

## CABINET

20 June 2017

<b>Title:</b> Review of School Places and Capital Investment - Update June 2017									
<b>Report of the Cabinet Member for Educational Attainment and School Improvement</b>									
<b>Open Report</b>	<b>For Decision</b>								
<b>Wards Affected:</b> All Wards	<b>Key Decision:</b> Yes								
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<b>Accountable Director:</b> Jane Hargreaves, Commissioning Director Education									
<b>Accountable Strategic Director:</b> Anne Bristow, Deputy Chief Executive and Strategic Director for Service Development & Integration									
<b>Summary</b>									
<p>This report provides an update on the latest information regarding forecast demand for education places across the Borough's schools, an update on some specific projects, and advice about an increase of the Capital Basic Need Grant from the Education and Skills Funding Agency (ESFA) of £27,436,792 to be made available for the financial year 2019/20.</p>									
<ul style="list-style-type: none"><li>• Additional school places will be made available from September 2017 at the following schools:<ul style="list-style-type: none"><li>○ Primary - Eastbrook and Riverside</li><li>○ Secondary – Riverside and Barking Abbey</li></ul></li> <li>• New funding has been announced to support investment in the Borough's schools for 2017/18 which includes:<ul style="list-style-type: none"><li>○ £570,328 Devolved Capital for School budgets – maintained LA Schools</li><li>○ £96,373 Devolved Capital for School budgets – maintained VA Schools</li><li>○ £3,966,761 Maintenance and Modernisation Funding - maintained LA Schools</li><li>○ £641,301 Maintenance and Modernisation Funding - maintained VA Schools.</li></ul></li> <li>• New funding has been identified by the ESFA to support SEND pupils 2018 to 2021 as follows.<table data-bbox="319 1792 1085 1948" style="margin-left: 40px;"><tr><td>○ 2018/19</td><td>£945,716</td></tr><tr><td>○ 2019/20</td><td>£945,716</td></tr><tr><td>○ 2020/21</td><td>£945,716</td></tr><tr><td><b>Total</b></td><td><b>£2,837,147</b></td></tr></table></li></ul>		○ 2018/19	£945,716	○ 2019/20	£945,716	○ 2020/21	£945,716	<b>Total</b>	<b>£2,837,147</b>
○ 2018/19	£945,716								
○ 2019/20	£945,716								
○ 2020/21	£945,716								
<b>Total</b>	<b>£2,837,147</b>								
<ul style="list-style-type: none"><li>• The need to invest in projects as follows:</li></ul>									

○ Barking Abbey School – Section 5	£9,000,000
○ Improving Provision for ARPs – Section 6	£500,000
○ Additional Works at Expanded Schools – Section 7	£750,000
○ Furze/Warren Junior Expansion – Section 8	£500,000
○ Set aside funding for Riverside Schools Complex	£800,000
○ Contingency for sudden demand	£500,000
<b>Total</b>	<b>£12,050,000</b>

### **Recommendation(s)**

The Cabinet is recommended to:

- (i) Approve the Future Planning Programme to meet Basic Need (including SEN places) 2017 to 2025 (amended May 2017) as set out in section 1.3 and Appendix 1 of the report;
- (ii) Approve the inclusion in the Capital Programme of the DfE grant allocations for 2017/18 as detailed in section 3 of the report;
- (iii) Approve the various projects and associated changes to the Capital Programme as set out in sections 5 to 9 and summarised in Section 10 of the report;
- (iv) Delegate authority to the Strategic Director for Service Development and Integration to approve the final procurement strategies for each project following their consideration and endorsement by the Procurement Board, in accordance with the Council's Contract Rules; and
- (v) Delegate authority to the Strategic Director for Service Development and Integration, in consultation with the Cabinet Member for Educational Attainment and School Improvement, the Chief Operating Officer and the Director of Law and Governance, to award the respective project contracts.

### **Reason(s)**

The decision will assist the Council in fulfilling its statutory obligations to provide a school place for every child and support the intention of the Council's Vision and Priorities, including encouraging civic pride, enabling social responsibility and growing the Borough, and delivering the ambition for excellence in education set out in our Education Strategy.

