

## CABINET

2 June 2015

<b>Title:</b> Review of School Places and Capital Investment - Update June 2015	
<b>Report of the Cabinet Member for Education and Schools</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 Divisional Director:</b> Jane Hargreaves, Divisional Director Education, Youth and Childcare	
<b>Accountable Director:</b> Helen Jenner, Corporate Director of Children's Services	
<b>Summary</b>  This report sets out to clarify the position regarding matters raised by Cabinet Members at the meeting on 24 March 2015, Minute 117 refers. It covers a review of school place provision planned for 2017 and going forward in the Borough for secondary and primary school places, and clarifies financial responsibilities for new and expanded schools located in the Borough but which may lie outside of the local authority maintained sector.	
<b>Recommendation(s)</b>  The Cabinet is recommended to:  (i) Note the position regarding the establishment of new schools;  (ii) Endorse the principles of the projected forecast demand for school places and note the Council's position in the overall growth of London;  (iii) Support the review of place demand for Post 16 provision noting expected need for additional places by 2018; and  (iv) Approve the projects set out in Section 5 of the report noting their inclusion in the development programme and that they are at an early stage of planning, and that the DfE have approved the establishment of a free school to be known as Greatfields School.	
<b>Reason(s)</b>  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.	

## **1. Introduction and Background**

- 1.1 Cabinet received a report on 24 March 2015 setting out the position regarding school places, the funding available and an up to date programme to ensure that the Council had a plan to meet its statutory obligations to provide a school place for every child in the Borough who wants one.
- 1.2 Cabinet requested a further report, specifically to set out and review plans to provide school places from September 2017. Officers were also asked to clarify responsibilities for financing new and expanded schools located in the borough but operated outside of the local authority maintained sector.

## **2. Provision of New Schools**

- 2.1 Cabinet will be familiar with the scenario of local authorities being able to open and run schools. However, by the provisions of the following legislation there have been changes which restrict the ability to open new schools, as follows.
  - The Education and Inspections Act 2006 [EIA2006]
  - The Academies Act 2010 [AA2010]
  - The Education Act 2011 [EA2011]

These changes in legislation means that local authorities remain responsible for planning school places but there is now a presumption that new schools will be either an Academy or a Free School. This means that the Secretary of State requires new schools to be offered to academies or free schools (see DfE advice for local authorities and new school proposers) October 2014. The Conservative Manifesto indicates an increased commitment to new Free Schools and Academies, including 500 new Free Schools.

- 2.2 The Guidance requires local authorities to seek proposals to establish an academy / free school where they have identified the need for a new school. The LA is responsible for providing the site for the new school and meeting all associated capital and opening costs. The Secretary of State has to be consulted on such proposals and can veto any preferred proposal which the LA might recommend. The Secretary of State has to enter into a funding agreement regarding revenue support for the school and needs to be satisfied of the suitability of any proposer.
- 2.3. Where there is no expression of interest from a free school or academy sponsor to establish a school, and the Secretary of State does not have a preferred provider, then there may be an opportunity for a voluntary aided school or local authority maintained school as the final resort. In the current context this is very unlikely to happen.

## **3. Expanding Existing Schools**

- 3.1 In respect of schools which are maintained by the local authority, the cost of expanding the school would rest with the Council. This might include providing land and meeting all associated costs. Expansion of existing schools has formed the backbone of plans to provide primary phase places. Further, it is the intended strategy for providing new secondary school places in the first instance.

- 3.2 Where there are Voluntary Aided Schools who want to expand the discussion lies between the School, Diocese and LA. If the LA needs the places and is in a position to support a proposal which evidences the demand for faith places, then the Council will need to fund from basic need provision or other grant.
- 3.3 For Free Schools, it would be for the school in discussion with the DfE to determine whether there is demand to expand provision. It is likely the DfE would consult the LA regarding forecast numbers. The DfE would then directly fund any expansion through the Free Schools Unit.
- 3.4 In respect of any academy wishing to expand the same would apply as for Free Schools, but the funding to expand would come through the Academies Unit at DfE and the school/academy chain would need to bid for resources.

#### **4. Demand for School Places**

- 4.1 Cabinet have received regular reports regarding the pupil population forecast, most recently at the meeting on 24 March 2015. The statistics presented were based on a review which took place over the summer of 2014 and have been adopted by the DfE under its data capture arrangements for SCAP – School Capacity Return.
- 4.2 When the forecast is undertaken for primary schools the calculation is made by area and the Borough is divided into 9 areas by merging some wards. This gives quite an accurate picture and helps us to respond to local demands. For secondary school place provision the calculation is made across the borough as a whole, as there are fewer schools and pupils are expected to travel.
- 4.3 In summary the report to Cabinet in March of this year indicated:
- The secondary school population across the Borough will increase from its present levels of 14,900 to 21,189 by the school year starting September 2020.
  - The primary School population across the Borough will increase from its present levels of 22,549 to 29,550.

