

## CABINET

17 July 2018

<b>Title:</b> Review of School Places and Capital Investment - Update June 2018	
<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 Commissioning Director:</b> Jane Hargreaves, Commissioning Director Education	
<b>Accountable Strategic Director:</b> Elaine Allegretti, Director of People and Resilience	
<b>Summary</b>	
<p>This report provides an update on the latest information regarding forecast demand for education places across the Borough's schools. It also provides an update on some specific projects which are necessary to respond to place demand and advice about the capital grant from the Education and Skills Funding Agency (ESFA) to be made available for the financial year 2018/19 and for 2020/21.</p>	
<p>Additional school places will be made available from September 2018 at the following:</p> <ul style="list-style-type: none"><li>○ Secondary – Greatfields 30 additional places</li></ul>	
<p>New funding has been announced to support investment in the Borough's schools for 2018/19 to support condition improvements which includes:</p> <ul style="list-style-type: none"><li>○ £420,898 Devolved Formula Capital Allocation – maintained LA Schools</li><li>○ £67,464 Devolved Formula Capital Allocation – maintained VA Schools</li><li>○ £3,862,230 School Condition Capital Allocation – maintained LA Schools</li><li>○ £580,505 School Condition Capital Allocation – maintained VA Schools</li><li>○ £369,673 Healthy Pupils Capital Fund - maintained LA Schools</li><li>○ £55,813 Healthy Pupils Capital Fund - maintained VA Schools</li></ul>	
<p>New funding has been announced to support the provision of new SEND places of £659,802 to be paid over the 3 years 2018 to 2021</p>	
<p>The report also includes proposals to invest in the following projects:</p>	
<ul style="list-style-type: none"><li>○ Trinity School</li><li>○ Robert Clack (proposed) Lymington Site</li><li>○ Ripple Primary School</li><li>○ Contingency for Sudden Place Demand</li><li>○ Projects to improve SEND places</li></ul>	<ul style="list-style-type: none"><li>£1,000,000</li><li>£1,000,000</li><li>£1,000,000</li><li>£ 500,000</li><li>£3,496,950</li></ul>
<b>Total</b>	<b>£6,996,950</b>

## **Recommendation(s)**

The Cabinet is recommended to:

- (i) Approve the strategy for Ensuring Sufficient School Places and School Modernisation to 2027, and the Future Planning Programme to meet Basic Need (including SEN places) 2017 to 2027 (amended June 2018) as set out in section 9 and Appendices 1 and 2 of the report;
- (ii) Approve the inclusion in the Capital Programme of the DfE grant allocations for 2018/19 as detailed in section 3 of the report;
- (iii) Approve the inclusion in the Capital Programme of the DfE grant allocated to support the provision of new school places as set out in section 4 of the report.
- (iv) Approve the various projects and associated changes to the Capital Programme as set out in section 6 and summarised in Section 7 of the report;
- (v) Delegate authority to the Procurement Board in accordance with the Council's Contract Rules subject to the Director of People and Resilience approving the final procurement strategies for each project; and
- (vi) Delegate authority to the Director of People and Resilience, 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 12 December 2017, Minute 69 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 2018. 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 Strategy for Ensuring Sufficient School Places and School Modernisation through to 2027, and Future

Planning Programme to meet Basic Need 2017 to 2027 (Appendices 1 and 2) 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 2018

2.1 Cabinet has received regular reports about the continuing demand for school places and the need to develop additional high quality 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 2018 is that we are anticipating that there will be a surplus of places. We aim to have 3%-4% spare capacity for fluctuations across the Borough and for parents to express a preference. This surplus for September 2018 is as a result of the fall in birth numbers in 2013/14. This reduction continued in 2014/15 and we anticipate a further surplus next year before there is an increase in YrR place demand in September 2020. For information the birth data was as follows:

<b>Birth Year</b>	<b>Birth Numbers</b>	<b>Reception Year</b>	<b>Reception Numbers</b>
2011/12	3,760	2016/17	3733
2012/13	3,841	2017/18	3525
2013/14	3,754	2018/19	3313

To manage this dip in place demand, the Admissions Team are in discussion with some schools to temporarily reduce the Pupil Admission Number at a few schools in the Borough and are seeking the agreement of the Schools Adjudicator for this course of action.

2.4 With regard to the provision of Yr7 places measured against demand, the position for September 2018 is that there are sufficient places overall for September but not enough to provide the level of contingency for families requesting places over the course of the year. 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 3,270 places and our capacity in the current academic year is 3,330. Senior

Officers in education commissioning are working with Secondary Schools to plan for an additional 30 places over the course of the year should this be required.

- 2.5 The greatest area of pressure is in the demand for good quality specialist places for children and young people with high needs/SEND. The borough's agreed strategy is to seek to educate as many children and young people with SEND within our local mainstream schools or as close to mainstream as possible. Alongside this we have successfully worked with the Education Skills Funding Agency to secure three new special schools. This remains an underfunded area, locally and nationally.

