

LEICESTERSHIRE COUNTY COUNCIL

EDUCATION DEPARTMENT

ASSET MANAGEMENT PLAN

STATEMENT OF PRIORITIES FOR
CAPITAL EXPENDITURE 2004-2007

Leicestershire County Council Education Department.

Asset Management Planning

Statement of Priorities- for capital expenditure 2004-2007.

Executive Summary

Over the last 4 years there has been a substantial increase in the volume of capital funding allocated to LEAs, and directly to their schools in the form of Devolved Formula Capital.

The Government and the County Council have indicated that they expect this additional capital funding to be expended on important priorities and in particular those which will contribute towards raising standards of pupil attainment by removing barriers to learning. In turn it is expected that priorities will be identified on the basis of premises data, the condition, suitability and sufficiency of pupil places, as well as national and local priorities for increasing attainment.

The County Council, as the LEA for Leicestershire, is required each year to compile a statement of priorities for capital expenditure on education buildings for the next 3 years. The document that follows is a Statement of Priorities for the period 2004-2007. It sets out the vision of the County Council and the priority it has accorded to raising educational standards in Leicestershire. It then shows the contribution that the capital programme will make towards the realisation of that vision and government priorities. The importance of partnership is emphasised in delivering improvements to school premises and maintaining them in good order so that they are available for use. Priorities for the next 3 years are identified together with those it may no longer be possible to pursue, given the inordinate pressure that the urgent replacement of five High Schools will exercise over the period 2004-2007. All five schools have a similar structural design, termed Intergrid, and their retention is no longer viable.

The diverse capital resources available to the LEA are detailed, and the ways in which the County Council tries to ensure that they are expended to achieve best value for money by joining them together to achieve strategic objectives. The role of Devolved Formula Capital is noted in the context that it is likely to double by 2005-2006, relative to 2002-2003.

The prime aim of this document is to inform schools of the LEA's plans for capital expenditure so that they can plan their own development plans accordingly. The Education Department plans to increase help to schools in this context. A second aim is to reassure central government that the County Council, as the LEA, is a competent authority in terms of resource management and ensuring that capital funding is appropriately targeted.

Statement of priorities for capital expenditure 2004-2007

<u>Contents.</u>	<u>Page no.</u>
1. The County Council's vision for school standards.	1
1.1 Strategic aims of the County Council as the LEA.	1
1.2 How will the aims will be achieved?	1- 4
1.3 The contribution of capital investment to achieving these aims.	4.- 5
1.4 Delivery of government priorities through these aims including Building Schools for the Future.	5 - 9
1.5 Key factors that may impinge heavily on the strategy to increase school standards.	9 - 10
2. Strategic priorities of the LEA in terms of capital investment in schools.	11
2.1 Building Schools for the Future –the refurbishment and replacement of secondary schools.	11
2.2 Primary, Special Schools and Secondary Schools other than the Intergrid High Schools - ensuring that they are not neglected.	11 - 12
2.3 Capital consequences of major LEA Plans.	12 - 15
2.4 Capital consequences of national initiatives.	15
3. Making the best use of available capital funds.	15
3.1 Joining up funding streams to achieve strategic priorities.	15 - 16
3.2 Managing the risk should strategic priorities not be achieved on the expected timescale.	16
3.3 Basic principles underlying capital investment.	16 - 18
3.4 Procurement and project delivery in line with best value.	18 - 19
4. Timescales for the delivery of priorities for capital investment.	19
5. Schools capital programme and capital funding sources.	19
5.1 Funding sources available to the LEA.	19
5.2 Education Capital Programme: outturn figures for 2002-2003.	20
5.3 Education Capital Programme: estimated figures to 2006-2007 non-BSF.	20
5.4 Education Capital Programme: estimated figures to 2006-2007 including BSF.	20
Appendices.	
Appendix A - Funding sources for the Education Capital Programme.	
Appendix B - Education Capital Programme, estimated figures to 2006-2007.	

GLOSSARY

ACG	Annual Capital Guideline
AMP	Asset Management Planning
BB82	Building Bulletin 82 (DfES).
BB95	Building Bulletin 95 (DfES).
BSF	Building Schools for the Future
BVFM	Best Value for Money.
CABE	Commission for Architecture & the Built Environment
DFC	Devolved Formula Capital
EDP	Education Development Plan
GIA	Gross Internal Area
GOEM	Government Office East Midlands
JCT	Joint Contracts Tribunal
KS4	Key Stage 4
LEA	Leicestershire Education Authority
LCVAP	Locally Co-ordinated Voluntary Aided Programme
NDS	New Deal for Schools
NNI	National Nurseries Initiative
NOF3	New Opportunities Fund 3
PfCS	Procurement for Church Schools
PLASC	Pupil Level Annual School Census
S106	Section 106 of Town and Country Planning Act
SAI	Schools Access Initiative
SEN	Special Educational Needs
SOP	School Organisation Plan
TCF	Targeted Capital Funding

1. The County Council's vision for school standards.

1.1 Strategic aims of the County Council as the LEA.

Leicestershire County Council's corporate vision is to listen to the views of Leicestershire people and, by working with them, ensure that they enjoy the quality of life which they expect: to live in a County which is safe, healthy, attractive and prosperous.

In the context of that vision the County Council in July 2003 approved a revised Medium Term Corporate Strategy focussed on six corporate objectives. Each of these is a high priority issue for the County Council and one in particular relates directly to school standards, and most of the others relate to relevant context and processes. They are:

- Working with Partners to Deliver Quality and Responsive Services.
- Achieving Excellence in Education and Learning.
- Improving Social Care and Support for Vulnerable People.
- Creating a Better Transport System.
- Rising to the Challenge on Waste.
- Seeking a Safer County.

