

CABINET

12 December 2017

Title: Review of School Places and Capital Investment - Update December 2017	
Report of the Cabinet Member for Educational Attainment and School Improvement	
Open Report	For Decision
Wards Affected: All Wards	Key Decision: Yes
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Accountable Director: Jane Hargreaves, Commissioning Director Education	
Accountable Strategic Director: Anne Bristow, Deputy Chief Executive and Strategic Director for Service Development & Integration	
Summary <p>This report sets out the latest information regarding forecast demand for education places across the Borough's Schools and education settings. It includes nurseries and special needs dedicated provision. The forecast for demand for school places is based on a recent exercise which has been completed over the summer 2017 and has been used to inform the Government (DfE) of the trends and impacts on demand. These forecasts are based on a number of factors which could fluctuate and impact on the level of need: these include birth rates, migration, and local housing availability, particularly new housing and regeneration projects.</p> <p>In order to respond to the need for school places a revised/updated Future Planning Programme for Basic Need 2017 to 2025 – Revised November 2017 is attached as Appendix 1 to this report. Cabinet Members may recall that a similar report was received at the meeting of 20 June 2017, minute 17 refers. This paper sets out the planned way it is intended to address the need for education places in the Borough and is an update based on latest information following the summer forecast review of school places.</p>	
Recommendation(s) The Cabinet is recommended to:	
(i) Approve the Future Planning Programme for Basic Need 2017 to 2027 (revised November 2017) as set out at Appendix 1 to the report;	
(ii) Approve the inclusion in the Capital Programme of the various sums and projects associated with changes to the Programme as detailed in section 5 of the report;	
(iii) 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

- (iv) 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 carry out the procurement and 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 A report setting out the position of demand for school places and how the Council needs to respond is provided to Cabinet twice yearly. The last report was at the Cabinet meeting held on 20 June 2017, Minute 17 refers.
- 1.2 This report includes the most up to date information on forecasting pupil numbers and demand for school places taking into account birth rates, migration, regeneration projects and new housing programmes of development. Attached is a programme of school provision which will help the Council to ensure every child has the opportunity for a school place in the Borough. Future Planning Programme for Basic Need 2017 to 2026 – Revised November 2017. Details are also included here about how the Council might respond to support the provision of 2 year old nursery places, and for pupils who have an identified Special Educational Need.
- 1.3 Following on from the significant number of schools which have been expanded in the last 10 years the opportunity to continue that practice has become much more difficult, mainly because we have exhausted the opportunities where demand is highest. Also, expansion schemes need to provide value for money and not so complex that it impacts on the education of the young people attending the school.
- 1.4 As explained in previous reports the Council now required to work with good education providers to secure new school places in the Borough, and such provision is monitored by the Secretary of State.

2. Update on Pupil Numbers and Capacity

- 2.1 The following new school places have been created in 2017.

Eastbrook Primary	2fe	reception classes
Riverside Primary	2fe	reception classes
Riverside Secondary	2fe	Yr7 classes
Barking Abbey Secondary	3fe	Yr7 classes

- 2.2 In addition the significant works at Eastbrook School to rebuild, and at Eastbury Community School to replace large sections of the buildings have been completed. This work has been undertaken by the Education Skills Funding Agency under contract with their contractor Wates Construction Limited following a competitive tender. The Council has made a contribution to both of these projects to secure improved classroom spaces better provision for access requirements, and in the treatment of some external enhancements and boundary requirements.
- 2.3 Both of these projects have contributed additional primary capacity in the Borough. In terms of Eastbrook the rebuilding of the secondary school building has allowed for some additional capacity (2 forms of entry) which will future proof the school as many of the primary schools in the locality have been expanded over recent years.
- 2.4 When looking at the forecast in growth of the pupil population the following 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;
- 2.5 The most recent set of pupil forecast figures have been reviewed over the last 3-4 months in order to provide evidence to the Government about the local changes and forecast changes to the pupil population. This data, when put together with all other Councils forecast data, is then used by the DfE to measure the growth in pupil demand at national level and to allocate resources for meeting school place basic need at local level. The forecasts indicate:
- the primary school population across the Borough is forecast to increase from its present levels of 28,884 (including nursery) at May 2017, to 34,012 (including nursery) for the school year 2027/2028.
 - the secondary school population across the Borough is forecast to increase from its present level 14,546 (including 6th form) at May 2017, to 24,210 (including 6th form) for the school year 2027/2028.
- [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.]*
- 2.6 The forecast is different to the forecast made last year, which for primary was a little lower at 30,460 for 2025/26, and for secondary it was higher at 25,380 for the same year. As reported previously there are various influence on the increased forecast of pupil demand for places. In particular the progress which is being made to secure new homes has not advanced as quickly but this is expected to recover with the Council's regeneration initiative working with developers.
- 2.7 The forecast is being used to make judgements about the rate we need to provide new school places and is built into the Future Planning Programme for Basic Need 2017 to 2027. This document is attached to this report at Appendix 1.