[ Note: these figures allow for the growth of the Borough and projected increases to population allowing for published house building; there may be fluctuations owing to other demographic changes.]

- 4.4 Appendix 1 at the end of this report shows the bar chart produced by London Councils following a London wide analysis of places provided and the plan to provide new places.
- 4.5 This chart demonstrates the extent of change related to demand for school places and puts Barking and Dagenham at the forefront for need and response.
- 4.6 Demand For Sixth Form Places – A revised analysis of Post 16 need from 2017 onwards is underway. There is some growth in population and the evidence is that the school population will continue to grow. Additionally the increased participation age is impacting on demand for places. As the primary age bulge moves through to secondary significant Post 16 need is expected from 2018.

## 5. Clarification of Funding for the Programme and Options for Provision beyond September 2017

5.1 This section sets out the planned future provision for school places from September 2017 and indicates whether and how the projects are funded and who is responsible for delivery. For ease of reference where the DfE is indicated as being responsible this could be through either the academies or free school units supported by the Education Funding Agency. Also some of the schemes for Borough maintained schools are funded by the DfE through various programmes these are indicated as appropriate.

### 5.2 Proposed Primary School development include

- City farm Primary 3fe – this building has been constructed and is currently being used to accommodate pupils for Riverside School. The progress for construction of the permanent building for Riverside School has been delayed owing to a number of issues related to securing a safe and ready site particularly the significant electricity cables on the site which the National Grid are in the process of diverting. Once this site has been vacated – planned for January 2017 – then an alternative use can be determined.

Officers will be developing proposals and coming back to Cabinet with options which will need to be either:

- an expansion of an existing local authority maintained school;
- a free school; or
- an academy.

A free school might have potential to generate some income through a lease.

- New Primary School Dagenham – no site identified as yet and no approved bid. This is a project for 2018 so at this stage no plan has been determined.

Officers will be developing proposals and coming back to Cabinet with options which will need to be either:

- an expansion of an existing local authority maintained school;
- a free school; or
- an academy.

- New Primary at Barking Retail Site – a site has been identified on the southern edge of the development site where the retail units are currently. There is no agreed plan at this stage for who will run the school. Planned to open September 2018.

Officers will be developing proposals and coming back to Cabinet with options which will need to be either:

- an expansion of an existing local authority maintained school;
- a free school; or
- an academy.

- New Primary at Gascoigne – this is part of the regeneration of the Gascoigne Estate. A site has been earmarked in the regeneration masterplan but there are

no agreed operators. This would be next to a secondary free school – Greatfields School – and there may be interest from the free school who would fund subject to DfE approval - predicted need September 2019.

Officers will be developing proposals and coming back to Cabinet with options which will need to be either:

- an expansion of an existing local authority maintained school;
- a free school; or
- an academy.

Barking Riverside Primary (3<sup>rd</sup> School) – the development of Barking Riverside has as part of the masterplan to provide 4 school sites for primary provision. This would be the 3<sup>rd</sup> such school for September 2020. No plan has currently been devised about how to secure this school.

Officers will be developing proposals and coming back to Cabinet with options which will need to be either:

- an expansion of an existing local authority maintained school;
- a free school; or
- an academy.

### 5.3 Proposed Secondary School developments include:

- Eastbrook School – this is a local authority maintained school, it is planned to rebuild Eastbrook School and in so doing to provide an additional 2 forms of entry, This scheme is being managed and funded by the DfE through the Priority Schools Building Programme. These works will also include extending the age range of the school so that there are 3 forms of entry primary provision. The largest bulk of the cost of the scheme is being met by the DfE through grant. The Council's contribution through the whole of this project is £600,000 to improve the proposed size of the primary classrooms. Cabinet June 2014 Minute 124 (viii) refers.
- Gascoigne Secondary School – planned as part of the regeneration scheme. Free School provision has been approved by the DfE for the Partnership Learning Trust (sponsors of the Riverside School Complex) to establish a school. The development is a 10 form entry school to be known as Greatfield School discussions have just started but funding would come from the DfE. There will be a cost to the Council for the demolition of the buildings currently on site. Planned for September 2017.
- Dagenham Park – this is a local authority maintained school, expansion by 1 form of entry is planned, subject to ongoing discussion with the school and the Governing Body, project approved and joint funded by the school Cabinet June 2014 minute 124 refers. Planned for September 2017.
- The Warren Academy – this school is part of the Loxford Trust and it is planned for an expansion by 2 forms of entry from September 2018. This was agreed as part of the academy conversion documentation. It would be for the academy to make a bid to the DfE to fund such a proposal.

New Free School Dagenham – a 10 form entry new school is proposed, at present there is no allocated site but it is intended to serve the south of Dagenham development area for new houses.

