of the specific circumstances of individual schools and their circumstances that could impact on their ability to meet the time and resource challenges required of a sample school status.
- An acknowledgement of the strength and innovation of the individual school's Strategy for Change.
- The ability of the institution to meet the time commitment requirements in order to effectively engage with the market through the development of the OBC, procurement documentation and procurement through competitive dialogue.
- Reflection of the control option for a school being a New Build or a Refurbishment re-development solution.
- How critical the school's redevelopment is within the overall BSF programme.
- Deliverability of the individual schemes.

## **2. BSF PROCUREMENT METHODOLOGY AND STAGES**

2.1 The BSF programme is seeking to appoint a Private Sector Partner to form a Local Education Partnership jointly with the Authority and PfS. The Local Education Partnership will be exclusively responsible for the delivery of the BSF and PCP capital programme. The LEP could also be offered the opportunity to deliver additional services, on a non exclusive basis, in accordance with the scope of services defined within the published OJEU notice advertising the BSF procurement opportunity. The scope of services to be offered by the LEP, included as part of the OBC document, are identified below for reference; the extent of the services will be developed through the competitive dialogue phase. At this stage, schools' preferences are strongly towards maintaining their own workforce and it is expected this will be the position at the end of dialogue, with the Contractor providing a more strategic support and lifecycle maintenance

function. The extended scope services will provide the Council with the opportunity in the future to work with its LEP partner with a view to using this partnership to deliver effective value for money solutions in those areas:

Activity	Core Scope (Exclusivity)	Extended Scope (Non Exclusivity)
<b>Secondary and Primary Estate</b>		
Redevelopment of Schools Estate	✓	
ICT Provision and Management	✓	
School Estate Lifecycle Planned Maintenance	✓	
School Estate Reactive Maintenance	✓	
Schools Hard and Soft Facilities Services and Management	✓	
<b>Corporate Facilities Management</b>		
Catering		✓
Cleaning		✓
Buildings Lifecycle Planned Maintenance		✓
Buildings Reactive Maintenance		✓
Asset Management/ Lettings		✓
Security		✓
Capital Investment associated with Borough Regeneration Initiatives (could be extended to provision of services to enable social regeneration)		✓
Youth Services		✓
Building Technical Services (currently undergoing market testing)		✓
Children's Centres		✓

The long term partnership between the authority and the LEP will be embodied within a Strategic Partnership Agreement (SPA), which will be in place, subject to performance criteria, for an initial period of 10 years with the ability to extend this relationship for a further 3 periods of 5 years each; this could deliver a strategic long term partnership over a 25 year period. The details of individual elements as set out in the table above will be developed through the Competitive Dialogue phase and will be subject to appropriate consultations.

- 2.2 The procurement of a PSP will be in accordance with the Public Contracts Regulations 2006 (SI 2006 No.5), which identifies a procurement process for complex projects identified as the "Competitive Dialogue Procedure". The definition of Competitive Dialogue is:

*"a procedure in which any economic operator may request to participate and whereby the contracting authority conducts a dialogue with the candidates admitted to that procedure, with the aim of developing one or more suitable alternatives capable of meeting its requirements and on the basis of which the candidates chosen are invited to tender"*

- 2.3 The approval of the OBC document will enable the BSF programme to enter into the procurement phase commencing with the issue of the OJEU notice. As indicated in the OBC, it is anticipated that the

procurement process through to Financial Close of the project will take approximately 65 weeks. Through an effective and efficient competitive dialogue process, officers will be seeking, with bidders, to streamline this timescale with the objective of reaching Selected Bidder stage prior to the March 2011 Comprehensive Spending Review.

- 2.4. The process of delivering a PSP through the Competitive Dialogue process incorporates a number of stages; at certain stages bidders will be deselected. The stages of the Competitive Dialogue process are identified:

#### Stage 1 – Issue OJEU Notice

The OJEU notice will be issued once the OBC has received PfS approval. Officers already have delegated authority to undertake this action. The OJEU notice was included within the OBC document and has already received approval from the Project Board, ratified by the Project Sponsor and the Chief Executive through the delegations approved within a previous Cabinet paper. Bidders responding to the OJEU notice will have to submit the Pre Qualification Questionnaire by the advertised due date.

Sutton Council have expressed interest in being named on our OJEU to allow our LEP to provide services to deliver their BSF. This is subject to their Cabinet approval (consideration scheduled March 2010) and the Authority would welcome the opportunity to enhance the scope of our programme by the inclusion of another high performing London Borough.