In terms of Achieving Excellence in Education and Learning, the County Council has placed in the public domain a statement of the priorities it seeks to progress to raise educational standards together with quantified performance targets. These are shown on Pages 2 and 3. There is a clear intention and public commitment to produce regular reports that monitor progress on increasing standards of achievement. It will be noted that reference is made in the commentary to removing barriers to opportunity and enabling schools to make use of new technology wherever appropriate in order to improve teaching opportunities and ensure greater achievements by pupils. It is in these contexts that capital expenditure has the potential to contribute towards realising the County Council and the Government's vision for increasing educational standards.

1.2 How will the aims be achieved?

In order to achieve the strategic objectives outlined above the County Council works with a variety of partners mainly in the context of Plans, Policies and operational projects. Some of these key plans and policies are detailed in Section 2.3. Partners may be within schools and the County Council as well as external agencies. Key partners include parents, pupils, headteachers and chairs of governing bodies, diocesan representatives, other County Council services, and agencies such as the Leicestershire Skills Council, FE colleges, Higher Education and Primary Care Trusts. The ultimate aim of the County Council is to ensure that the increased emphasis of government on the educational and social welfare of the individual pupil is achieved, by seeking to bring together a supportive, coherent and challenging holistic framework. Therefore, Government priorities both generic and those related to education, will be delivered through achieving the County Council's aims.

Achieving Excellence in Education and Learning

- We will ensure that all Leicestershire children have the opportunity to achieve excellence in education and learning. We are, despite the Government's inadequate funding of education in Leicestershire, determined to maintain the rate of improvement in examination results to ensure that pupils perform as well as the top quartile in our 'family' of authorities for national results at ages 7, 11, 14, and 16.
- We will increase the numbers of pupils achieving good results throughout their education. We will remove the barriers to opportunity to make sure that all children, including children looked after by the County Council, have access to excellent educational opportunities. We have therefore identified several priority service areas where we intend to increase the rate of improvement under a Public Service Agreement (PSA) with the Government.
- It is essential that schools make use of new technology wherever appropriate in order to improve teaching opportunities and ensure greater achievements by pupils.
- Our Education Authority was inspected by OFSTED in 2003. The Inspection Report highlighted many strengths but also identified some areas for improvement. We need to develop a more robust strategy to support pupils with special educational needs, particularly children with challenging behaviour. We need to review spending patterns in the light of priorities identified by the County Council, the recommendations of the OFSTED Report, and national requirements. We will address these areas as a matter of urgency, particularly the unfair government grant system that negatively affects Leicestershire schoolchildren.
- We are determined to provide lifelong learning opportunities to all residents of the County. As part of this we will implement the outcomes of the recent review of Youth & Community Education in association with the Leicestershire Learning & Skills Council and Leicester Shire Connexions Service. This will improve the delivery of these services by increasing participation and improved management. Our aim is to provide a service that can respond more flexibly to the needs of its users and external partnership requirements.
- We have provided significant resources recently to move towards a common admission date for young children starting school. Taking account of Government guidance, and the advice of the Early Years Development and Childcare Partnership, we will produce a new strategy to continue this development that recognises private sector provision, as well as new opportunities for schools.

Extract from the County Council's Medium Term Corporate Strategy

Priority	WE WILL ACHIEVE
<p>High Priorities INCREASE ACADEMIC ACHIEVEMENT TO TOP QUARTILE AT ALL FOUR KEY STAGES</p> <p>ADDRESS ISSUES IDENTIFIED BY THE OFSTED INSPECTION</p>	<p>5 GCSE passes at A-C grades for 60% of pupils by 2004. At key stage 2, 87% of pupils to have reached level 4 in English and 86% in Mathematics by 2004. Also 37% of pupils to have reached Level 5 in English and 36% in Mathematics by 2004.</p> <p>An Action Plan by August 2003 to address the areas for improvement identified in the OFSTED report. Consultation in Autumn 2003 on a revision of the SEN Development Plan.</p>
<p>PSA Priorities INCREASE NO. OF PUPILS OBTAINING 5 GCSEs at A-C GRADES</p> <p>IMPROVE ACHIEVEMENT OF PUPILS AT at LEVEL 5 KEY STAGE 2</p> <p>IMPROVE EDUCATIONAL ATTAINMENT OF PUPILS IN SPECIAL SCHOOLS</p> <p>IMPROVE EDUCATIONAL ATTAINMENT OF LOOKED AFTER CHILDREN (LAC)</p>	<p>An increase in the percentage of pupils obtaining 5 GCSEs at A-C grades from 53.2% currently to 63% by Summer 2005.</p> <p>An increase in the percentage of pupils achieving Level 5 in English from 30% to 39% and in Maths from 29% to 38% by Summer 2005.</p> <p>An increase from 78% to 86% in pupils obtaining their personal targets by Summer 2006.</p> <p>For Secondary age children: an increase in the % of young people going into education, training or employment from 50% to 80% by 2005/06. A reduction in school absences from 21% to 9%. For Primary age children: improvement in their educational achievement at Key Stage 2.</p>
<p>Other Priorities Move towards Common Admission Date</p> <p>Increase use of ICT to transform teaching and learning</p> <p>Improve Youth and Community Education delivery by implementing the outcomes of the review</p>	<p>A strategy by September 2003 for phased implementation across the County within available resources.</p> <p>Level 5 for 78% and Level 6 for 32% for pupils at Key Stage 3 in 2003.</p> <p>Detailed targets to be agreed with the Learning and Skills Council, Connexions and DfES.</p>

