SUBJECT: Islington Building Schools for the Future, Phase 2 Final Business Case

1. Synopsis

1.1 Building Schools for the Future is a key Council objective, representing a multi-million pound investment in the future of secondary pupils through new build and refurbishment of existing secondary schools and introduction of new ICT and Facilities Management services. This investment is and will enhance teaching and learning facilities and contribute towards improved educational attainment for Islington’s Young People.

1.2 The objectives of BSF are derived from the Council’s priorities. There is an emphasis on high quality learning environments and significant local employment opportunities, as well as stringent performance monitoring arrangements, clear affordability parameters and an emphasis on schools enhancing their role in the local community with new and improved facilities.

1.3 Islington’s secondary schools are being brought up to a standard fit for the 21st century through BSF. Improved school designs, buildings and facilities are and will ensure all young people, and our communities, are able to access and enjoy a better quality of learning environment. Enhanced ICT is an integral part of the BSF Programme.

1.4 Phase 2 schemes are now at the point where a Final Business Case (FBC) is required for submission to PFS as a pre requisite prior to financial close which is scheduled for November 2010. This report provides details of phase 2 and the FBC in relation to Islington Arts and Media School, Elizabeth Garratt Anderson School and New River College (PRU). The planned completion dates are September 2012, November 2012 and Sept 2012 respectively for the building works although in each instance landscaping and other external works will continue into 2013.
2. **Recommendations**

2.1 To approve submission of the Final Business Case to Partnerships for Schools (PfS) and authorise the Corporate Director Children’s Services in consultation with the Corporate Directors of Finance and Resources to complete this submission on such terms as considered appropriate.

2.2 Subject to agreement being reached on all Phase 2 contract documentation, the Corporate Director of Resources (or such other officer as may be authorised by the Director of Corporate Resources in accordance with Article 14.05 of the Council’s Constitution) to enter into that documentation to give effect to the award of the Phase 2 BSF contracts to the Local Education Partnership, Transform Islington Ltd.

3. **Background**

3.1 Building Schools for the Future (BSF) is much more than a building and ICT programme. It is one of the key drivers in bringing about a real transformational change, which will benefit current and future generations in Islington.

3.2 In July 2008, the Council appointed Transform Islington Ltd as its Local Education Partner. Construction work on 3 of the Phase 1 schools is now completed and the schools are enjoying their new facilities. Construction work on the 4th school is nearing completion and here again the school is already benefiting from new facilities. The LEP has also been working to develop Phase 2 Design, Construction, FM and ICT proposals in accordance with PfS standard form using a 2 stage process.

3.3 Planning Applications have been submitted and approved for Elizabeth Garrett Anderson Language College (9 February, 5 April and 3 August 2010) and Islington Arts and Media School of Creativity (10 February and 15 April 2010). A Detailed Planning Application was considered for the New River College (PRU) in January 2010, but was not approved. A revised application is being prepared for submission to the Local Planning Authority.

3.4 The LEP has recently submitted its “Stage 2” proposals for Phase 2. These are currently being evaluated by the Council and its advisors. As previously envisaged, EGA and the PRU remain as PFI schemes and Islington Arts and Media School as a Design and Build with separate FM agreement.

3.5 As the New River College (PRU) has not yet obtained Planning Approval, a split Financial Close is envisaged with EGA and IAMs closing in November 2010 and, subject to Planning Approval for the New River College (PRU) being obtained in February 2011, Financial Close for the New River College (PRU) is expected to occur in May 2011. This enables due diligence on the New River College (PRU) proposals to be completed by the Bank’s advisors and mobilisation of construction.

3.6 The Council is required to prepare and submit a Final Business Case to Partnerships for Schools (PfS) prior to approval being given to reach financial and contract close. The format of the FBC is prescribed by PfS and includes:

- Any changes in scope, affordability and method of procurement
- Any proposed derogations to PfS standard form
- Evidence of relevant approvals and stakeholder commitment
- Programme for delivery of the phase
- Capacity to deliver
- Planning permission
- Affordability modelling and value for money
- Managing transformational change

Executive approval is required to submit the FBC for phase 2.
3.7 Each Phase 2 school is being asked to enter into a Governing Body Agreement in respect of their obligations and financial commitments to BSF. These Governing Body Agreements are required as part of the Final Business Case, and are intended to be signed by mid October 2010. An agreement is also being sought from the Trustees at Islington Arts and Media School.