### **3. New Department of Education Grant Allocations 2018**

- 3.1. New advice has been received from the DfE about funding being made available to support capital projects for improvement or repair in 2018/19. Details are set out in the following paragraphs 3.2 to 3.4.

#### **3.2 Devolved Formula Capital 2018/19**

- 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 £420,898 for LA schools which has been estimated and needs to be confirmed by ESFA, is pass-ported 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 £67,464. This sum of £420,898 would need to be shown in the Council's Capital Programme, but the funding for VA schools does not.

#### **3.3 School Condition Capital 2018/19:**

- 3.3.1 There are two aspects to this fund. The sum of £580,505 was known as LCVAP (Locally Controlled Voluntary Aided Programme) now School Condition Capital for VA Schools 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 £3,862,230 needs to be included in the capital programme. This sum will be the subject of reports to the Procurement Board as appropriate 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 commissioned DfE school condition survey data. The overall investment programme will be approved by the Commissioning Director Education.

### **3.4 Healthy Schools Initiative**

- 3.4.1 Cabinet will be aware that the Government have introduced a levy on the soft drinks industry where drinks contain a high level of sugar, this was widely discussed and reported on last year. Advice has now been received that establishments run by the Borough will benefit from an initial one-off capital grant amounting to £369,673 for LA maintained schools. This sum needs to be accounted for in the Capital Programme.
- 3.4.2 Locally Controlled Voluntary Aided Schools will also receive a grant amounting to £55,813 which will be allocated to projects supporting condition improvements as indicated at 3.3.1 above. Accordingly, this does not need to be accounted for in the Council's Capital Programme.
- 3.4.3 Development of a programme of possible works are being discussed with Public Health, Healthy Lifestyles and Education. The programme of works to be approved by the Commissioning Director Education.

### **4 Capital for Basic Need 2020/21:**

- 4.1 The DfE announced on 29 May 2018 the forecast basic need allocations for all local authorities in respect of the financial year 2020/2021. The allocation for LBBB is expected to be limited to SEN place Provision – Designated Resources for SEN Provision amounting to a top up on previously announced funding of £659,802. This is an area of great need at present – both to create new provisions and improve facilities in mainstream schools. Education commissioning are working closely with school and Schools Forum to plan local provision.
- 4.2 In previous years we have benefitted from higher basic need allocations to support additional high quality mainstream school places. However, as reported in Section 2 above we saw a reduction in the birth rate in 2013/14 and 2014/15 so demand is not so high. Further we have had significant investment through the free school programme and the Targeted Basic Need Programme as well as the Priority Schools Building Programme which has supplemented the development of school places over the last 3 years. Additionally, we have a number of projects in the Free School Programme pipeline which include 3 new primary schools, a new secondary school and 2 special needs schools. These projects are subject to further discussion with the DfE and ESFA about timing but have been agreed in principle. Of course there are also ongoing projects funded through previously approved Basic Need Grant which the Council has approved and are detailed in Appendix 2 to this report.

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

- 5.1 At the Cabinet meeting on 12 December 2017 minute 69 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 (includes Basic Need Funding 2018/19 & 2019/20)	£22,218,443
Add: DfE funding to support SEND pupils reported Cabinet 20.6.17	
2018-19	+ 945,716
2019-20	+ 945,716
2020-21	+ 945,716
Add: DfE funding additional SEND places over 3 years 2018-2021	+ 659,802
<b>Total Basic Need Funding not allocated (SEN Funding)</b>	<b>£25,715,393</b>

5.2 Future years Basic Need funding included in the figures above could increase with each forecast review carried out annually with the DfE to examine demand for school places. Officers are actively engaged in calculating the forecast to be submitted to the DfE this summer.

## 6. Support for Specific Projects

### 6.1 Trinity School

The school has demonstrated physically the current problems which are being experienced in supporting pupils in the Further Education Centre (FEC) and additional resource provision ARP at the school. Part of the current building is not appropriate for the students and needs to be replaced. To support this the School are working with colleagues in Education Commissioning to plan the most effective use of this capital. It is anticipated that the total cost of the scheme would be £1m including fees and fitting out the building.

### 6.2 Robert Clack (proposed) Lymington Site

Funding has been set aside to provide a new all through school on a site off Whalebone Lane. However, the budget only allowed for pad foundations and the advice now received is that because parts of the land need to be piled that the whole building foundation should be treated accordingly. Further as part of the discussion with Planning there is a requirement for some highways works to be carried out, again this had not been previously identified when setting up the budget. The cost of these two matters would be £1m.

### 6.3 Ripple Primary, Suffolk Road

As part of the Primary Capital Programme it was proposed to replace some demountable classrooms at this school. The change of focus for the Government meant these plans had to be put on hold as the priority became a need to increase capacity. However, the demountable classrooms were second hand when they were added to the site as a quick fix and now need to be replaced. There are 3 classrooms with toilets and in order to configure the permanent structure on the site it is proposed to relocate the main entrance of the school. The early estimate for this work is £1m.