The Education Development Plan for 2002-2007 indicates some of the processes that are being implemented to raise standards of pupil attainment. These include supporting school self-evaluation and review, with an emphasis on improving the quality of teaching, the quality of school management and leadership, raising standards for under-achieving pupils and dissemination of good practice. Emphasis is also placed on an annual audit of School and LEA performance. The 2003 Ofsted Inspection indicated the effectiveness of these services by noting that "The LEA fulfils many important functions very well, particularly in relation to school improvement where substantial improvements have been made". Similarly, "A major strength of the LEA's support for school improvement is the strong leadership and management of national strategies and their implementation within the Leicestershire context. They have been further enhanced by the successful early introduction of the LEA's own Key Stage 4 Strategy, now one of the national priorities within the EDP"

Capital improvement work to schools also relates to the other objectives of the County Council identified above, in a way that benefits learners and pupils and helps to provide a quality context for raising standards of achievement. By improving the safety of school buildings and sites, in partnership with schools, the County Council is making such buildings safe for community use as well as for pupils. School redesign enables improved access and facilitates school travel plans thereby making the journey to school safer for everyone. The emphasis placed on sustainability in the design of remodelled, enlarged and new schools contributes to the reduction in waste and pupils' understanding of sustainable technology.

Working with cross cutting initiatives to regenerate communities through combined parent/child facilities, such as Sure Start and the National Nurseries Initiative, contributes to support for communities as well as leading to excellence in Education and Learning for the young people they provide for. It will be apparent that there is potential synergy between the County Council's priorities, that reinforces attempts to raise standards of achievement by pupils and the wider community.

1.3 The contribution of capital investment to achieving these aims.

Capital investment contributes to achieving the County Council's priorities for educational attainment in four major ways.

- By keeping schools open and safe for use. Leicestershire County Council have, by precedent, a proven track record of good practice in ensuring that schools are watertight, safe and free from unexpected closure as a consequence of fabric/services failure. The resolution of the County Council to replace 5 High Schools, which are no longer viable to retain, is evidence of this commitment. The 2003 Ofsted Inspection recognised the exceptional quality of the service provided and the degree to which schools reciprocated this, by judging it to be good/very good. The County Council retains an element of capital funding for strategic repairs although the level of retention is currently being discussed with school representatives. Operational or 'tenant' maintenance is delegated via the Local Schools Budget but the majority of primary schools buy-back into a central maintenance fund.

- Working in Partnership to maximise the contribution of capital funding towards raising standards. Both Property Services and the Education Department work in partnership with schools and their governing bodies, in the context of Devolved Formula Capital, delegated maintenance, and centrally held capital resources. For example by working together to resolve urgent Health and Safety issues that may impede learning, and deliberately targeting schools where Ofsted Inspections have decided that there are Serious Weaknesses or where Special Measures are required. The Education Department and Property Services have made a significant contribution to turning around 4 primary schools in this context.
- Working in partnership to ensure equality of opportunity to raise standards. In the context of LCVAP the LEA works very closely with both diocesan authorities. Regular meetings are held in the context of deciding and monitoring LCVAP expenditure with the intention of ensuring that it is targeted appropriately. The LEA enjoys excellent relationships with its 4 Foundation schools. One of these, which serves an area of deprivation, is proposed to become a major sports centre using NOF 3 funds derived through the LEA. Another will require an urgent rebuild as part of the LEA's capital programme.
- By joining together diverse forms of capital funding and using them strategically to improve standards of attainment where the need is judged to be greatest.
The LEA has recently brought together diverse sources and forms of capital funding and partners, to develop Early Years provision in areas of deprivation. This work will need to continue into 2004-2007. For a considerable number of years the LEA has joined together Section 106 funding, LEA capital and other sources of funding to provide additional and improved accommodation at schools in areas of housing gain.

1.4 Delivering government priorities through these aims including Building Schools for the Future.

The Government's key priorities, like those of the County Council, are premised on increasing standards of educational attainment. Therefore it is perfectly feasible to deliver the Government's key priorities through school building works, because of this congruity. Therefore the County Council is supportive of all of the Government's key priorities and seeks to deliver them in the following ways.

- Raising standards in the primary and secondary sectors.

The whole thrust of the County Council's capital strategy for education is to raise standards of attainment but there are specific circumstances where particular schools need to be targeted. For example, when a school is identified as having serious weaknesses or requiring special measures, the LEA rigorously audits the Ofsted report to identify any premises derived impediments to increasing learning opportunities.

/Continued.....

The Education Department and Property Services work in a funding partnership with the schools to improve the learning environment and enable increased standards of attainment. As indicated above, 4 primary schools have been transformed in this context. Post completion evaluation has shown evidence of increased pupil take up of places in some cases, increased teacher morale and a positive focus on improving the learning commitment.

- Diversity

The LEA has actively supported schools in seeking specialist status and increased diversity of provision. There are currently 11 specialist schools in Leicestershire, 7 of which are Technology Colleges/Schools, 2 Sports 1 Arts and 1 Languages. Of our 5 remaining eligible schools, 1 is awaiting its application for Science, 4 are actively seeking specialist status and intending to submit applications in 2004. In the past this has been restricted to Leicestershire Upper Schools but a joint bid by Groby High School and Groby Upper School achieved joint Language Status. Many of these schools have been active in creating Learning Partnerships in surrounding Primary Schools and with the wider community.

- Inclusion.

The Leicestershire SEN policy is based on the principle that children should, wherever possible, be educated in their mainstream school. Leicestershire has had a strategy for improving access to schools for a number of years. The policy has two strands. The first involving large-scale adaptations in order to provide access in each phase of school in all areas of the County. The second to meet the needs of known pupils prior to starting school or moving cross-phase and involving a programme of less intensive adaptations. This work is met from the Schools Access Initiative.