2.8 In the coming 2-3 years we can see that the rate of growth is slowing and the impact on reception classes is being felt in particular. To recognise this whilst some schools are in construction the following actions are being taken.

- schools in construction need to continue;
- opening of classes needs to be jointly managed by the school/LA so not to over provide;
- we need to recognise demand in localities to deal with difficult to access places, or where distance could be a problem.

2.9 In respect of secondary school places demand is continuing to rise but this does need to be managed in a similar way to primary growth. The real issue is the opportunities for developing sites or setting sites in reserve as they become available before the space is taken up by developers housing schemes. The importance is through the Councils Plan that we continue to take into account the demand for education provision when housing developments come forward to ensure there is a local offer for these new communities. Further, that the developing school provision can take 2-4 years and longer to secure an operator and to carry out construction.

2.10 It is worth re-stating that experience has shown and advice from the Department for Education has been given that local authorities need to plan appropriately. This means LA's need to plan for the whole education year, September to July and, in that process, need to have made some provision for contingency at around 3%. LBBB is aiming to meet these objectives. This may mean that whilst the programme of building needs to continue the rate at which classes are opened needs to be micro managed in conjunction with Schools and the Trust or Governing Body.

3. SEN Projects

3.1 In the report for Cabinet 20 June 1017 it was reported that resources were needed to start to address some of the environmental issues at some schools which were regarded as urgent. The following schemes are in the process of being undertaken or nearing completion.

Godwin Primary	-	improvements
Ripple Westbury	-	improvements and expansion
Gascoigne Primary	-	new facility
Monteagle Primary	-	improvements and expansion
Jo Richardson	-	improvement and expansion

4. Early Years Provision

4.1 Three projects part funded by the Education and Skills Funding Agency are due to be completed at the end of January 2018. These include extensions at current nurseries (Barney Bears and Kingsley Hall) and a new setting at the Riverside school site. The Early Years and Childcare Service will monitor supply of and demand after completion of these projects to ensure sufficiency for the delivery of early education places for 2, 3 and 4-year-olds and for 30 hours childcare for working parents.

5. Support for Specific Projects

- 5.1 At the Cabinet meeting of 20 June 2017 a summary of the available capital budget to provide new school places of Basic Need Grant from Central Government (DfE) was presented as follows:

Allocation of funding not set against specific projects to financial year 2017/2018	£3,442,251
Reimbursement from grant fund to support pupils with Special Educational needs 2018/19	£500,000
Basic Need Funding 2018/20	£5,339,400
Basic Need Funding 2019/20	£27,436,792
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	£36,718,443

- 5.2 From this fund we need to support a number of existing schemes to ensure that we have set aside sufficient resources the projects are set out in the following paragraphs.
- 5.3 Robert Clack School Expansion – some further work has been carried out to determine the extent and nature of the work to increase capacity at the School on existing sites, and to build the new facility at Lymington Fields. The Procurement Board have previously agreed to progress the project with the Local Education Partnership which is underway. We need to set aside £3.5m from the available sum set out in paragraph 5.1 above to meet costs of loose furniture and equipment and the ICT packages required across the 3 sites and to pay some internal fees, legal and technical. There has been protracted examination of the accommodation needed on the existing sites and with a robust decision from the school some physical areas have been reduced in order not to put greater pressure on the budget.
- 5.4 Marks Gate Infants and Junior School – there is an early proposal to change some of the facilities on the site with a view that the two schools have a closer working relationship and some better shared accommodation. The two schools are organised under one Executive Headteacher and amalgamation is currently being explored. In order to support this initiative, it is proposed to set aside £3m to provide some linked accommodation. There is also a regeneration project in the locality which may require further funding support to increase capacity, and this will be explored further and reported back to Cabinet in one of the regular reports.
- 5.5 Provision of additional capacity in Chadwell Heath – the changes proposed in Selinas Lane and Freshwater Road removing some of the industrial activities will impact on demand for school places if there is housebuilding in the locality. It is proposed to reserve some of the funding £7.0m as an interim measure would at this stage be a good housekeeping proposal whilst we do some further work on this project in conjunction with regeneration colleagues. If there is a proposal for a developer to provide new housing, some support for this initiative might come from planning gain S106 or Community Infrastructure Levy.
- 5.6 Additional Works at Expanded Schools – at the June 2017 Cabinet Meeting it was reported there was a need to set aside a small amount of capital to support additional spaces for schools which had expanded quickly to provide additional places. This included:

- loss of spaces for small group tuition;
- need to improve dining facilities;
- visitor reception; and,
- improving external spaces

5.7 At the time a sum of £0.75m was set aside and a number of issues have been rectified but in order to continue this work through next year a further sum of £0.5m is suggested to be set aside.

