



Executive Director/Director Non-Key Executive Decision Report

Author/Lead Officer of Report: Jim Watkin

Tel: 54015

Report to: *John Doyle*

Date of Decision: *21 February 2017*

Subject: *Meadowhead School PFI – approval for the Council to enter into Deeds of Variation to the Novated GBA with Meadowhead School Academy Trust and to the PFI Contract with Academy Services (Sheffield) Limited, the PFI Contractor, for the construction and operation of a VI Form Extension at Meadowhead School*

Which Cabinet Member Portfolio does this relate to? *Children, Young People & Families*

Which Scrutiny and Policy Development Committee does this relate to? *Children, Young People & Families*

Has an Equality Impact Assessment (EIA) been undertaken? Yes No

If YES, what EIA reference number has it been given? *(Insert reference number)*

Does the report contain confidential or exempt information? Yes No

If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-

“The (report/appendix) is not for publication because it contains exempt information under Paragraph (insert relevant paragraph number) of Schedule 12A of the Local Government Act 1972 (as amended).”

Purpose of Report:

This report requests approval for the Council to enter into Deeds of Variation to the Novated GBA with Meadowhead School Academy Trust and to the PFI Contract with Academy Services (Sheffield) Limited , the PFI Contractor, for the construction and operation of a VI Form Extension at Meadowhead School.

The draft Deed of Variation to the Novated GBA provides, in effect, for a pass through of cost and liability from the Council to the Academy as regards the Council's obligations to the PFI Contractor concerning the VI Form Extension facility, under the terms of the Deed of Variation to the PFI Contract.

Recommendations:

That approval is given for the Council to enter into Deeds of Variation to the Novated GBA and to the PFI Contract on the terms outlined in this Report for the planning, construction, operation and ongoing maintenance of a VI Form Extension facility at Meadowhead School.

Background Papers:

(Insert details of any background papers used in the compilation of the report.)

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Liz Gough</i>
	Legal: <i>Lawrence Gould</i>
	Equalities: <i>Bashir Khan</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	Lead Officer Name: <i>John Doyle</i>
	Job Title: <i>Director of Business Strategy, CYPF</i>
Date: <i>21 February 2017</i>	

1. PROPOSAL

(Explain the proposal, current position and need for change, including any evidence considered, and indicate whether this is something the Council is legally required to do, or whether it is something it is choosing to do)

- 1.1 Meadowhead School Academy Trust wishes to procure and construct an extension to the school for the purposes of providing VI Form accommodation on site. This aim is supported in turn by the Council. Meadowhead school was reconstructed through the Private Finance Initiative under a Grouped Schools PFI Contract of 29th April 2005.

Responsibility for funding for the VI Form Extension facility and its construction, operation and maintenance has been accepted by Meadowhead School Academy Trust. However, as the Deed of Variation to the existing PFI Contract for the construction and operation of the VI Form Extension facility is between the Council and Academy Services (Sheffield) Limited, the PFI Contractor, it is necessary for the Council to pass down the relevant obligations and liabilities to the Academy under the terms of the Deed of Variation to the Novated GBA.

Formal amendments to all the relevant legal documentation have been negotiated with all parties and draft deeds of variation agreed.

This report requests approval from the Director of Business Strategy, CYPF *for the Council to enter into Deeds of Variation to the Novated GBA and to the PFI Contract on the terms outlined in this Report for the construction and operation of a VI Form Extension facility at Meadowhead School* in order to allow the project to proceed.

2. HOW DOES THIS DECISION CONTRIBUTE?

(Explain how this proposal will contribute to the ambitions within the Corporate Plan and what it will mean for people who live, work, learn in or visit the City. For example, does it increase or reduce inequalities and is the decision inclusive? Does it have an impact on climate change? Does it improve the customer experience? Is there an economic impact?)