A central outcome of a review of SEN provision is rationalising existing special school provision to create Area Special schools. These are schools for pupils with a range of special educational needs but in addition they are extended schools bringing together a range of agencies and act as the hub for professional development relating to SEN across a wide geographical area. The first of these is under construction at Melton Mowbray utilising a successful TCF bid, and the second is planned for the Hinckley area and is the subject of a TCF bid for 2004/05.

- Schools Workforce Reform

The LEA has targeted government derived Standards Funding for staff workplaces at those schools judged to be in greatest need on the basis of % of GIA dedicated to Staff/Admin compared to the standards explicit in BB82 (Revised.) Thereby enabling the workforce to enjoy appropriate facilities for planning, preparation and assessment and especially where teacher assistants are able to free teaching staff for this.

The LEA was successful in securing a Teaching Environments for the Future bid in 2003. This is premised on enabling Schools Workforce Reform by providing enabling accommodation in two Upper schools working in partnership. The LEA will seek to learn from this and disseminate good practice elsewhere.

- The 14-19 Agenda.
Through an agreed methodology and processes funded as a County Council initiative, the LEA has undertaken an audit of KS4 and KS3 Design Technology Departments in the Authority in order to try to identify the reasons for underachievement at KS4. Capital funding has been targeted at those groups of schools where attainment is lowest in order to increase standards. In the first 2 years this has been targeted at secondary schools in the Coalville and Hinckley Areas, together with help to embryonic/pilot schemes in others. This funding has enabled the development of considerable cross-phase commitment to pupil progression across the key stages 3 and 4, which are taught in separate schools in Leicestershire. This work will be closely monitored by the LEA's Advisory Service and the schools.
- National Curriculum Requirements.
The LEA works with schools to enable them to acquire sufficient accommodation to meet the requirements of the National Curriculum. For example, where a primary school is unable, through the lack of an on site hall, to meet the requirements of the National curriculum for PE at KS2, then the LEA will work with a variety of partners to secure the use of an appropriate hall. On some occasions this may require capital investment by the LEA and a school, together with other external partners, in the context of dual use of provision.
- Extended Schools/Community use.
The LEA has promoted the community use of school facilities for many years and is conscious of the need to anticipate and encourage this in the context of designing new and enlarged schools and in welcoming joint-funded capital projects that enhance the services provided. The LEA works closely with the Learning Skills Council in terms of seeking to increase access for adult learners in the context of the Adult Continued Learning Initiative. The LEA is a key member of the Leicestershire Early Years Partnership which includes a substantial element of school based pre-school/post-school provision.
- Addressing Pupil Behaviour and Attendance.
Through the use of capital receipts, and the adaptation of other County Council buildings, the LEA is in the process of developing a co-ordinated network of Learning Support Units and Pupil Referral Units. These will be bases for a preventive and supportive schools based approach as well providing for young people who have been permanently excluded from school. This will be achieved largely through the adaptation/refurbishment of existing County Council accommodation.

- School Security.

The LEA enables all schools to undertake a risk assessment as a basis for prioritising those in greatest need. It also provides the services of a Specialist Surveyor on request. The LEA's Minor Capital Works budget, together with individual schools DFC budget, forms the basis of a 50/50 funding partnership with high priority schools wherever possible. In the case of one primary school, deemed by Ofsted to require Special Measures, the installation of a joint funded security fence has been a pre-requisite for the school to progress. Previously excessive vandalism had resulted in a disproportionate draw on the school's revenue budget as well as creating serious damage to the learning environment.

Sustainable development/School transport.

The LEA is progressively moving towards sustainable development, and building appropriate measures into its procurement strategy based on partnership agreements. A new 210-place primary school, proposed for construction in the near future, has been designed to meet sustainability requirements following LEA consultation with an external architectural practice renowned for expertise in designing low energy buildings. Leicestershire County Council Planning Services have consistently placed a requirement on the LEA and schools to provide School Travel Plans whenever planning permission for major works has been approved. The County Council retains employees with expertise in this area of work to advise schools. Nevertheless, in some recent Major Capital Works the LEA has been required to provide on-site car parking as well for parental use.

- Primary Enrichment.

In order that primary schools can respond fully to the expectations of 'Excellence and Enjoyment-a strategy for primary schools' (DfES 2003) they require suitable and sufficient accommodation. This is in order that children can enjoy discovery, solving problems, being creative in writing, art, music, developing their self-confidence as learners and maturing socially and emotionally, in a phrase 'making learning fun'. Accordingly the LEA has derived models of entitlement from BB82 (Revised). They constitute a guide to the provision of new accommodation in the context of major capital works designed to replace temporary accommodation. They also act as a measure to identify which schools may have the greatest need.

- Building Schools for the Future.

The LEA recognises that it is not a first priority for an initiative premised on high deprivation, poor examination results and buildings which are in general in poor condition. Nevertheless it is working towards an Expression of Interest by 19/12/03 and hoping to secure a place in the second or subsequent waves for at least part of its portfolio of proposals. This will be predicated on a medium to long term educational vision of school organisation that is based on the criterion of what will best enable the highest standards of educational

/Continued....

achievement. In terms of the government's criteria of free school meals and % of pupils aged 15 gaining 5+ A* to C GCSE 2003, there is a significant range in Leicestershire. There is a broad correlation between the 2 variables; free school meal eligibility at Leicestershire's 18 Upper Schools varies from 1.7% to 9.9% of the PLASC for 2003, whereas the % of GCSE passes defined as above varies between 35.53% and 73.91%.

1.5 Key factors that may impinge heavily on the strategy to increase school standards.

Education Standards.

