

CABINET

12 February 2013

Title: Riverside Secondary School: Temporary and Permanent School Sites	
Report of the Cabinet Member for Children's Services	
Open Report	For Decision
Wards Affected: Thames Ward	Key Decision: Yes
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Accountable Divisional Director: Jane Hargreaves, Divisional Director Education	
Accountable Corporate Director: Helen Jenner, Corporate Director of Children's Services	
Summary: <p>The Riverside Secondary School was established as a Foundation Trust School as a result of a School Competition held in 2010, in which the Council acted as Adjudicator. The first year's intake of four forms of entry (FE) or 120 students joined the school in September 2012. It currently shares premises with George Carey Church of England Primary School.</p> <p>By September 2013 the Riverside Secondary School will require new premises. The intended permanent site at the District Centre of Barking Riverside (the "Permanent Site") will not be available for construction purposes until August 2013. The school buildings should then be delivered by September 2015. The former City Farm site (the "Temporary Site") which is near the Permanent Site would be suitable as a temporary site. Since it is expected that there will be sufficient demand for more primary school places in the local area it would be prudent to build a primary school for temporary use by the secondary school. This option would also offer good value for money. The Council's Capital Programme identifies £3m for temporary accommodation for the Riverside Secondary School and it is proposed to use this money for this purpose.</p> <p>The proposers of the Riverside Secondary School submitted a successful bid to provide a Free School on Barking Riverside to access capital for new facilities (the "Proposers"). The Proposers have indicated that they would wish the Council to manage the building project. The Education Funding Agency (EFA), which is responsible for sites and buildings for Free Schools, has indicated it is prepared to enter into discussions with the Council so that it may do this via its Local Education Partnership (LEP). The funding allocation is £25.09m inclusive of ICT and fixtures and fittings. It is proposed that the Council undertake the work, via the LEP, to carry out this project as the best way of securing the Council's educational objectives. The LEP was competitively procured by the Council under the former Building Schools for the Future (BSF) to deliver the BSF programme but also to assist the Council by delivering capital projects and a range of technical and other</p>	

support services for education and a range of regeneration and housing objectives.

The freehold interests in the City Farm and District Centre sites are owned by Barking Riverside Limited (BRL). The Council is in the process of acquiring the freehold interest in the City Farm site for a peppercorn. It proposes to grant a lease of the temporary site to the Free School Trust for a peppercorn. The Council will take a 999 year lease of the District Centre site from BRL. The Council will grant a sublease of the District Centre site to the Free School Trust for a term of 125 years at a peppercorn.

Recommendations

The Cabinet is recommended to agree:

- (i) The allocation earmarked in the Capital Programme of £3m for temporary accommodation for the Riverside Secondary School be used to construct primary school facilities at the former City Farm site, to be used temporarily (until the completion of the permanent site) by the Riverside Secondary School;
- (ii) A virement of the capital sum of £1.4m from the project originally intended to support basic need in Dagenham Village to the proposed primary school on the City Farm site;
- (iii) To include the capital sum of £25.09m (inclusive of ICT and fixtures and fittings) allocated by the Education Funding Agency for the construction of permanent school facilities for the Riverside School in the Council's capital programme, subject to a formal agreements between the Education Funding Agency and Proposer and the Proposer and the Council;
- (iv) To commission the Thames Partnership for Learning Limited (the Council's Local Education Partnership (LEP)) to undertake preliminary technical work on the Temporary Site for the Riverside School and, subject to the Chief Financial Officer confirming pricing and value for money tests, to carry out the work;
- (v) To commission, subject to (iii) above, the Local Education Partnership (LEP) to carry out the technical work for the Permanent Site and, subject to the Chief Financial Officer confirming pricing and value for money tests, to carry out the work;
- (vi) To agree the freehold transfer of the City Farm site from Barking Riverside Limited to the Council on the terms set out in the report;
- (vii) To agree the leasehold transfer of the District Centre site via a 999 year lease from Barking Riverside Limited to the Council on the terms set out in the report;
- (viii) To authorise the Corporate Director of Children's Services, in consultation with the Head of Legal and Democratic Services, to agree all necessary legal agreements to achieve the freehold transfer of the City Farm site, proposed leasing arrangements for the City Farm and District Centre sites and suite of construction documents required by Education Funding Agency, including the Development Agreements and Design and Build contract;
- (ix) Agree the conversion of the temporary school site at City Farm to a permanent primary school site following construction of the permanent school at the District

Centre site;