## **1. Introduction and Background**

- 1.1 It has been the practice since 2010 to report regularly to Cabinet on the issue of the forecast for pupil numbers. These reports have also covered a programme of proposed works necessary to ensure that children in the Borough have the opportunity to attend school and to have a safe suitable environment. The last report presented to Cabinet on this subject was on 15 November 2016, Minute 60 refers.
- 1.2 This report provides an update and sets out the most up to date information on the projected demand for education places for September 2017 and beyond. Further,

the report covers a number of initiatives which build on existing arrangements to develop the use of accommodation.

- 1.3 The third aspect of the report is to provide an updated Future Planning Programme to meet Basic Need 2017 to 2025 (Appendix 1) to support the forecast pupil demand. The Service will continue to contribute to a London wide plan being supported by the Association of London Directors of Children's Services (ALDCS) and London Councils. The appendix to this report shows the current position and plan following advice about site availability.

## **2. Update on Pupil Numbers and Capacity for September 2017**

- 2.1 Cabinet has received regular reports about the continuing demand for school places and the need to develop additional provision. It is worth noting that providing sufficient school places is a national issue and in particular regional to London due to rising population which is now causing pressures in the secondary sector. For Barking and Dagenham, it has been a major priority for investment over the last 10 years, since 2007.

- 2.2 When looking at the forecast in growth of the pupil population a number of factors are taken into consideration as follows:

- Numbers of pupils currently in the borough;
- Birth figures;
- New housing proposals, as advised in the Local Plan Review;
- Historical data e.g. pupils living in borough but choosing out borough schools;
- Internal knowledge of recent population fluctuations in particular the impact of population movements into and out of the Borough;

- 2.3. The position for the reception year classes for September 2017 is that we are anticipating that there will be a small surplus. This is as a result of making additional provision available and the need to generate a small surplus (4% as an average) to support local schools for local children, and the impact of late starters and in year admissions. The following schools are increasing reception class facilities.

Riverside Primary –	2 additional reception classes
Eastbrook -	2 additional reception class

- 2.4 With regard to the provision of Yr7 places measured against demand, the position for September 2017 is that there are not enough places to provide a degree of contingency nor parental preference. Cabinet Members will appreciate that it is difficult to be precise about future demand but the indicators are that for this coming September we need to have around 3,100 places and our capacity in the current academic year is 3,110. We are planning to create a further 150 places to support a small surplus for local vacancies where parents have expressed a preference, and to have some provision for in year applications.
- 2.5 There is a provisional plan to create places in the Future Planning Programme for Basic Need and the intention is to keep projects on programme. The need

identified above of around 150 places to give some spare capacity will be satisfied through the following additional places:

- Riverside School 60 Yr7 places
- Barking Abbey School 90 Yr7 places

2.6 Not all of these new or additional places are within the decision-making remit of the Council so working with other agencies and operators is essential if we are to achieve the desired outcomes. By creating these places, we should generate a small surplus which helps to manage place allocations through the academic year, further, it particularly responds to demand in the Barking central locality

### **3. New Department of Education Grant Allocations 2017**

3.1. New advice has been received from the DfE about funding being made available to support capital projects for improvement or repair in 2017/18. Details are set out in the following paragraphs 3.2 to 3.4.

#### **3.2 Devolved Formula Capital 2017/18 (DFC)**

3.2.1 This is a fund of money from the Government which has been allocated now for a number of years (2006/7) and is designed to be passed to all maintained schools in the Borough. Academy and free schools receive a separate allocation direct through their own funding allocation by the Education and Skills Funding Agency) ESFA.

3.2.2 The fund of £570,328 for LA schools is passported directly through the School's Finance Team under the direction of the Chief Operating Officer to the Borough's schools. Voluntary Aided Schools are advised directly by the ESFA of their share of DFC, the total for VA schools in the Borough amount to £96,373. This sum of £570,328 would need to be shown in the Council's Capital Programme, but the funding for VA schools does not.

#### **3.3 Maintenance and Modernisation 2017/18:**

3.3.1 There are two aspects to this fund. The sum of £641,301 is known as LCVAP (Locally Controlled Voluntary Aided Programme) and this sum is a programme developed with the Diocese of Brentwood and the Diocese of Chelmsford and the voluntary aided schools in the Borough based on agreed priorities this fund only provides 90% of the cost and VA schools have to meet the other 10% of costs. The programme is then advised to the DfE who reimburse schools in the programme once accounts are presented. The funding does not need accounting for in the Council's accounts as no funds are received but it is an indication of investment in the locality.