## 6.4 Contingency for Sudden Place Demand

Members will appreciate that the provision of school places can be particularly volatile in demand and particularly over the summer period. In recent years with unprecedented growth in primary numbers we have at time 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.

## 6.5 Projects to improve SEND places

Cabinet received a report on 20 June 2017 regarding additional funding being made available by the DfE/ESFA to support improvement of facilities in schools for Additional Resource Provisions. The Education Commissioning group are currently developing a plan following a survey of existing provision of ensure that these facilities are suitable and appropriate. The grant coming from DfE/ESFA will need to be invested in improving and creating SEND places. A budget of £3,496,950 to be allocated to meet this need.

## 7. Managing Support for Specific Projects

7.1 Turning now to the need to set aside some funding for supporting specific schemes as detailed in sections 6 above. The following budget adjustments are requested and can be supported from the funds identified in 5 above. The schemes and funding allocations are summarised below:

Budget Indicated at (para 5.1 above)

£25,715,393

Less:

- |   |            |
|---|------------|
| • Trinity School (para 6.1 above)                         | £1,000,000 |
| • Robert Clack (proposed) Lymington Site (para 6.2 above) | £1,000,000 |
| • Ripple Primary School (para 6.3 above)                  | £1,000,000 |
| • Contingency for Sudden Place Demand (para 6.4 above)    | £500,000   |
| • Projects to improve SEND places (para 6.5. above)       | £3,496,950 |

Balance to be retained for future expansions.

£18,718,443

7.2 This sum of £18,718,443 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 these funds is through grant some of which will not be received until the financial year 2020/21.

## 8. Greatfields Primary

8.1 Education Commissioning – School Investment have made application to the Education Skills Funding Agency (ESFA) to deliver on their behalf the Greatfields Primary School working with BeFirst and the Local Education Partnership. The Secondary school on the site is currently in development. The ESFA have indicated

their approval to a business case for delivery which is supported by Partnership Learning who will be the School operator.

- 8.2 In confirming their support for delivery by LBBD the ESFA have in principle approved a budget of £9,038,151. This funding will only be reimbursed to the Council as work progresses and needs to be accounted for as appropriate for capital income equal to outgoings.

## **9. Options Appraisal**

- 9.1 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); secondly 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; then subsequently 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.
- 9.2 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 and; timescales to achieve cost efficient / competitive prices often in short timescales.
- 9.3 The proposed delivery of the strategy is set out in the Appendix 1 (Strategy for Ensuring School Places and School Modernisation to 2027). 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 2027 Appendix 2. 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.
- 9.4 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.

## **10. Consultation**

- 10.1 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 13 of this report.



## **11. Financial Implications**

Implications completed by: David Folorunso, Principal Accountant, Children's Finance

- 11.1 This report sets out approval for Future Planning Programme to meet Basic Need 2017 to 2027 and of various projects associated to the Capital Programme and requests approval to include schemes in the Capital Programme, as detailed in section 6.
- 11.2 There is sufficient capital grant funding available to deliver on these schemes.
- 11.3 Any major risks/financial impact identified through the appraisal process will be notified to Members through subsequent Cabinet reports.
- 11.4 The report also requests the approval of Delegating Authority to the Director of People and Resilience to award respective project contracts.

## **12. Legal Implications**

Implications completed by: Lucinda Bell, Education Lawyer

- 12.1 S14 of the Education Act 1996 requires that a Local Authority secures that sufficient schools are available in their area for both primary and secondary education. In carrying out this duty we must ensure that we secure diversity in the provision of schools and increase opportunities for parental choice.
- 12.2 Other sections of the Education Act require that we promote high standards of education and fair access to education, and consider the need to secure provision for children with SEND.
- 12.3 All delegations must be made in accordance with Council's constitution.

## **13. Other Implications**

### **13.1 Risk Management**

- 13.1.1 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.

- 13.1.2 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.

- 13.1.3 School 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.
- 13.1.4 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.
- 13.1.5 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.
- 13.1.6 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.
- 13.2 **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.
- 13.2.1 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. The procurement routes will be approved at Procurement Board who will consider a report from Education about a procurement strategy based on a project basis. This will ensure that Value for Money is tested.
- 13.2.2 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.
- 13.3 **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.
- 13.4 **Corporate Policy and Equality 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.

- 13.5 **Safeguarding Adults and 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.
- 13.6 **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. Healthy Schools funding is to be welcomed.
- 13.7 **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.
- 13.8 **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** – Strategy for Ensuring Sufficient School Places and School Modernisation through to 2027.

**Appendix 2** - Future Planning Programme to meet Basic Need (including SEN places) 2017 to 2027.