The placing of the OJEU notice is expected to have taken place in early March 2010.

#### Stage 2 – Evaluation of Pre Qualification Questionnaires (PQQ) and Selection of Long List

Following the placing of the notice, returned PQQ documents are received by the authority by the advertised due date (expected to be Mid April 2010) and are reviewed and assessed, with Bidders who meet the published predetermined criteria being invited to form a 'Long List' of Bidders who will progress onto the next stage. Typically, the list will be no more than three bidders.

**KEY DECISION - Approval of the Long List (up to 3 Bidders) following the evaluation of responses to the Pre Qualification Questionnaire (PQQ), and approval issue the Invitation to Participate in Dialogue documentation**

#### Stage 3 – Invitation to Participate in Dialogue Phase 1 (IPD1)

The long listed bidders (up to 3 bidders) are issued with tender documentation identifying the authority's needs and requirements. Bidders are invited to attend a number of dialogue meetings in order that solutions can be developed and



options considered according to the pre determined evaluation criteria. The main aspects of the dialogue process will cover:

- Partnering
- Design / Facilities Management
- ICT
- Commercial (Financial/ Legal)

Dialogue meetings with bidders will include a range of stakeholders including representatives from the BSF Programme Team and Sample Projects (Sacred Heart High School and The Bridge Academy). If three bidders are included in the long list approximately 30nr meetings per bidder will be required, with each meeting covering a particular aspect of the required solution. It is anticipated that all meetings will be delivered within a 12 week period. At the end of this period, bidders are requested to submit their initial solutions responding to the dialogue meetings and the issued tender documents. The submitted bids are evaluated against pre-determined criteria in order that long list of bidders can be reduced to a short list of bidders incorporating no more than 2nr bidders. The short list of bidders will be invited to continue in dialogue with the authority in order to deliver fully developed solutions that will inform the strategic partnership that the authority will be entering into with the LEP.

**KEY DECISION – Authority sought to delegate authority to officers to take decisions to progress the BSF procurement programme to the next stage of the procurement process, Invitation to Participate in Dialogue Phase 1 (IPD1), including the approval of the short list of no more than 2nr Bidders to take forward into the next stage of procurement, Invitation to Participate in Dialogue Phase 2 (IPD2), following the evaluation of the submitted initial solutions.**

#### Stage 4 – Invitation to Participate in Dialogue Phase 2 (IPD2)

Following the selection of a short list of bidders (no more than 2nr bidders) further dialogue meetings are undertaken with the authority. The purpose of this stage is to develop further the solutions being discussed in order that the authority can be certain the final bids submitted are capable of meeting the requirements of the tender documentation and the pre-determined evaluation criteria. It is the responsibility of the authority to resolve issues that will affect price and risk in advance of closing dialogue; the authority will not be able to make substantive changes to its requirements once dialogue has been closed. Dialogue can only be closed once the authority is confident that the solutions submitted can meet its requirements from a long term partnership with the LEP.

Once all parties to the dialogue are confident that the solutions developed through the dialogue stage can meet the requirements of the authority - this includes the designs for the sample projects - the dialogue phase is officially closed. Short listed bidders are then requested to submit their final bids for evaluation. Once dialogue has been closed, submitted solutions can only be clarified or fine tuned.

**KEY DECISION - Approval to continue dialogue into Phase 2 (IPD2) of Competitive Dialogue with the short list of bidders, to further develop the submitted initial solutions with Bidders through to the Close of Dialogue and the submission of Final Bids. The appointment of a Selected Bidder through to Financial Close will be subject to a Cabinet decision.**

#### 2.5. Technical, Design, Legal and Financial Advisors

The BSF programme is highly complex and at times will require specialised Technical, Design, Legal and Financial advice to support the existing skills of officers within the core BSF team through the procurement phase of the project. These services can be procured through the use of advisory frameworks established by Partnerships for Schools and The Commission for Architecture in the Built Environment (CABE). All advisors have now been appointed through a 'mini competition' using the established advisory frameworks and are supporting the core team in the delivery of the BSF programme within a defined scope of services. All external advisory appointments have been previously approved by the BSF Project Board.