3.3.2 In terms of the funding for the Borough maintained schools, the sum of £3,966,761 needs to be included in the capital programme. This sum will be the subject of the Capital Appraisal Process and will comply with the provisions of the Strategy for Ensuring Sufficient School Places and School Modernisation. The programme of works will be derived from technical advice and the content of the School Estate Asset Management Plan Database and the recently received DfE school condition survey data and schools identified priorities, and will be approved by the Commissioning Director Education.

### **3.4 Capital for Basic Need 2019/20:**

3.4.1 The DfE announced on 3 April the forecast basic need allocations for all local authorities in respect of the financial year 2019/2020, and the allocation for LBBB is expected to be £27,436,792. This figure needs to be considered alongside other investments made by the ESFA to support Free School provision and improve school facilities through programmes such as Targeted Basic Needs Programme and Priority Schools Building Programme which provide support to rebuild or improve existing facilities.

### **3.5 Capital to Support pupils with Special Educational Needs and Disabilities 2018 to 2021**

3.5.1 The Government have announced a new grant for all local authorities to support a review of SEND places. An initial allocation of £115,496 has been allocated under revenue grant to support a review of the quality of the learning environment for pupils with SEND. This review has been commissioned and is underway. Subsequent to the report being compiled it will be necessary to look at changes to existing schools to ensure that we have the right facilities.

3.5.2 From April 2018 the DfE have announced, that a new three-year grant will be made available to support the results of the review of SEND places to make changes to improve facilities. The grant is as follows:

2018/19 -	£945,716
2019/20 -	£945,716
2020/21 -	£945,716
Total -	£2,837,147

3.5.3 The sums detailed above will need to be added into the capital programme for the appropriate years.

## **4. Available Capital for meeting Basic Need**

4.1 At the Cabinet meeting on 19/4/2016 it was reported that the available budget from grants to meet capital spending on creating school places totalled £4,561,239. This included all grant allocation up to the 2017/18 Basic Need allocations. We had made commitments on this available grant to support the development of additional spaces for teaching and learning at Robert Clack.

Since then the Finance Capital Team have been conducting a review to audit the position of capital grant received and which is available for use to support school building. Included in this review are some budget underspends from projects which have taken place over the past 3 years.

4.2 In summary the following position has been agreed with the Finance Capital Team:

<b>Description</b>	<b>Amount £</b>
Balance Available reported to Cabinet 19/4/2016	4,561,239
Loan to Barking Riverside Ltd for infrastructure development not taken up from School Places budget, funded elsewhere from Council capital.	5,500,000
Balance of Basic Need grant allocation for 2017/18 held for unforeseen development of new/emergency places reported to Cabinet July 2016.	865,375
Funds identified by Finance Capital Team following savings on projects now completed.	3,788,721
Available Budget F/Year 2017/2018.	<b>£15,492,251</b>
Additional funding for Basic Need for the F/Year 2018/2019 (Cabinet 19.4.16 Minute 60 refers)	5,339,400
Additional funding for SEND Pupils for F/Year 2018/2019 (section 3.5 above refers)	945,716
Available Budget F/Year 2018/2019	<b>£21,777,367</b>
Additional funding for Basic Need for the F/Year 2019/20 (paragraph 3.8 of this report refers)	£27,436,792
Available Budget F/Year 2019/2020	<b>£49,214,159</b>

4.3 Future years basic need included in the figures above could increase with each forecast review carried out annually with the DfE to examine pupil demand. Not all funding has been allocated to projects as we may have a reduction in future years funding and because of the volatility of pupil changes.

## **5. Barking Abbey School**

5.1 Planning in respect of the proposed expansion of Barking Abbey School is progressing and consultation with interested parties has taken place, (Cabinet 19 April 2016 minute 120 refers). At that meeting a provisional sum of £12.0m was allocated. This sum was settled on as there was limited knowledge about what work needed to be carried out, and more importantly the funding which had been provided by the Government was insufficient at that time.