At all Key Stages Leicestershire's education standards are above the national average. Nevertheless, there are considerable variations within this overall pattern across the County. For example, in terms of the percentage of pupils aged 15 gaining 5+ GCSEs in 2003, there is a geographical range of between 35.53% to 73.91%. This picture of differential achievement does tend to reflect socio-economic indices but nevertheless the County Council is determined to target underachievement and raise standards. For example it has supported the development of 2 Improvement areas in the County and the initial phases of the KS4 Capital strategy for raising standards of pupil attainment in Design Technology have been targeted at these areas.

Deprivation.

The County Council has a limited number of wards that have a high incidence of urban deprivation. They are to be found in Loughborough and Coalville, and both have been targeted for Early Years provision in partnership with Sure Start and NNI. The County Council has brought together diverse forms of funding and joined these up to enable what promise to be exciting catalysts for their areas. The County Council is also aware of rural deprivation, measured in terms of a lack of access to services. With the support of NOF3 and other funding agencies the County Council is working to develop a sports complex at a primary school in the Vale of Belvoir which will act as a pilot for possible replication in future. The new facilities will not only provide sports facilities for the primary school and other primary schools in the area, but also enable the High and Upper Schools that serve this area to hold lead sessions on PE and movement and ease cross phase transition. They will also provide a village hall facility for the community.

Urban Regeneration.

This is no longer a major theme in the Leicestershire economy and is unlikely to impact on school planning.

Population Changes.

Leicestershire will not experience the major changes that neighbouring authorities such as Northamptonshire are to experience as a consequence of the planned growth of sustainable communities. Nevertheless it is likely that there will be continued growth if the trend in 1991/2001 census data

/Continued.....

continues. From 1991 to 2001 the population of Leicestershire County grew by 6% (37,000) with the greatest increases in Loughborough (+4,100), Market Harborough (+2,800), Oadby (+2,500) and Broughton Astley (+2,100). Harborough District had the largest population increase from 1991-2001, 8,900 (a 13% increase). Inward migration to the County is the largest factor in this growth rather than natural increase.

Notwithstanding the pattern of limited growth between 1991 and 2001, significant changes in schools rolls are not likely to be a major local factor in Leicestershire for the period 2003-2008. Primary school rolls could fall by 6% between 2003-2007 if all current and expected housing gains do not materialise. If they do however, then the fall in primary rolls is likely to be of the order of c1%. Secondary School rolls are expected to fall by c2% between 2003-2008 if all of the current and expected housing gains do not materialise. If they do then a fall of c.1% is expected. Nevertheless, there will be areas of growth as a consequence of housing gain, although the increased emphasis on Brownfield development is likely to restrict their scale and occurrence. Wherever possible the LEA will continue to press for S106 agreements to cover the cost of additional school places for as many of these as can be negotiated.

Other Key Local Factors

The most significant factor that may impinge on the strategy to deliver increased standards across as many schools as possible is the need to:

- Replace 5 High Schools in the LEA within the next 4 years at an estimated cost of £50M. These are Intergrid Schools and their current condition and the urgency for replacement is well known to the DfES Territorial Architect for Leicestershire. One of these High Schools may seek aided status and work with the Church of England/DfES to secure replacement through PfCS. None of these schools would qualify for early consideration in the BSF initiative in terms of indices of deprivation. To maintain them to the standard required pending their replacement is a significant opportunity cost. In 2003/04 alone the estimated repair cost for these five schools is £600,000.
- Replace a rapidly failing fleet of mobile classrooms. We know from our COPROP (Chief Property Officers Representative Group) comparators that Leicestershire has a disproportionately high number of such buildings and the absolute total is some 549 classrooms in temporary accommodation. C70 of these buildings have had to be propped to minimise the risk of the roof collapsing. These buildings require replacement as well at an estimated cost of c£3.5M if replaced with new temporary accommodation or significantly more if replaced by permanent and/or temporary accommodation.

These two factors, although in sympathy with the AMPS philosophy of placing funding where need is greatest, are likely to exercise considerable constraints on the LEA to undertake other priority work to increase standards of attainment.

2. Strategic priorities of the LEA in terms of capital investment in schools to raise standards of achievement.

2.1 Building Schools for the Future-transforming secondary education through the refurbishment/replacement of secondary schools.

The LEA has noted that this initiative is focused on transforming secondary education rather than simply replacing/improving buildings. It is also aware that proposals need to be coherent with the provision of special education/pupil support provision. The County Council has anticipated this with its policy on Area Special Schools and Pupil Referral Units described in section 1.4 above. The creation of additional area Special schools will need to form part of the BSF proposal.

In preparation for the submission of an Expression of Interest to the DfES by the 19th December 2003 it is proposed to:

- Identify 4 areas of the County that will be geographically coherent and sufficiently large to generate an individual funding package between £50M and £150M per area.
- Identify the scale and scope of the works required at each secondary/special school, which will vary from rebuilding to very little being needed.
- Work on the assumption that in advance of each geographical project there will be a consultation exercise to help to decide on the options for rebuilding/remodelling/reorganisation. Secondly, that organisational review will need to be undertaken 2 years before the date by which actual building works are to commence.
- Consult before the 19/12/03 with head teachers and chairs of governing bodies of secondary and special schools in order to inform an Expression of Interest to the DfES.

The implication of the need to complete the agreed priority of intergrid replacement and area special school development is that there will be few other major capital projects until BSF allocations are received.

2.2 Primary, Special schools and Secondary schools other than the Intergrid High Schools - ensuring that their needs are not neglected as a consequence of BSF.