**KEY DECISION - Procurement of additional Technical, Financial, Legal and Client Design Advisor support services to support the BSF programme, where required, within existing resources.**

### 3. PRIMARY PLACES AND THE PRIMARY CAPITAL PROGRAMME (PCP)

- 3.1 The Primary Capital Programme (PCP) is a much less ambitious programme than BSF and is tasked to address improvements to half of the estate in the borough, over 15 years. It is funded at £3.2m in 2009/10 followed by £5.5m per year until we reach a ceiling of £70m. Future years are subject to the next Comprehensive Spending Review (CSR) although Government guidance is to plan for the same annual funding as in 2010/11 per year.
- 3.2. PCP national allocations do not allow for changes in pupil numbers. In common with many other London Boroughs we have a projected child increase of 16% over the next 10 years and our allocation does not reflect this. In conjunction with other London boroughs, we have lobbied accordingly through the GLA. (Our estimate currently is that we would have to use £29m of our allocation to provide extra capacity in our schools for the population increases over the next ten years).
- 3.3 Unfortunately, the borough does not qualify for any additional support through the "additional Primary Places funding" made available by the Government as the unfilled (surplus) places in the later stages of Primary Education offset and discounted the real pressures on the Authority to provide Reception Places. Therefore the Council is having to respond to this by re-aligning some of the Primary Capital Programme and Revenue Maintenance Programme funding areas for 2010/11 to address these pressures.

- 3.4 For 2009/10, we had to re-align some of the funding to support expenditure needed to facilitate increased capacity at the following schools for admissions in September 2009 and January 2010:
- Brackenbury (a single bulge year)
  - St Johns (expansion to admit and additional form of entry)
  - St Thomas's (expansion to admit an additional 15 children)
  - Old Oak (expansion to admit an additional 15 children)
- 3.5 In September 2009, we had 1,350 places available for reception prior to the increases set out above; these raised the Authority's admissions levels to 1,440. Following the admissions process, all parents who had made an application on time were offered an appropriate place. From closure of the admissions and ongoing a further 215 applications were received, taking the total applications to over 1,650. The borough has managed to place most families, and in the Spring of 2010, in line with the admissions code of practice, a couple of schools have been supported to take a few extra children over the standard 30 to ensure all our children receive their statutory entitlement. For the 2010 academic year, we are expecting around 1,700 applications and as such will require a capacity of around 1,500 to ensure we can meet residents' aspirations.
- 3.6 These expansions addressed the short term needs of the Authority for admissions for the 2009/10 academic year. PfS approval for our Primary Strategy for Change was granted on 23 November 2009. This approval secures PCP funding for 2010/11. Following the Government's Comprehensive Spending Review for the period 2012 – 2014, we will report back to Cabinet on the Council's response.
- 3.7 However, given that we cannot qualify for additional places funding in the current funding cycle, and the uncertainty over what resources will be available in the future, the authority will again have to re-prioritise funding in 2010/11 to address its pressures and create a sustainable future provision for the current number of families seeking places at our primary schools.
- 3.8 The following proposals are set out to utilise the Primary Capital Programme for 2010/11.
- a) Allocate £1.6m to continue the development of the 3 main priority PCP schemes, namely Holy Cross, St Peters and Bentworth, through the next financial year (noting that two of these schemes will provide increased numbers of places for future years and Bentworth is exploring the potential of expansion as part of its feasibility work).
  - b) Allocate £1m to Old Oak School to develop its facilities to provide 2 forms of entry through the school.
  - c) Allocate £1m to St Thomas's to develop its facilities to provide 2 forms of entry through the school.

- d) Allocate £1m to Flora Gardens to develop its facilities to provide 2 forms of entry through the school.
- e) Allocate £500k to develop the facilities at St Johns to provide 2 forms of entry through the school.
- f) Allocate the remaining £0.4m to continue to support the development of ICT provision and support below the floor schools.

3.9 These steps (plus the bilingual offer started for September 2010 with Holy Cross and the Lycée) should enable the Council to offer 1,468 places for September 2010, with officers working with schools to identify where an additional 30 places could be created that would not disadvantage the quality of education to be provided. The longer term strategy by 2013 is to have secured the provision of the schemes identified above for the full term at primary schools and there will be a further 60 places available through Holy Cross and St Peters, with a further potential of an extra 30 places at Bentworth subject to the feasibility works being undertaken.