5.2 The situation has now changed as indicated in Section 4 above and it would be appropriate to revise the funding to include provision comparable to works of a similar kind carried out at like secondary schools with poor existing facilities and the demands of split site facilities. It would be reasonable to allocate £6m per form of entry so this would increase the budget to £18m, and also to provide additional

physical education (PE) facilities at the Longbridge Road Site to support the future organisation of the School which will operate as 2x6fe schools on two sites. The budget will therefore increase from £12m to £21m.

## **6. Improving Provision for Additional Resource Provision (SEN)**

- 6.1 As set out in paragraph 3.5 the Government have made available a grant to each LA to support a review of SEN provision. The outcomes will help to identify any specific environmental needs in schools hosting an ARP so that we might direct some funding towards improving provision particularly in some of the older facilities
- 6.2 It would be particularly beneficial to be able to start work to improve facilities as soon as the environmental review has been completed and a sum of £0.5m should be set aside as a provisional investment to address any immediate issues. This sum will be reimbursed to the Basic Need Allocation from the specific funding allocation in future years to support improvement to ARP and SEN provision as set out in Section 3.5 of this report. The remaining works will be carried out at the conclusion of the SEND review.

## **7. Additional Works at Expanded Schools**

- 7.1 Members will be aware that a large number of schools initially with limited funds have expanded quickly over the last 10/11 years because the number of pupils and demand for places has been so significant. It is worth recording the pupil numbers at 2005 was 28,914, and at May 2016 this had increased to 42,553, a 62% increase.
- 7.2 Having gone through a rapid expansion programme particularly with primary schools a number of issues have subsequently come to light which need to be rectified. Examples of this are:
- Loss of spaces for small group tuition.
  - Need to improve dining facilities particularly after the Government's initiative for free school meals;
  - Improving the interface with public visitors including security; and
  - Improving external spaces.
- 7.3 To rectify some of these issues it is suggested that a sum of £0.75m be set aside to address identified needs. Further that we should look at similar amounts being set aside for future years so that schools see improvement.

## **8. Furze Infants and Warren Junior**

- 8.1 Additional resources have been provided at both schools to support the expansion of the school. Some of the works have been complex because of the lack of resources available in the original building.
- 8.2 To complete the works and support Warren Junior School's role as a Teaching School, to provide additional space for the school to use under licence to support the Teaching School initiative some additional funding of £0.5m to be set aside from the current reserve. This will support other schools in the Borough through good teaching practice being shared.

## 9. Riverside Schools Complex

- 9.1 As part of the work to create the new Riverside Schools Complex the Council has been at the forefront of the design, construction and suitability of the new school complex. This has been essential to ensure that the new school buildings are functional.
- 9.2 Some of the funding which the Trust was trying to secure to enhance facilities have not been received at this point. The School have underwritten about £800,000 and will settle this over the coming years subject to a formal agreement being drawn up.

## 10. Contingency for Sudden Place Demand

- 10.1 Members will appreciate that the provision of school places can be particularly volatile in demand and particularly over the summer period. We have been on the end of experiences and had to respond quickly to prevent pupils being out of school. To ensure that we are not faced with a need to come back to Cabinet at very short notice a sum of £0.5m to be held identified for responding in circumstances where we experience an increase above our forecast level and need to respond quickly.

## 11. Managing Support for Specific Projects

- 11.1 Turning now to the need to set aside some funding for supporting specific schemes as detailed in sections 5 to 8 above. The following budget adjustments are requested and can be supported from the finds identified in 4 above. The schemes and funding allocations are summarised below:

	<b>Budget Allocation £</b>	<b>Available Funding £</b>
Available Budget F/Year – 2017/2018 (From section 4)		15,492,251
Barking Abbey School – Section 5	9,000,000	
Improving Provision for ARP's – Section 6	500,000	
Additional Works at Expanded Schools – Section 7	750,000	
Furze/Warren Junior Expansion – Section 8	500,000	
Riverside Schools Complex – Section 9	800,000	
Contingency for sudden demand	500,000	
<b>Total</b>	<b>£12,050,000</b>	

This will leave a budget for future allocation of  
(note: this excludes allocations for future years 2018/19 and  
2019/20)