Section 2.1 above has made it clear that Special schools will be included within the remit of the BSF initiative in the interests of providing a coherent service through a policy of Area Special Schools. Most of the Leicestershire's Special Schools do not have sufficient or suitable accommodation. They are also in poor condition and not all are in the most appropriate locations. The degree to which the LEA will be able to develop primary school facilities should BSF focus attention elsewhere, will depend on whether or not the special circumstances relating to the need to replace the Intergrid High Schools have been resolved. It is likely to be the case for at least the next 4 years that the LEA funded replacement of

/Continued....

temporary classrooms with permanent accommodation, in schools, will cease. This has been a popular priority, partly because Leicestershire has a significant number of temporary buildings, and partly because of the learning gains head teachers have identified once mobiles have been replaced. In the meantime primary and secondary schools will need to manage with their increasing DFC allocations and limited help from the LEA for urgent matters drawn from a residual Minor Works Programme.

There has been substantial progress made in the removal of temporary accommodation in Leicestershire as a consequence of the County Council's capital programmes in the period 2001-2004.

- In March 2001 Leicestershire had 549 (11.1%) of its total classrooms (4953) in the form of temporary accommodation - 3.7% (182 classrooms) in secondary schools and 7.4% (367 classrooms) in primary schools.
- By March 2004 it is expected that following a programme of replacement of temporary accommodation the percentage of all classrooms in temporary accommodation will have fallen to 9.3% with a reduction of 30 temporary classrooms in the secondary sector and 60 in the primary.

In accordance with the Local Policy Statement priority has been accorded, in general, to those schools with the highest number of pupils in temporary accommodation. Exceptions have been made where all of a school's mobiles are in terminal condition and/or external funding (e.g. S106 funding) helps to enable total replacement and additional provision.

On the assumption that the LEA has only sufficient resources in 2004-2007 for the replacement of the Intergrid High Schools, the implementation of Area Special Schools and a Minor Works programme, it will continue to progress Asset Management Planning and prioritisation for the balance of schools. It will also endeavour to make the process of prioritisation as transparent as possible, which is an Ofsted Action Point for the LEA. While this document does this to a considerable extent an annual list will be produced for all schools showing all projects in the capital programme for the new school year and major projects for the following two years. This will include block sums where priority projects are still being agreed. It will also include a list of schools with temporary buildings and their relative priority for replacement as this is of keen interest to many headteachers and governing bodies. All of these documents will be sent to individual schools and placed on the Education web-site following consultation/liaison with the AMPs Reference Group.

2.3 Capital consequences of major LEA Plans.

The LEA needs to analyse each of the strategic education plans that it is responsible for in terms of their capital consequences. These plans include:

The Asset Management Plan (AMP)

This refers to:

- 1). a dynamic process for identifying priorities based on the Condition, Suitability and Sufficiency of pupil places. These parameters are surveyed at regular intervals to ensure that the data is accurate and up to date.
- 2). The priorities identified which inform the weighting given to other priorities generated by other LEA plans/government priorities.

The School Organisation Plan (SCP) 2003-2008.

This is an annually revised statement of:

- Demographic information relevant to the supply of school places.
- Statement of policies and principles relevant to the provision of school places.
- Information on plans to change school organisation.
- Conclusions drawn from the demographic data about the need to add or remove school places in particular areas of Leicestershire.

The Education Development Plan (EDP 2002-2007)

This sets out the LEA's performance targets and improvement programme for raising standards in schools. The EDP is an important source for generating LEA priorities for capital investment in schools.

Special Educational Needs Plan (SEN)

A key part of this plan is to draw up proposals for the next steps in developing Area Special Schools, setting out their role, purpose and geographic areas for special provision. This is a key Action Point emerging from the Ofsted Inspection of the LEA.

Schools Access Initiative (SAI)

This plan details the LEA's proposals to increase access to schools, for all users, in line with the requirements of the SEN and Disability Act 2001. The LEA's strategy is predicated on creating a family of cross phase schools in each area as well as adapting particular schools if there are specific pupil requirements.

In the context of the previous sections the major priorities of the County Council for capital investment in schools 2004-2007, other than the replacement of the Intergrid High Schools and Area Special Schools, are likely to be as follows. The plan to which they refer is shown in brackets).

- Meeting urgent (category D) condition items on the basis of priorities determined by the Condition Survey and an approved methodology. (AMP).
- Meeting commitments in 2004/2005 from projects starting in earlier years. (AMP).
- To fund a Minor Works Programme to meet urgent small scale needs, including basic need (mobile transfers), health and safety, security, and Ofsted related work. (SOP, EDP).
- To fund the second year of the KS4 Design and Technology initiative (EDP).
- To improve the accessibility of school buildings as required. (SEN, SAI).

There are other significant priorities in addition to these but which are funded by external agencies and for which the funding is hypothecated. These are significant not just in financial terms but also because of their potential impact on Government priorities. Their full range is shown in Appendix B that shows capital funding sources available to the LEA. They include an Early Years Centre at Loughborough and Coalville, at a capital cost of some £2M in total. In addition the LEA will be delivering a NOF3 sport capital programme of c£3.5M.

Commentary on LEA priorities.

- The LEA will need to dedicate a significant proportion of NDS Condition funding to meeting the high maintenance costs of the Intergrid High Schools pending their replacement. The balance of this will be programmed according to the methodology approved by the AMPs Reference Group.
- A Minor Capital Works Programme of c£1M is essential to meet the needs identified above. An analysis of the School Organisation Plan indicates that in general there is unlikely to be major basic need in either the primary or the secondary sectors for the next 5 years. The incidence of surplus places is likely to be significantly higher in the primary sector (c.9%) than the secondary (c.2%), and some secondary schools are likely to come under pressure for places for a number of years. There are also exceptional cases in the primary phase, particularly in Market Harborough and Coalville/Hugglescote area, where there is likely to be pressure on places. It is likely that this can be contained with the use of temporary classrooms funded from this budget and/or from S106 Agreements where it has been possible to conclude them.