3.8 The detailed financial implications in respect of Phase 2 are contained in the report on the Exempt Part of the Executive Agenda. Phase 2 remains affordable.

4. Implications

4.1 Financial implications:

It is confirmed that the Phase 2 affordability remains within the affordability envelope and parameters previously approved by the Executive, although clarifications are being sought regarding certain detail included within the LEP’s Stage 2 Submission. In the period through to Contract and Financial Close officers will carefully assess the LEP’s response to these clarifications and monitor the affordability position to ensure it remains affordable. Officers will also identify any risks that have the potential to increase costs and affect affordability.

Further information is contained in the report which will appear on the Exempt part of the Executive Agenda.

4.2 Legal Implications:

The LEP was procured under the competitive dialogue procedure of the Public Contract Regulations 2006. The LEP’s scope of works include managing BSF investment in the secondary school estate, in accordance with the Authority’s Requirements. Under the strategic partnering agreement the LEP has exclusivity in respect of capital projects in Islington’s secondary schools subject to compliance with the new projects procedure.

The latest PfS standard form documentation is being used for each Phase 2 contract. Each contract has been updated to reflect project specific changes that were agreed in the Phase 1 contracts where relevant to Phase 2. Derogations have been proposed by the LEP and the Council is considering these. Derogations require PfS approval through the FBC process.

Elements of the LEP’s proposals require further clarification. Any legal implications will be properly considered in order that unreasonable risk is not transferred to the Council.

In considering the recommendations in this report, members must take into account the information contained in the exempt report.

5.3 Environmental Implications

Sustainability requirements form part of the technical specification for each Phase 2 school that the LEP has responded to in its Phase 2 Stage 2 Submission. These requirements are in line with planning policy and conditions that have been applied to the Planning Consent.

5.4 Equality Impact Assessment:

The Council must, in carrying out its functions, have due regard to the need to eliminate unlawful discrimination and harassment and to promote equality of opportunity in relation to disability, race and gender and the need to take steps to take account of disabilities, even where that involves treating the disabled more favourably than others (section 49A Disability Discrimination Act 1995; section 71 Race Relations Act 1976; section 76A Sex Discrimination Act 1975).

Improved access to educational curriculum and school facilities is a key part of BSF.
An Equalities Impact Assessment has been undertaken for Islington BSF as a whole. It identifies two major opportunities in the programme:

a) to transform the quality of educational provision for children from disadvantaged backgrounds;

b) to address access and disability issues.

It also identifies the need for a balance between faith and community schools in the allocation of resources and indicates that there are slightly higher proportions of Black and Minority Ethnic pupils and pupils whose first language is not English in community schools.

Both schools within Phase 3 serve a multi cultural community. The refurbished schools will provide high quality facilities for all members of the community and allow the schools to act as social hubs in the locality by improving community access and opportunities with dedicated spaces. It will also allow the schools to extend and enhance their extended school agenda, thereby benefitting those areas of the community most in need.

The works will enable the schools to better meet national guidelines for space standards and make significant improvements to the working environment for pupils and staff. Pupils will benefit from improvements to heating and lighting systems, and acoustic improvements, whilst improvements will be made to provide disabled access to all areas of the school.

5. Conclusion and reasons for recommendations

5.1 BSF continues to be a Council priority and significant progress continues to be made towards delivering against BSF objectives. In order to take forward Phase 2 of Islington BSF, a Final Business Case has to be submitted and approved by PfS prior to Financial and Contract Close occurring. Financial and Contract Close is scheduled for mid November 2010.

Background papers: (available online or on request)


Appendices
• Exempt Appendix (includes list of documents currently envisaged to be entered into for close of Phase 2)

Final report clearance:

Signed by:  

Richard Watts
Executive Member for Children and Young People

Date

Received by:  

Head of Democratic Services

Date

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