Officers will be developing proposals and coming back to Cabinet with options which will need to be either:

- an expansion of an existing local authority maintained school;
- a free school; or
- an academy.

5.4 In these plans it would be intended to start schools gradually so that for a 10fe secondary school they would grow from year 7 and over a 3 / 4 year period admitting say 4 forms in the first year, 6 forms in the second, 8 forms in the third year and 10 forms in the fourth year. In this way there would be some flexibility to respond to housing development.

5.5 In addition there have been recent announcements about the proposal for the University Technical College of East London to locate on the former Sanofi site in Dagenham East. Officers are currently exploring how this might fit with the Borough's own plans to encourage joint working.

## **6. Options Appraisal**

6.1 The current strategy is formulated against a backdrop on the demand side of: continuing increase in demand for school places for the foreseeable future and short run surges of demand for school places e.g. over the summer period. On the supply side the context is: limited funding on short time horizons; shortage of sites in areas of high demand; and lengthy timescales for new providers e.g. timescales for Free Schools to be established may be two years or more.

6.2 The agreed investment strategy 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.

6.3 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.

6.4 Options exist for any specific scheme and are explored to ensure that the overall strategic outcomes sought are achieved. 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.

## 7. Consultation

- 7.1 Although schools are situated in particular wards, these proposals are not Ward specific. There has been consultation with a range of Members and officers throughout the Council in order that appropriate matters are considered including financial, legal, risk management and others mentioned in section 14 of this report.

## 8. Financial Implications

Implications completed by: Patricia Harvey, Interim Group Manager, Children's Finance

- 8.1 This report updates Members on the a review of school place provision planned for 2017 in the Borough for secondary and primary school places, and clarifies the financial responsibilities for new and expanded schools located in the Borough and those which may lie outside of the local authority maintained sector.
- 8.2 As reported to Cabinet 24 March 2015, the notifications for funding directly to the local authority for maintained school place provision:

### **Basic Need Grant for School Places**

2015/16 £ 2,414,236

2016/17 £ 2,534,947

2017/18 £ 17,865,375

### **Devolved Formula Capital**

Local Authority £ 606,235

Voluntary Aided £ 95,323

### **Maintenance/Modernisation 2015/16**

Local Authority £ 4,239,619

Voluntary Aided £ 641,301

- 8.3 Voluntary Aided Schools who want to expand the discussion lies between the School, Diocese and LA. If the LA needs the places and is in a position to support a proposal which evidences the demand for faith places, then the Council will need to fund from basic need provision or other grant.
- 8.4 For Free Schools, it would be for the school in discussion with the DfE to determine whether there is demand to expand provision. It is likely the DfE would consult the LA regarding forecast numbers and the DfE would then directly fund any expansion through the Free Schools Unit.
- 8.5 Academy's wishing to expand the same would apply as for Free Schools, but the funding to expand would come through the Academies Unit at DfE and the school/academy chain would need to bid for resources.

## **9. Legal Implications**

Implications completed by: Lucinda Bell, Education Lawyer

- 9.1 The Council has a duty under s14 of the Education Act 1996 to ensure the provision of “sufficient schools” for the provision of primary and secondary education in their area. Sub-section 6 requires the Council to have regard to the need to secure that special education provision is made for pupils who have special educational needs when exercising their functions under this duty.
- 9.2 Legal advice must be obtained in relation to any planned procurement.

## **10. Other Implications**

### **10.1 Risk Management**

- 10.1.1 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.
- 10.1.2 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.
- 10.1.3 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.
- 10.1.4 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.
- 10.1.5 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.
- 10.1.6 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 CPMO 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.



- 10.2 **Contractual 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. It will also be necessary to explore other specialist providers where there is value for money and a clear support from the Government or its agents to secure projects in this way for schemes which they are funding directly.

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.

Projects will be subject to the Capital Appraisal Process and the agreement of the Procurement Board to progress schemes where these are Council funded 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. Where there are proposals to expand community schools being funded by the DfE through the Education Funding Agency the Academies Section or Free Schools Section then the procurement route will be determined by those bodies.

- 10.3 **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. There has been a consultation process regarding the changes at Castle Green.
- 10.4 **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.

- 10.5 **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 Children Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.
- 10.6 **Health Issues** - The health and well being board and JSNA highlight the importance of investing in early intervention and education to support children's and young people's long term well being. 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.

- 10.7 **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.
- 10.8 **Property / Asset Issues** - This proposed decision would facilitate the improvement and renewal of Council assets. The specific proposal for JRCS/Castle Green will provide improved management opportunities at the centre to enhance the use of accommodation and other resources for pupils and the wider community.

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

**List of appendices:**

- **Appendix 1** – Summary of Total Places Created since 2010/11 and Future Plans to 2018/19 across all London Boroughs