- The Minor Works Budget will also help to progress work where schools are prepared to work in a funding partnership with the LEA. This has been successful by precedent and served to remove barriers to learning in terms of infrastructure (Health and Safety, Security) and schools judged by Ofsted to have serious weaknesses or to require special measures. Turning around such situations is a high priority in the Education Development Plan of the LEA.
- The KS4 strategy to raise standards of attainment in Design Technology is a key component of the LEA's EDP. It is a 3-year initiative proposed to be funded at £0.5M per year and 2004-2005 will be the second year of this initiative. As explained above, this initiative has been targeted at 2 Improvement Zones initially, Coalville and Hinckley, although it will be possible to tackle other priorities in 2004-2005.
- The importance of the access initiative and the policy context has already been explained in Section 1.4.

The priorities for capital expenditure outlined above amount to a capital programme that the LEA considers is affordable within the formulaic allocations that it understands it is likely to acquire from the DfES. Given the constraints outlined in Section 1.5 it is not possible to extend the scope of the capital programme to the extent that has been the case in the last 2 years.

2.4 Capital consequences of national initiatives.

The scope of national initiatives and the LEA's response to them, by example, has been discussed in Section 1.4. Notwithstanding the considerable capital funding pressures on the LEA for the next 4 years it should still be possible to deliver some of these through the strategic use of the LEA's Minor Works budget in partnership with Devolved Formula Capital which is expected to double by 2005-2006. Some such as Inclusion will be funded mainly by the hypothecated SAI, Staff Workplaces by focusing on the Teaching Environments for the Future pilot and committing the balance of DfES grant from the previous years' allocation.

3.0 Making the best use of available capital funds.

3.1 Joining up funding streams to achieve strategic priorities.

Appendix B indicates the diversity of funding sources available to the LEA. The challenge is not simply to join up funding streams directed to the LEA but also to combine them with external funding from other agencies. This requires more than accounting techniques and the diligence and industry to convince potential partners that co-operation is mutually beneficial.

Good examples of joining up funding streams to achieve strategic priorities are the LEA's work in the context of Basic Need and Early Years provision. In the case of the former, S106 funds, LEA funds, Seed Challenge and individual school's DFC allocations, have been used not only to provide additional pupil places but to address long-standing deficiencies in the school's accommodation and remove temporary accommodation. Therefore by thinking strategically the LEA has radically improved the condition, suitability and sufficiency of a whole school in order to enable improved standards of attainment.

In terms of Early Years provision, targeted at areas of deprivation, this has required liaison with fund holders such as NOF, National Nurseries Initiative, Sure Start, the National Children's Homes and Sport England. As a consequence holistic solutions to raising standards of attainment have been identified in the form of integrated family/child centres when the alternative could have been disparate provision.

3.2. Managing the risk should strategic priorities not be achieved on the expected time scale.

The major risks facing the LEA in 2004-2007 are those that could arise from a failure to secure the funding necessary to replace the Intergrid High Schools. This could result in an exponential increase in the costs of maintenance of these schools that would have to be met from existing resources at significant opportunity cost. The other major issue is the cost of replacing propped temporary classrooms. While propping renders them safe it also makes them less suitable for teaching purposes. The cost of their replacement would need to await the resolution of the Intergrid replacement.

3.3 Basic principles underlying capital investment.

Leicestershire Schools play an important part in maintaining and updating premises data that is fundamental to the continued utility of the AMP process. They do realise that there is a mutual interest in doing this given that the data set drives their Net Capacity calculation as well as generating condition and suitability surveys that are used by the LEA and DfES to allocate resources.

Section 1.3 indicated that Leicestershire has a proven track record in maintaining its school buildings. For example, the 1999/2000 CO-PROP (CORPORATE PROPERTY OFFICERS' GROUP) benchmark analysis of Leicestershire and 11 other authorities, indicated that the maintenance back log in Leicestershire was 9% of Net Asset Value compared to a group average of 17%. Priorities for maintenance are generated by a formulaic methodology approved by the AMP Reference Group. There is a Maintenance Reference Group on which headteachers, registrars/bursars and premises officers are represented. On an annual basis those schools who chose to buy-back into the LEA's School Maintenance Pool are given written feedback which details current and planned programmes on an individual school basis. The process and data are transparent and each school is aware of the resources allocated to others.

Ofsted inspected the LEA in 2003, and in the context of many positive statements about Property Services and the AMP process, indicated that further work was required. In particular on identifying a systematic process for capturing information about all projects (LEA and School funded), and a method for sharing the information with schools. This refers to the need to ensure that CAD plans, which are the basis of the AMP process, are up to date and accurate. A number of operational issues have emerged from this analysis.

- The need to continue with regular visits to schools in order to assess the quality and accuracy of the information, in the context of discussing with schools their school development plan and asset management plan. These visits are likely to be on a 3-year cycle.
- To seek to resolve the main blockage, which is the inability of the current administrative system to process change more quickly. This is a function of resources rather than anything else.
- To work towards a computerised on line facility for communicating with schools, which will not only afford them access to school specific premises data and be able to easily communicate change to the LEA, but also to access an informative web site on capital strategy. This is unlikely to be fully available until 2006-2007 when all schools will be on broadband, and the LEA will have acquired sufficient resources to write the dedicated software.

