



Education & Skills
Funding Agency

Central Delivery: Lessons Learned from PSBP

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Planning to cover...

- Background
- Our current progress
- Our successes and challenges
- Technical Issues
- Delegated Commercial Authority
- How we manage risks and issues

Background

- In 2010, DfE launched a review of all capital investment (the Capital Review)
- The review concluded that there was a serious backlog maintenance problem and consequently an urgent need to renew school buildings in a very poor state of repair
- In 2011, we launched a privately financed programme to address the needs of those schools in the very worst condition across the country
- Procurement is being undertaken by a central body (ESFA), as recommended by the Capital Review

Background



247 construction contracts signed



195 schools open

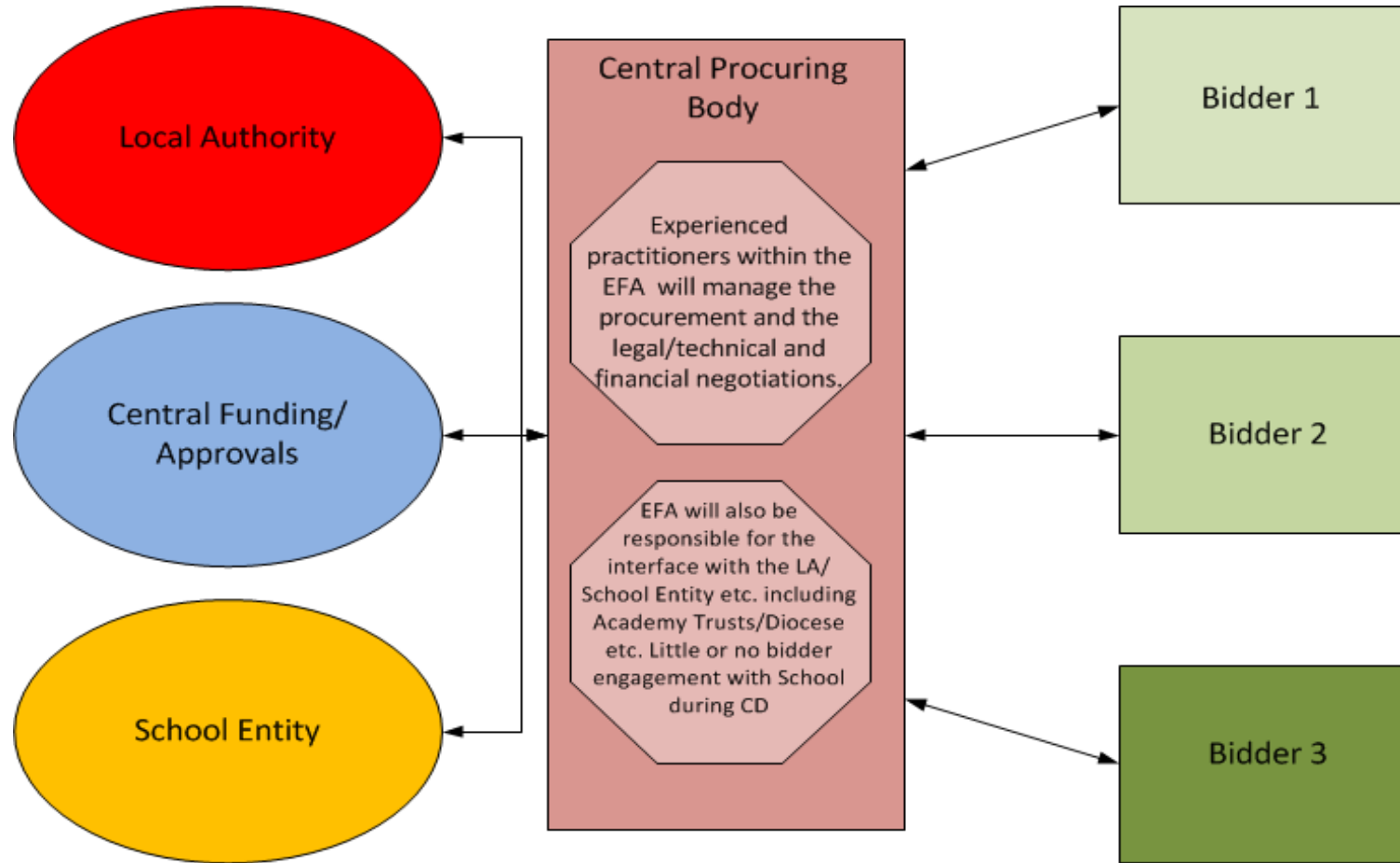


Our Successes

- In relation to the £/m², we are delivering PSBP schools for up to 35% less than BSF
- Delivery timescales are faster – 3 years to start of construction under BSF, 1 year under PSBP



Central Procurement



PSBP Phase 1 Programme Changes

- 24 May 12 - Ministerial decision to prioritise capital for 42 schools (those with the greatest condition need and all special schools in the programme)
- 10 May 13 - Ministerial decision to prioritise a further £300m capital in the spending review period to enable an early start for 27 further schools
- 27 Jun 13 - CST announced £1.3Bn additional capital enabling a total of 214 schools to be delivered using capital funding and therefore enabling handover of new buildings by end 2017 rather than end 2019

PSBP – Phase 1

- £2.4bn, launched 2011
- Meeting the condition needs of 260 schools
 - 214 through capital
 - 46 through private finance
- Central delivery by Education Funding Agency (now ESFA)
- Majority of new or refurbished school buildings to be handed over by end of 2017 (2 years earlier than originally announced)

PSBP – Phase 1

- Average project cost £9.3m
- Smallest scheme £1.42m
- Largest scheme £41m
- Approx 100 projects worth over £10m

PSBP – Phase 2

- £2Bn capital funding, launched 2014