**KEY DECISION - To delegate authority to the Chief Executive, in consultation with the Cabinet Member for Children's Services, and the Director of Finance and Corporate Services, to amend the scope and priority of schemes within the PCP, and identify substitute schemes as necessary, to address any operational circumstances up to 2011 Comprehensive Spending Review that may impact on the Council's objectives of providing a quality primary phase education. To take the necessary steps to deliver these schemes on behalf of the Cabinet.**

3.10 The Capital Programme for 2011/12 has funding identified of £1.2m to support expansion of primary places. It is recommended that this is brought forward into 2010/11 and used for the following:

- a) To supplement if required the £530k currently available for Wendell Park to modernise the school to ensure it can meet the needs of the increasing roll as its previous planned expansion is working through the school.
- b) To develop further models within schools to respond to the pressures being faced by the increases in admissions

**KEY DECISION - to bring forward the £1.2m from the 2011/12 Capital Programme and delegate authority to the Chief Executive and the Cabinet Member for Children's and Community Services to take the necessary steps to utilise this to support Wendell Park and other schools to further enhance capacity.**

3.11. The Children's Services revenue maintenance programme budget is £1.5m. Given the needs of maintaining the schools and Children's Services estates, this resource needs to be allocated flexibility within the year to make it most effective. To achieve this, it is recommended that the Programme Director and Cabinet

Member work further with schools to identify the most effective use in the next financial year and balance this against the other investments identified within this report. Given the most effective time to do school projects is within the summer holidays, and with the respective timing difficulties that will arise due to the need to procure goods and services speedily, it is recommended that Cabinet delegates the implementation of this to the Programme Director and Cabinet Member to ensure timely decision making.

**KEY DECISION - To delegate authority to the Chief Executive, in consultation with the Cabinet Member for Children's Services, and Director of Finance and Corporate Services to approve financial sums and take the necessary steps to implement the Revenue Maintenance Programme for 2010/11.**

#### **4. RISK MANAGEMENT**

- 4.1 The BSF and PCP programmes are considered to be a key corporate priority and as such the risk management process for the two programmes is closely aligned with and complies with the Risk Management Policy and Standard as approved by the Corporate Management Team. The Programme Risk Manager meets regularly with the Corporate Risk Manager to consider whether there is a need for identified risks to be included on the Council's main register and to exchange risk and opportunity-related information.
- 4.2 A system is in place for reporting risks and evaluating them in relation to likelihood and impact, and incorporates a process for escalation to the Project Board where appropriate.

#### **5. COMMENTS OF THE DIRECTOR OF FINANCE AND CORPORATE SERVICES**

- 5.1 The Director of Finance and Corporate Services is corporate sponsor for the BSF programme and is aware of the work being undertaken. She notes that both BSF and PCP are subject to Government funding and approvals. The work to develop the bids and achieve the approvals are contained within existing budgets (except where indicated that commitment is subject to approval of the PCP by the DCSF).
- 5.2 The submitted BSF Outline Business Case (OBC), supported by a Section 151 letter confirms the decisions made by the Authority to manage and meet the affordability requirements associated with the programme. The BSF programme will be procured through a conventional Design & Build route.
- 5.3 Reference is made in the report that the Cambridge Project may need to be progressed in advance of the release of BSF funding. This would require potential temporary prudential borrowing of £8.3m. This will have an estimated revenue impact of just under £130k which will be met from the current schools

revenue maintenance budget. Discussions are ongoing to try and avoid/minimise the need for such borrowing.

- 5.4 Decisions regarding the Primary Capital Programme are subject to approvals from the Government to release funding against our bid.
- 5.5 In addition to the Primary Capital Programme, the Council's Capital Programme incorporates mainstream funding of £1.2m for the expansion of primary places. At present, this funding is identified for use in 2011/12 but it is now proposed that it be drawn down in 2010/11. At present the overall capital programme is forecast to be in surplus of £0.589m in 2010/11 and in broad balance to 2014/15. Bringing forward the £1.2m funding to 2010/11 will have no impact on the overall programme to 2014/15 but will require the 2010/11 position to be managed. Options available to the Council will include the re-profiling of other schemes or identification of expenditure slippage. At this stage, such potential in-year over-programming is not unreasonable.

**6. COMMENTS OF THE ASSISTANT DIRECTOR (LEGAL AND DEMOCRATIC SERVICES)**

- 6.1 The Assistant Director is a member of the Project Board and is working in conjunction with Trowers and Hamlins to provide legal advice and support to this project.

**LOCAL GOVERNMENT ACT 2000**  
**BACKGROUND PAPERS**

<b>No.</b>	<b>Description of Background Papers</b>	<b>Name/Ext of holder of file/copy</b>	<b>Department/ Location</b>
1.	BSF Outline Business Case	Paul Taylor x3627	ChSD Cambridge House
2.	Primary Strategy for Change	John Brownlow x3781	ChSD Cambridge House