Schools are expected to be responsible tenants and to discharge all of their urgent 'tenant' responsibilities identified in Condition and Suitability surveys. As the Ofsted Inspection Report noted, for delegated 'landlord' maintenance the majority of schools, 219 out of 288, buy-back landlord maintenance from the County Council. Devolved Formula Capital (DFC) is rigorously managed by the LEA to ensure that it is appropriately targeted in line with DfES expectations.

Schools are also expected, and indeed want to, improve their learning environments. In partnership with the LEA they are encouraged to use their DFC to enrich learning opportunities through a process of analysis of need and enabling School Development Plans.

Option Appraisal.

The LEA undertakes an option appraisal of all major schemes/projects with a focus on whole life costs and opportunity costs. The most recent example of this is the decision to build a new 210-place primary school at Ravenstone in NW Leicestershire to replace two 100-place schools. This process needs to be developed and to be informed by feedback from completed projects and those in hand.

Design Standards.

The LEA is determined to raise the standards of design of new and extended school buildings and to work towards sustainable construction processes, materials and design. BB95 'Schools for the Future' and the revised BB82 on area guidelines are seminal documents for the LEA as will be the DfES templates for new schools in the context of BSF. We will also seek to learn from other LEAs as well as good practice in this LEA. A new 210-place primary school proposed for Ravenstone has been designed in this spirit and benefited from feedback from CABA at the design stage.

At the conclusion of every major work the Education Department conducts an evaluation of the project with the head teacher. Emphasis is placed on whether the building is fit for purpose in terms of raising attainment, as well as the efficiency of the constructional process. This information is then fed back to Property Services in order that we can learn about what works. We intend to move on from this and in consultation with the AMPS Reference Group identify an entitlement statement for all schools involved in a major work, thereby establishing a datum point to monitor against.

3.4 Procurement and project delivery in line with best value.

This Authority's procurement strategy for construction works has changed considerably in the last 5 years. Then all works were undertaken by the use of conventional, lowest price driven procedures. All contracts were let using JCT forms of contract, fully designed, with the larger schemes quantified and the smaller not. They were tendered competitively and let to the lowest conforming bids.

Through review, and in striving to achieve improvements in service delivery, changes were made. Contractor 'standing lists' were radically altered to a core of companies whose track record had proven to be of best value, and the Authority made a strong move towards the use of Design and Build as a form of procurement. These schemes were tendered against a set of performance criteria and awarded on lowest compliant bid. We then developed hybrids of this procurement route by the paying contractors to enter design competitions. Their designs were submitted against a brief, and incorporated their management fee. This produced a variety of design solutions/options and following appointment scheme costs were agreed using an 'open book' technique.

Approximately 3 years ago, in an effort to comply with and advance the requirements of central government initiatives ('The Latham Report', 'Construction Task Force' (Egan) and the subsequent 'Rethinking Construction') we moved towards partnered working. The aims were to develop long term relationships with contractors, to move away from adversarial techniques, and to strive to deliver BVFM together with setting targets for and measuring continuous improvement. We do not however, see one method of procurement as a panacea, and intend to maintain a balanced pragmatic approach, judging each specific project on its requirements.

We are, however, committed to the principle of BVFM through a process of forming alliances for large elements of our programme. We have 2 current agreements:

- A strategic alliance with a contractor and designer for the delivery of all of our Access and Fire Precautions work. (C£2M in value).
- A strategic alliance with a contractor for designing and constructing new build schemes within a defined geographical area. These major schemes are to be delivered in a 3-year period with an option to extend (approx. £3.5M in value).

We are currently in the process of appointing a further partner(s) for the construction of 2 or 4 replacement high schools. These are planned as 3 or 4-year agreements with an option to extend. Final appointment is targeted for February 2004 with works commencing late in the same year. The contract value will be between £20M to £40M.

All 3 of the above agreements identify and require the delivery of recognised BVFM techniques.

Initial appointments were made by the application of a price (27%) quality (73%) assessment. These were made following the receipt of fee bids and detailed identification of how the best value criteria would be delivered.

Agreements require:

- The full involvement of stakeholders.
- Supply chain involvement.
- Risk Management techniques.
- Value Management techniques.
- Whole Life cost decision-making.
- Continuous Improvement through target setting and measurement of cost, time, predictability, defects. Client satisfaction, health and safety, design performance, and key environmental targets. Design detail to include considerations for sustainability and environmental impact.

4.0 Timescales for the delivery of priorities for capital investment.

These are shown in Appendices C and D (not yet available) and they represent the best estimate possible. The new partnership processes of procurement that are being implemented by the County Council have the potential to improve the delivery of the planned programme and cost control.

5.0 Schools capital programme and capital funding sources.

5.1 Funding sources available to the LEA.

These are shown in Appendix A in terms of funding derived from the DfES and from other sources.

5.2 Education Capital outturn figures for 2002-2003.

The outturn figure (i.e. actual spend in year) for 2002-2003 was £14.165M compared to the total resources available which were £18M. The difference of £4M was carried forward to meet commitments from existing projects into later years. Significant parts of this carry forward were Standard Grant funding with an August deadline for expenditure rather than the end of the financial year.

5.3 Education Capital Programme; estimated figures for up to 2006-2007 non-BSF.

Details of the current Education Capital Programme for 2003-2004 and provisional programmes for 04/05, 05/06 and 06/07 are shown in Appendix B. They currently show a deficit of resources relative to need because of the pressure of the Intergrid replacement programme. They will be refined when allocations are received from the DfES in December/January 2003 and a decision reached by the County Council in February 2004.

5.4 Education Capital Programme; estimated figures for up to 2006-2007 including BSF.

This LEA does not envisage securing a place in the BSF wave commencing in 2006-2007, given that priority is likely to be accorded to LEAs with a higher incidence of deprivation and lower rates of examination success.