£3,442,251



## **12. Establishing a New School**

- 12.1 At the meeting of Cabinet 15 November 2016 (Minute 60 refers), a decision was taken to support the proposal for officers directed by the Strategic Director of Service Development and Integration to engage with the Education and Skills Funding Agency (ESFA) and with the successful Free School bidders or operators to enable the council to influence design particularly suitability for purpose, oversee construction and achieve a greater degree of certainty around the on-time delivery of new school places.
- 12.2 Some positive discussions have taken place with ESFA officers who have indicated a general support for this approach. They have further stated that in view of the delivery success of the Riverside Campus, and the work commissioned to secure new buildings at Greatfields School as part of the regeneration project for the Gascoigne area, that they are looking at further opportunities. Discussions will continue about the further possibilities and attempts to secure new work to be delivered through Be First but as directed by the ESFA.

## **13. Options Appraisal**

- 13.1 Current strategy is through the housebuilding initiative formulated against a backdrop of continuing increase in demand for school places for the foreseeable future; short run surges of demand for school places e.g. over the summer period and on the supply side: limited funding on short time horizons; shortage of sites in areas of high demand; and timescales for new providers e.g. timescales for Free Schools to be established may be two years.
- 13.2 The agreed investment strategy (see Future Planning Programme to meet Basic Need [including SEN places] 2017 to 2025 which is attached to this report) is first, to expand provision on existing school sites as far as practicable to meet local demand on a forward looking basis (i.e. to seek value for money solutions which have longevity); then subsequently to seek and build on sites in areas of demand in Council or other public ownership that are suitable for development as a school and which also offer value for money and longevity; to support those external providers that have access to further capital funding and are capable and willing to provide high quality inclusive education places that comply with the Council's Admissions Policies.
- 13.3 The variables that influence the delivery of this strategy are: demand fluctuations; the willingness of governing bodies to accede to expansion plans; funding limitations; cost variances – specific to sites; timescales to achieve cost efficient/ competitive prices in short timescales.
- 13.4 The proposed delivery of the strategy is set out in the report approved by Cabinet 15 November Minute 60 (Strategy for Ensuring School Places and School Modernisation). As part of the strategy the document encompasses a further document now updated Future Planning Programme to meet Basic Need [including SEN places] 2017 to 2025. This document sets out proposed projects. Specific projects may be subject to change for the reasons set above, and other projects substituted. The overall strategy is robust and remains the same: individual project specifics may change but will remain in the overall strategic framework.

- 13.5 Options exist for any specific scheme and are explored to ensure that the overall strategic outcomes sought are achieved in the most beneficial way being economic and appropriate for the school. Other overall strategies e.g. to rely on outside providers to meet the prospective short fall of school places would not be effective on their own: timescales and speed of reaction are too short.

## **14. Consultation**

- 14.1 These proposals are not Ward specific. There has been consultation with a range of officers throughout the Council in order that appropriate matters are considered including financial, legal, risk management and others mentioned in section 17 of this report.

## **15. Financial Implications**

Implications completed by: Daksha Chauhan, Group Accountant, Children's Finance

- 15.1 This report sets out approval for Future Planning Programme to meet Basic Need 2017 to 2025 and of various projects associated to the Capital Programme and requests approval to include schemes in the Capital Programme, as detailed in section 3.
- 15.2 There is sufficient capital grant funding available, as detailed in section 4.2 to deliver on these schemes.
- 15.3 Any major risks/financial impact identified through the appraisal process will be notified to Members through subsequent Cabinet reports.
- 15.4 The report also requests the approval of Delegating Authority to the Procurement Board and to the Corporate Director of Children's Services in consultation with Cabinet member for Education and Schools, the Chief Operating Officer and the Director of Law and Governance.

## **16. Legal Implications**

Implications completed by: Lucinda Bell, Education Lawyer

- 16.1 The Council has a statutory duty to secure that sufficient schools for providing primary education and secondary education are available for their area under s14 Education Act 1996. This includes sufficient special educational provision. Delegations must be made in accordance with the Council's Scheme of Delegation. Legal advice must be sort on all procurements.

## **17. Other Implications**

### **17.1 Risk Management**

**Risk that funding levels will not be sufficient to meet demand to create new education places needed** - This risk is high impact (4) and medium (3) probability = 12 red. This risk is being managed by purchasing the most affordable

accommodation which is system build where possible. Post control the risk is high impact (4) and low (2) probability = 8 amber.