5.8 Contingency for Secondary Place Demand – reports have regularly been provided setting out a request for funding to be reserved for contingency in relation to place demand, typically £0.5m has been held in this way. This fund has usually been used to address demand in primary schools and this is changing. The big changes now relate to secondary schools and whilst we have some secondary school places available, if the anticipated demand in neighbouring boroughs changes then we could have some unexpected pressures in year 7 which need to be addressed quickly. 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.

5.9 Financial Summary for future funding as follows:

Budget Indicated at 5.1 above	£36,718,443
Less:	
• Robert Clack Expansion 5.3 above	£3,500,000
• Marks Gate Infants and Juniors 5.4 above	£3,000,000
• Provision of New Places, Chadwell Heath 5.5 above	£7,000,000
• Additional Works at Expanded Schools 5.6 above	£500,000
• Contingency for Place Demand 5.7 above	£500,000
Balance to be retained for future expansions	£22,218,443

5.10 This sum of £22,218,443 should be held in reserve as there are a number of regeneration schemes which will put pressure on capital to provide new school places. As more information and certainly about timing becomes available this will be reported to Cabinet together with plans about how provision to provide new places will be addressed. The availability of this fund is in future years as the grant will not be paid until 2019.

6. Options Appraisal

6.1 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.

6.2 The agreed investment strategy (see Future Planning Programme to meet Basic Need [including SEN places] 2017 to 2027 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.

- 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 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.
- 6.5 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.

7. Consultation

- 7.1 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 15 of this report.

8. Financial Implications

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

- 8.1 This report sets out approval for Future Planning Programme to meet Basic Need 2017 to 2026 and of various projects associated to the Capital Programme and requests approval to include schemes in the Capital Programme, as detailed in section 5.
- 8.2 There is sufficient capital grant funding available to deliver on these schemes.
- 8.3 Any major risks/financial impact identified through the appraisal process will be notified to Members through subsequent Cabinet reports.
- 8.4 The report also requests the approval of Delegating Authority to the Strategic Director for Service Development and endorsement by the Procurement Board.

9. Legal Implications

Implications completed by: Lucinda Bell, Education Lawyer and Kayleigh Eaton, Contracts and Procurement Solicitor

- 9.1 s14 of the Education Act 1996 imposes a duty on the Council to ensure the provision of “sufficient schools” for the provision of primary and secondary education in their areas. The Children and Families Act 2014 s27 imposes a duty on the Council to keep under review educational provision, training provision and social care provision made both in and outside of their area for children and young people with SEN or a disability for whom they are responsible.
- 9.2 This report asks that Cabinet approve the Future Planning Programme and Capital Programme, and to approve delegations for procurement processes and contracts. Powers to delegate are contained in the Council Constitution.
- 9.3 Any procurement carried out must comply with the Council’s Contract Rules and where the contract is for goods, services or works which has a value in excess of the EU thresholds then the procurement must be carried out in accordance with the Public Contracts Regulations 2015.
- 9.4 In keeping with the EU procurement principles, it is imperative that contracts are tendered in a competitive way and the process undertaken is transparent, non-discriminatory and ensures the equal treatment of bidders on the framework.
- 9.5 In line with Contract Rule 50.15, Cabinet can indicate whether it is content for the Chief Officer to award the contract following the procurement process with the approval of Corporate Finance.
- 9.6 The report author and responsible directorate are advised to keep the Council’s Legal team fully informed at every stage of the proposed tender exercises. The team will be on hand and available to assist and answer any questions that may arise.

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 Secondary 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 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.
- 10.2 **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.
- 10.2.1 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.
- 10.2.2 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.
- 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.
- 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 Childcare Act 2006 in relation to the provision of services to children, parents, prospective parents and young people.
- 10.6 **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.
- 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.

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

List of appendices:

Appendix 1 - Future Planning Programme for Basic Need (including SEN places) 2017 to 2027.