- Meeting the condition needs of single blocks, multiple blocks or all blocks at 277 schools
- Scoping studies completed to assess scope of works and suitable procurement routes
- Central delivery by ESFA and local delivery by LAs/Trusts (approx. 20% of schools)
- Majority of new or refurbished school buildings to be handed over by end of 2021

Our Challenges

- Decision making on a large programme
- Complex site issues and use of the standard design
- Planning issues
- Staff recruitment
- Refurbishment – early schemes did not work well, introduction of new procurement model
- Market recover

Technical Items

- Feasibility - length of time vs risk management
- Some differences in approach to FOS from contractors
- FOS development fed into upcoming national framework
- Contractor 'standardised' designs (not volumetric)
- Panelised solutions used
- Unpredictability of planning
- Post occupancy evaluation
- Soft landings and simpler energy controls
- Paint!
- FOS development fed into upcoming national framework

“Commercial” and DCA

- Projects vary from £1.41m to £41m
- Adviser appointments also exceed £100,000
- For PSBP sits across a number of the workstreams:
 - Assurance, Approvals and CI
 - Procurement
 - Technical and Cost
- The Programme Director seeks confirmation from all these areas before entering a commercial arrangement

Market Recovery

- Recovery of the construction market has impacted PSBP. Over the past 2 years we have experienced:
 - a lack of interest from the contractors in new batches being released
 - delays on schemes as contractors seek additional funding through prolonged negotiations
- This has resulted in delays against our internal delivery programmes, expenditure slipping backwards and an increase in the overall cost to deliver the programme

Market Strategy

- Reviewed funding rates – small schools uplift
- Reviewed batching
- Refurbishment scope of works tool;
- Using a range of delivery mechanisms:
 - ESFA Contractors Framework
 - ESFA Regional Framework
 - Modular procurement - CCS to ESFA
 - Local Delivery... exploring other options e.g. OJEU and local delivery vehicles





NEASDEN
PRIMARY

