

Building Schools for the Future

Introduction

Building Schools for the Future (BSF) is a programme for the rebuilding or renovation of every secondary school in England over the next 10-15 years. It was launched by Tony Blair in February 2004, as the successor to the Private Finance Initiative (PFI). Under BSF, the government promised £45bn to rebuild or refurbish every secondary school and half of all primaries in England by 2020. There have been suggestions that BSF is simply the newest adaptation of the controversial PFI (private finance initiative), by which private companies pay for work on buildings, then lease them back to schools, on a contract of up to 25 years. Partnerships for Schools (PFS) says the "large majority" of new schools will be built with PFI money, though the refurbishments will be directly funded by government. The pressure for PFI is widely perceived to be coming from the Treasury.

How Does BSF Work?

The BSF programme is run by Partnership for Schools (PFS), a partnership between the government and Partnerships UK (PUK). Over 50% of PUK is owned by the private sector and many of its shareholders are companies likely to benefit from BSF. It is hard therefore to see it as an 'impartial' arbiter. The programme is being rolled out in "waves" of local authorities and the first six waves, covering 50 local authorities and 600 school remodelling projects, were announced at the end of 2004. 50% of the funding will be for new build, 35% for refurbishment and 15% for minor works. (See BSF website: www.bsf.gov.uk/projects for a list of "waves" and their timings.)

The government's preferred delivery vehicle for a local authority's BSF project is a Local Education Partnership (LEP). The LEP is a joint venture company controlled by the consortium of private contractors which is awarded the contract. Its composition, stipulated by government, is: private contractor(s) 80%, PFS 10%, the LA 10%. LAs have the legal powers to decide precisely how they want the BSF programme to be used. They can restrict LEPs to building new and improving existing secondary schools or they can allow the LEP to expand across the range of council services, such as school meals, maintenance, caretaking and cleaning services.

But BSF is not just about school buildings, it is a lever to transform secondary education as a whole. In July 2006 the DfES issued 'Strategy for Change: Guidance for Local Authorities in BSF Wave 4'. Under this, to get government approval for their BSF bids, local authorities have to submit plans addressing every aspect of secondary schooling, including 14-19 provision, extended schools and community provision, Children's Trusts, the whole Every Child Matters agenda and plans for Academies and Trust schools.

Alternatives

Manchester has set up a Local Authority Partnership (LAP) which will enable it to maintain control and ownership of the design and build process. It is also not using PFI but conventional funding. However it is proposing 5 Academies which will potentially fill the capital funding gap left by PFI.

Greenwich has secured funding to test a "variant procurement model". The LA has appointed a Strategic Partnering

Organisation which will subsequently procure contracts for building and managing schools in partnership with them. Greenwich will retain ownership of school buildings but there will still be a tendering process for services which could end up being privately run.

Concern about BSF

In January 2007, the press published stories of growing disquiet over BSF. Tim Byles, the chief executive of PFS admitted plans were "overambitious and not deliverable". The first targets were missed amid fears that the construction industry would not be able to deliver the new schools. 100 schools were planned for the end of 2007 and only 14 are now expected. It is said that some LAs do not have the capacity to manage the complex multi-million pound construction arrangements and BSF was in such chaos that construction firms have pulled out. The Department for Education and Skills now says it is streamlining processes. By May 2007, funding for BSF had been released to only 8 authorities.

Also in January, Barry Sheerman, chair of the parliamentary Education Select Committee, voiced doubts about whether every school in the country is in need of refurbishment or whether the money could be better spent elsewhere. He added: "We've always said education policy would be evidence based ... is there evidence that a better, more modern building is the best way to spend the money? There are some people who quietly say BSF is very good idea, but is a 15-year timescale realistic?"

In June 2005, the TES reported that many authorities with schools needing huge repairs were not included in early waves of BSF and could not therefore get capital for urgent work.

What CASE thinks:

CASE believes that school buildings should be publicly funded and that far greater care should be taken before a programme of mass rebuilding is undertaken. The programme should prioritise schools in greatest need and should not be linked to an agenda of developing Academies or Trust schools. The priority must be the best design and build of schools that meets the needs of children and teachers. Our major concerns include:

Use of PFI funding (See CASE Briefing)

Under BSF, 50% of the funding which is for new buildings comes in the form of PFI credits. The arguments against PFI are well-known: it is more expensive than conventional funding, locks local authorities into decades of repayments and removes local accountability as school buildings and contracts are handed to the private sector. Because maintenance and management of the premises are contracted to the private sector schools can experience enormous difficulty getting work repairs done or using school building as flexibly as they want. There has also been criticism of the poor and inadequate design and build of some schools and schools will lose much of the control they currently have in adapting and upgrading premises.