- 2.1 The proposal will contribute towards achieving the Council's priorities in its Corporate Plan by positively targeting the following key indicators:

The creation of a new VI Form extension by Meadowhead School Academy Trust will actively support the Council's priority to build Thriving Neighbourhoods and Communities by positively enhancing and expanding the city's range, and overall quality of, good and outstanding schools. As a result, it can be anticipated that the city will also continue to make progress on the ongoing narrowing of the gap in outcomes across the city. Additionally, it is expected that the proposed VI Form will also contribute towards the goal of Tackling Inequalities across the city

through supporting a greater offer to all teenagers and young adults and further access to good quality education, employment and training opportunities.

3. HAS THERE BEEN ANY CONSULTATION?

(Refer to the Consultation Principles and Involvement Guide. Indicate whether the Council is required to consult on the proposal, and provide details of any consultation activities undertaken and their outcomes.)

- 3.1 N/A – Meadowhead School Academy Trust are the appropriate body for the planning, construction, operation and maintenance of the proposed VI Form extension.

The Council has NO requirement to consult on the proposal.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 There will be no negative impact on any group from the signing of documentation to allow the VI Form extension to proceed. Any impacts should be entirely positive as this will provide better accommodation for the education of VI Form pupils admitted to Meadowhead School. The School complies with all relevant legislation and codes of practice in their admissions processes.

4.2 Financial and Commercial Implications

- 4.2.1 Responsibility for funding for the VI Form Extension facility and its construction, operation and maintenance has been accepted by Meadowhead School Academy Trust who are providing the capital for the project and funding the operation and maintenance of the facility thereafter. As such, there are NO financial implications falling to the council.

4.2.2 Similarly, the School will manage the procurement and award of contract and so NO commercial obligations fall to the Council.

4.3 Legal Implications

- 4.3.1 The Council is under a duty to ensure that there are sufficient quality school places for all children living within Sheffield, regardless of whether they attend an Academy and which phase of education they are in. This duty sits alongside self-determination for non-maintained schools and therefore the role of the Council is to work in partnership with local education providers. The recommendations in this report support this

approach.

Officers are mindful of the importance of putting into place appropriate arrangements to secure the desired outcomes, ensure compliance with legal requirements and protect the Council's position.

Formal amendments to the Novated GBA and PFI Contract have been negotiated with all parties and draft Deeds of Variation agreed to facilitate the construction and operation of the VI Form Extension facility. As the Deed of Variation to the existing PFI Contract is between the Council and the PFI Contractor, it is necessary for the Council, in effect, to pass down the relevant obligations and liabilities in it to the Academy Trust under the terms of the Deed of Variation to the Novated GBA

The Deeds of Variation will provide for the construction, maintenance and operation of the VI Form Extension Facility to standards which accord with the Academy Trust's requirements.

4.4 Other Implications

(Refer to the Executive decision making guidance and provide details of all relevant implications, e.g. HR, property, public health).

4.4.1 There are NO further implications to this proposal.

5. **ALTERNATIVE OPTIONS CONSIDERED**

(Outline any alternative options which were considered but rejected in the course of developing the proposal.)

5.1 The only alternative options would have been a) to choose not to work in partnership with the Academy Trust through this expansion, or b) by choosing to work with the Academy Trust to accept some or all of the risks and financial liabilities involved in the construction. Whilst the extension is therefore supported both in principle and by the Council entering into the Deeds of Novation to the PFI Contract and Novated GBA, the funding implications of procuring, constructing and maintaining the VI Form extension mean that this support must be at no risk to the Council. Hence all capital and other liabilities are to be passed down to the Meadowhead School Academy Trust through these legal agreements.

6. **REASONS FOR RECOMMENDATIONS**

(Explain why this is the preferred option and outline the intended outcomes.)

6.1 It is recommended that approval is given for the Council to enter into Deeds of Variation to the Novated GBA and to the PFI Contract on the terms outlined in this Report for the construction and operation of a VI Form Extension facility at Meadowhead School.

6.2 This will be to the benefit of current and future generations of VI Form students at the School and, ultimately lead to better outcomes for the City in terms of achievement and attainment.