- (x) Indicate its support to secure the proposed steel framed timber and concrete modular building for the City Farm Site to meet time and cost restraints and whether it wishes to be further informed or consulted on the progress of the procurement processes and award of the contracts for the projects, or whether it is content for the Corporate Director Children's Services, in consultation with the Chief Financial Officer, and on the advice of the Head of Legal and Democratic Services, to award the project contract set out in this report and based on the checked and independently validated prices; and
- (xi) Indicate whether it wishes to be further informed or consulted on the progress of the procurement processes and award of the contracts for the proposed concrete built new secondary school at Barking Riverside, or whether it is content for the Corporate Director Children's Services, in consultation with the Chief Financial Officer, the Head of Legal and Democratic Services and the Cabinet Member for Children's Services, to award the respective project contract set out in this report and based on the checked and independently validated prices.

Reason(s)

This decision will assist the Council in fulfilling its statutory obligations to provide a school place for every child and achieving its core values of: 'Achieving Excellence' 'Treating each other fairly and respectfully' through making school places available in appropriate settings.

1. Introduction and Background

- 1.1 The Riverside Secondary school was established as a Foundation Trust School as a result of a School Competition held in 2010. The Council acted as Adjudicator. The sponsors of the school, in the form of the Barking and Dagenham Learning Partnership comprise all secondary schools and Trinity Special School. It includes other stakeholders: members of the local community; the local NHS; Barking and Dagenham College, the University of East London and Lifeline.
- 1.2 Riverside Secondary School adheres to the Council's admissions policy.
- 1.3 The first year's intake of four forms of entry (FE) or 120 students joined the school in September 2012. Intake numbers will grow to 300 students per year to be 10 FE plus 300 –to400 sixth formers which will be the school's eventual capacity.
- 1.4 It currently shares premises with George Carey Church of England Primary School. By September 2013 Riverside School will require new premises: this is due to George Carey CofE School filling to its capacity.
- 1.5 The Riverside Secondary School is proposed to be sited permanently at the District Centre of Barking Riverside. This site will not be available until mid 2013 for construction purposes. The buildings and facilities may be completed by September 2015.
- 1.6 A Temporary Site for Riverside Secondary School has been identified at the former City Farm site (Thames Road) which is near the Permanent Site. Since it is expected that there will be sufficient demand for more primary school places in the

local area it would be prudent to create a primary school – which would offer good value for money. A map showing the sites is attached as **Appendix 1**.

- 1.7 The City Farm site is owned by Barking Riverside Limited. The freehold interest in the site is due to be transferred to the Council for a peppercorn. Following transfer, the Council proposes to grant a lease to the Free School Trust for a peppercorn to operate the temporary school.
- 1.8 The District Centre site is owned by Barking Riverside Limited. It is proposed that Barking Riverside Limited will grant a 999 years lease to the Council for a peppercorn. The Council will in turn grant a 125 years sublease to the Free School Trust for a peppercorn in respect of the permanent school.
- 1.9 The Capital Programme identifies £3m for temporary accommodation for the Riverside School and it is proposed to use this money to build a primary school on the City Farm site used in the first instance by the Riverside Secondary School. However, this budget has been identified, through the work which has been undertaken with the LEP, as needing to be increased to £4.4m. It is proposed to move £1.4m from the capital budget set aside (Minute 109, Cabinet 14 February 2012) for the purpose of providing additional school places in Dagenham Village as this project has been put on hold.
- 1.10 Members of the Proposer Group made a Free School bid to access capital needed to build a school on the Permanent Site. The bid required: canvassing of local support – which was strong; the demonstration of demand for school places - parents find it difficult to get a local secondary school place for their children. The bid was successful.
- 1.11 The Proposer's Group has indicated they would wish the Council to manage the building process. The Education Funding Agency (EFA) (which is responsible for sites and buildings for Free Schools) has agreed in principle with this on the basis that the Council has procured a Local Education Partnership (LEP) which would be able to carry out the project.
- 1.12 The EFA's funding allocation is £25.09m inclusive of ICT and Fixtures and Fittings, fees and abnormal costs.
- 1.13 The LEP was competitively procured by the Council in 2010, under the former Building Schools for the Future (BSF) programme as a Public, Private Partnership (PPP) in order to deliver the BSF programme and to assist the Council by delivering capital projects together with a range of technical and other support services for education as well as for regeneration, leisure and housing objectives. It has delivered the Dagenham Park CofE secondary school and is in the last stages of completing The Sydney Russell School. It has in addition been used to design and build social housing in the Borough.
- 1.14 Given the need to manage a complex scheme at the District Centre with wider objectives than the delivery of the secondary school buildings (it is planned to have a Special Educational Needs School and a Primary School on the site) – it is believed that Council is best placed to manage the overall project, and it has the procurement vehicle in place the LEP, and failing that it could use its Framework Contractors.