**Risk that funding levels will not be sufficient to create suitable new school places** - This risk is high impact (4) and high (4) probability = 16 red. This risk is being managed by purchasing the most affordable accommodation which is system build, and blending it with site specific proposals. Post control the risk is high impact (4) and low (2) probability = 8 amber.

**Primary schools: risk that site availability would prevent delivery of school places in the areas where demand is highest** - This risk is high impact (4) and medium (3) probability = 12 red. This risk is being mitigated, as far as practicable, by expanding all available sites in high demand areas, and reviewing other buildings for potential school use. Post control the risk is still high impact (4) and medium (3) probability = 12 red.

**Risk that the cost of the rate of deterioration of the school estate will outrun the funding available to maintain it** - This risk is high impact (4) and high (4) probability = 16 red. This risk is being mitigated as far as practicable by lobbying DfE for improvements in funding. Post control the risk is high impact (4) and medium (3) probability = 12 red.

The provision of school places is a matter which is directly identified in the Corporate Risk Register and listed at Corporate Risks 31 – Provision of School Places.

**Risk that final costs will be higher than estimate costs** - This risk is high impact (4) and high (4) probability = 16 red. This risk is managed through monthly finance meetings and initial planning figures that architects and schools are asked to work within being set below the highest estimate to allow for unforeseen challenges.

- 17.2 **Contractual and Procurement Issues** - It is anticipated that projects will be procured through options related either to the Local Education Partnership or through the Council's Framework of Contractors or other national or local frameworks which are accessible to the Council to secure value for money.

Legal, procurement and other professional advice will be sought regarding the appropriate procurement routes and contractual agreements to procure and secure the individual projects which fall within the second phase, consisting of the secondary and primary school schemes. All procurement activity will be conducted in compliance with the Council's Contract Rules and EU Legislation.

Projects will be subject to the Capital Appraisal Process and the agreement of the Procurement Board to progress schemes. However, the Cabinet is asked to approve procurement principles as set out to avoid the need to report back to Cabinet as these procurements are either beyond our control or need to happen quickly within pressing timescales because pupils need to be accommodated.

- 17.3 **Staffing Issues** - There are no specific staffing issues although the growing demand for school places will create additional opportunities in schools for both teaching and non-teaching staff.

17.4 **Corporate Policy and Customer Impact** - The decision will assist the Council in fulfilling its statutory obligations to provide a school place for every child and support the intention of the Council's Vision and Priorities, including encouraging civic pride, enabling social responsibility and growing the Borough. It is part of the mitigation of Corporate Risk 31 – Inability to Provide School Places.

The short-term impact of the recommendations for the coming year would be positive for customers on all counts of: race, equality, gender, disability, sexuality, faith, age and community cohesion. The longer-term outlook is unlikely to be positive on the proposed funding levels as it will be difficult to address need on current budget levels.

17.5 **Safeguarding Children** - Adoption of the recommendations in the short term would contribute to the Council's objectives to improve the wellbeing of children in the borough, reduce inequalities and ensure children's facilities are provided in an integrated manner, having regard to guidance issued under the Childcare Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.

17.6 **Health Issues** - The Health and Wellbeing board and JSNA highlight the importance of investing in early intervention and education to support children's and young people's long-term wellbeing. The evidence and analysis set out in Fair Society, Healthy Lives (Marmot Review) has been developed and strengthened by the report of the Independent Review on Poverty and Life Chances. The reports draw attention to the impact of family background, parental education, good parenting and school based education, as what matters most in preventing poor children becoming poor adults. The relationship between health and educational attainment is an integral part of our Health and Wellbeing Strategy. At this point, there is no need to change the focus of the Health and Wellbeing Strategy as a result of this report.

17.7 **Crime and Disorder Issues** - Appropriate consideration of the development of individual projects will take into account the need to design out potential crime problems and to protect users of the building facilities.

17.8 **Property / Asset Issues** - This proposed decision would facilitate the improvement and renewal of Council assets.

**Public Background Papers Used in the Preparation of the Report:** None

**List of appendices:**

**Appendix 1** - Future Planning Programme to meet Basic Need (including SEN places) 2017 to 2025.