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Privatisation of Council services

BSF and the LEPs are a vehicle for the government's policy that LAs should commission services from external providers, not provide them themselves. The LEP won't simply build and refurbish the schools: *'in general the LEP will...maintain the new and remodelled schools – including facilities management and ICT – under a long-term partnership agreement'* (DfES BSF website). It gives the private sector further outsourcing opportunities, first of all expanding beyond the BSF schools to all the local authority's schools, appealing to economies of scale. The LEP contract is for a minimum of 10 years with an option on a further 5, during which the consortium has 'exclusivity': in other words, the right to first refusal for subsequent projects in the authority, whether BSF-funded or not (subject to Value for Money).

The government states that policy decisions will continue to be the responsibility of the LA. But once the LEP is in place, the danger is that it imposes its own logic – the logic of a powerful business consortium (often with more financial and human resources than the local authority) which is in situ, with a privileged position for further outsourcing opportunities with regard to economies of scale and local knowledge and connections. In turn, this logic will set the parameters for the subsequent strategic decision-making of the LA. (It is significant that the government stipulates that LAs have to make a financial investment in their LEPs in order to align the economic interests of the council and the private sector.) LEPs are also likely to be more accountable to their private sector partners with their 80% stake than to the LA.

Pressure on Local Authorities to comply

'Strategy for Change' puts pressure on all LAs to comply with the government across all aspects of education policy including the Education Act 2006 which promotes setting up of trust schools. These additional areas of education will present even more opportunities for outsourcing through the LEP to the private sector.

Part of the pressure is for the implementation of the 14-19 agenda with new 'vocational' pathways leading to vocational diplomas, alongside the traditional 'academic' route, and delivered by local clusters of schools and other providers. The '14-19 Education and Skills Implementation Plan' (DfES 2005) says BSF plans *'will need specifically to demonstrate how they will enable the 14-19 entitlement to be delivered'*. Critics say this policy is employer-driven, geared to local labour markets and will force young people into vocational routes at 14 depriving mainly working class students of a broad and balanced comprehensive education till age 16. CASE restates its belief in a common broad, balanced and critical education for all students up to 16, which includes the 'world of work' but prioritises the educational needs and future of young people.

Academies (See CASE Briefing)

'Strategy for Change' states that *'Academies – and new or reformed schools including Academy features – should form a key part of BSF plans'*. and *'Plans containing bold innovation in the use of Academies...will be more likely to raise standards, and therefore more likely to progress quickly through project development to the final approval of funding'*.

Whilst the DfES has recently denied that BSF money is dependent on an Academy there have been a number of media reports of actual coercion and LAs including

Academies to secure earlier funding. CASE reaffirms its opposition to Academies.

What you can do

Campaign against LEP-led privatisation

- Find out what is being planned or already under way, particularly in your area. Check the BSF website to see which "wave" your LA is in.
- Look at the LA's BSF 'Strategic Business Case' document – in most cases on its website.
- Build a campaign with parents, unions, students and community organisations. Public sector jobs, council run services, local accountability and control are all at stake.
- Insist on full consultation with parents, students, unions and community organisations, with representation on key bodies. If necessary, use the Freedom of Information Act to obtain information.
- Local authorities have a choice. Demand a LEP that does not include other services (such as maintenance, school meals etc.) or insist that LAs look at models which avoid a LEP and keep more local accountability (e.g. Manchester or Greenwich) Resist the argument that a LEP with additional services will be a more attractive proposition to the private sector.
- Resist the inclusion of Academies and Trust schools in the BSF proposals
- Campaign for comprehensive education which remains in the control of local authorities and local people
- Contact councillors and MPs to demand that schools are rebuilt using public money and not handed to private sector control under long contracts i.e. no 'LEP' or PFI at all.

Further Information

- The Anti-Academies Alliance www.antiacademies.org.uk.
- '14-19 Education and Skills Implementation Plan' (DfES 2005) www.dfes.gov.uk
- 'Strategy for Change: Guidance for Local Authorities' www.bsf.gov.uk
- Unison Campaign Information www.unison.org.uk
- Greenwich "variant" www.greenwich.gov.uk

Feedback on this document will be gratefully received. You can contact CASE by post c/o 98 Erlanger Road, London, SE14 5TH, by phone on 07932 149 942, or by email at contact@campaignforstateeducation.org.uk

Our website is: www.campaignforstateeducation.org.uk

CASE has been campaigning on education issues for over 40 years and relies entirely on membership fees to fund its activities.