2. Proposal and Issues

- 2.1 It is proposed that the Council should use the LEP to carry out preliminary technical work and subsequently (subject to pricing and value for money tests) carry out the work to construct a three FE primary school with the option to develop up to five FE should demand require it. The budget for this project is proposed at £4.4m: £3m of which is an alternative use of the Capital Programme allocation for temporary accommodation for Riverside secondary school, as well as £1.4m to be vired (see 1.9 above). This will help meet demand for primary school places arising from new development on the Barking Riverside area. The school would be used on a temporary basis by Riverside secondary school. Options for developing the primary school buildings have been reviewed. Conventional building would cost in the region of £7m or about £2,000 per square metre (psm), deliverable by July 2014 and would require a further £1m in rental and associated works for temporary accommodation – a total of c£8m. Work on using an alternative concrete modular building indicates that it might cost around £5.5m but would be about 8% smaller to fit the concrete system than the preferred steel framed, timber and concrete modular building. The cost would be around £1,760 psm and would probably not be deliverable until the close of December 2013. Time overruns might necessitate either the hire of temporary accommodation or would restrict the ability of George Carey CofE Primary School to take additional students as new residents arrive on Barking Riverside and this needs to be avoided. The preferred modular solution (on grounds of cost and timing) would cost £4.3m, which is about £1,265 psm; which is within the budget of £4.4m and could be implemented to achieve the school opening in September 2013. This preferred steel framed, timber and concrete modular solution has a warranted life of 60 years, and is deliverable within time and financial constraints.
- 2.2 DfE has agreed the Free School bid and with this comes funding for the Permanent Site subject to the final approval of the DfE. The funding is set at £25.09m inclusive. It is proposed that this project and related finance should be added to the current Capital Programme with a proviso that these costs are met by income from the EFA and a signed agreement is put in place.
- 2.3 The Permanent Site for Riverside School has now been agreed by Barking Riverside Ltd. The site should be available for constructors in the summer (July / August) 2013. The programme for completing the project means that the school would be available for use by September 2015.
- 2.4 The Permanent Site is based on the District Centre of Barking Riverside. It will comprise of a special needs school as part of the secondary school and a primary school. The District Centre also includes retail and leisure, health and other community facilities.
- 2.5 This is a complex scheme – so it is desirable to simplify delivery by having it in as few hands as is practicable: this would be achieved if the Council handled provision of schools, and it did this via the LEP subject to the safeguards of pricing and value for money. The LEP is already procured for this purpose and moreover the secondary school on Barking Riverside was a key element in the cancelled BSF programme, so some preparatory work has been done. The Council also is best placed to ensure that its objectives for good educational provision are met. The

EFA and DfE are seeking very low accommodation standards which would inhibit the delivery of the local pedagogy. This pedagogy is aimed at giving the best educational support and thence life chances to the Borough's children.

- 2.6 The issues that arise relate to construction risk, timing, costs of alternative accommodation should the timetable not be met. The LEP's purpose is to manage construction risk – but there will be, even after all the usual risk management strategies some forms of risk which remain e.g. site availability and condition, which at present are subject to the appraisal which is under way.

3. Options Appraisal

- 3.1 The options for taking the project forward are considered below.

Option	Statutory Obligation	Timing: Sept. 2015	Capital Cost	Impact on the public	Reputation
Do Nothing	Fail and would lead to school dissolution	Fail	zero	Highly adverse places more pressure on oversubscribed schools which would be difficult to meet	Reflects badly on the Council would delay Barking Riverside Development
Place the responsibility with the Free school Trust and the EFA	This would be met – but the provision would be controlled by EFA and would be below BB98	Possible	As per allocation £4.4m for temporary school. The permanent school build would cost £25m but would not be a maintained school.	School facilities would not support the pedagogy and would not incorporate special needs	Future development schools might be problematic at the District centre
LBBB undertakes the procurement and secures delivery via the LEP	Meets obligation	Possible	As per allocation £4.4m for a modular school and £25m for secondary school, again this would not be a maintained school.	The school building would support the school's pedagogy and would be compatible with special needs	Would meet expressed local parental support and would reflect well on the Council

- 3.2 Options for the Council to procure technical advice and delivery are:

In – house: this means procurement via the framework contracts; the issue here is that the EFA would consider that a non – LEP solution would be better handled by the EFA

LEP: procurement is already complete for delivery of (a) the technical service which can be got under way initially by using the LEP's resources and b) there is the prospect of innovatory delivery: it is in the LEP's interest to succeed in this project

since it could well improve its supply chain's future prospects of winning work from the EFA.

- 3.3 It is concluded that the most economic, efficient and effective provision would be to commission the LEP for the technical site appraisal and then subject to the options proposed for future development, price and value to work with the LEP to deliver both the primary school scheme on the City Farm site and the Riverside Secondary School scheme on the Permanent Site at the District Centre on Barking Riverside.

4. Consultation

- 4.1 Consultation has taken place with the Riverside Secondary School Head Teacher and Governing Body; with the Divisional Director of Regeneration; with representatives of the LEP, Barking Riverside Ltd, and the Education Funding Agency.

5. Financial Implications

Completed by: Dawn Calvert, Finance Group Manager

- 5.1 The temporary accommodation for the Riverside School was initially estimated to cost £3m and funding was ear marked from within the basic needs capital allocation (approved by Cabinet in November 2012). The estimated cost has since increased to £4.4m. In February 2012, Cabinet approved a sum of £1.4m to provide additional school places at Dagenham Village. This project has been put on hold and this report requests a virement of the £1.4m Dagenham Village funding to fund the increased cost of the temporary accommodation for the Riverside School.
- 5.2 Upon completion the temporary accommodation will be leased to the Riverside Secondary School who will take on responsibility for all day-to-day revenue expenses. The Riverside Secondary School receive their revenue funding from the Dedicated Schools Grant.

6. Legal Implications

Completed by: Eldred Taylor-Camara, Legal Group Manager

- 6.1 The report seeks approval for the freehold acquisition of the City Farm site, disposal of the Permanent and Temporary Sites (by way of leases for a peppercorn), funding and construction of schools to meet the demand for school places and the Council's statutory obligation.
- 6.2 Section 123 Local Government Act 1972 (as amended) enables the Council to dispose of land in any manner, with the consent of the Secretary of State, for consideration less than the best that can reasonably be obtained. Local authorities can dispose of land at undervalue if it helps to secure the promotion or improvement of the economic, social or environmental well-being of its area provided the undervalue does not exceed £2m.
- 6.3 Although the LEP was competitively procured by the Council it has the capability of delivering this project. However, given that the building works are being carried out on behalf of the Proposers, it is imperative before the Council instructs the LEP that

the Proposers have executed the formal agreements with the EFA on the capital funding and the LEP is informed under the New Project Approval Process contained within the Strategic Partnering Agreement of the terms and condition on which these works are to be carried out for the Council.

7. Other Implications

- 7.1 **Risk Management** - The proposed course of action attempts to minimise the risk to the Council of a breach of its obligation to provide a school place for every child. There remains a risk related to timing of availability of the Temporary Site. This will be ameliorated by moving rapidly on the course of action proposed.
- 7.2 **Contractual Issues** - The main issues are as set out in the report and identified in the Risk Assessment.
- 7.3 **Staffing Issues** - There are no direct issues but there will be new opportunities for employment and creating jobs as the school grows taking in additional pupils.
- 7.4 **Customer Impact** - the impact on customers should be positive: see 7.5 below.
- 7.5 **Safeguarding Children** - This proposal will enhance well being, lead to a reduction of inequalities, improve safeguarding, by providing a local school place for local parents and children
- 7.6 **Health Issues** - The proposals are likely to have a positive impact on the health of children and families.
- 7.7 **Crime and Disorder Issues** -There are no specific issues arising
- 7.8 **Property / Asset Issues** - The proposal depends on the freehold acquisition of the Temporary Site at which is under way at little or no cost. The proposal also requires the leasehold acquisition on a 999 year lease of the Permanent Site. The proposal involves the investment of around £4.4m in new buildings at the temporary Site and £25.09m for the Permanent Site at the proposed District Centre.

Background Papers Used in the Preparation of the Report:

- Cabinet Report and Minute 109, 14 February 2012. Re: Schools Capital Programme Basic Needs Allocation
- Cabinet Report and Minute 51, 13 November 2012. Re: Schools Capital Programme Basic Needs Allocation

List of appendices:

Appendix 1 - Map 0001 Showing Proposed site locations