

## CABINET

16 April 2013

<b>Title:</b> Demand for School Places - Proposed Investment Strategy																
<b>Report of the Cabinet Member for Children's Service</b>																
<b>Open Report</b>	<b>For Decision</b>															
<b>Wards Affected:</b> All	<b>Key Decision:</b> Yes															
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<b>Accountable Divisional Director:</b> Jane Hargreaves, Divisional Director of Education																
<b>Accountable Director:</b> Helen Jenner, Corporate Director of Children's Services																
<b>Summary:</b> <p>There have been regular reports to Cabinet highlighting the issues around the increasing pupil population which have been a feature of the demand for places over the last three years and projected through to 2020. It is anticipated that pupil places in Primary Reception will continue to grow through to 2020 by 687 places or 26 forms of entry, and for Year 7 (first year secondary) by 1,223 places or 41 forms of entry in the same period.</p> <p>The report also gives a progress on the development of secondary school places as work approved by Cabinet at its meeting on 13 November 2012, minute 51 refers.</p> <p>Details are given about funding allocations to the Council announced on 1 March 2013 to support improvements to building condition and for the creation of school places as follows:</p> <table><tr><td>Devolved Formula for LA Schools</td><td>£</td><td>619,320</td></tr><tr><td>Devolved Formula for VA Schools</td><td>£</td><td>88,495</td></tr><tr><td>Maintenance for LA Schools</td><td>£</td><td>3,633,262</td></tr><tr><td>Maintenance for VA Schools</td><td>£</td><td>487,034</td></tr><tr><td>Basic Need (2013/15)</td><td>£</td><td>28,104,818</td></tr></table> <p>The report also includes details about opportunities to bid for additional resources from the following DfE funds:</p> <p>Targeted Basic Need Programme 16 – 19 Demographic Capital Growth Fund 2013 -15.</p> <p>The recommendations cover the actions necessary to develop school places and to develop opportunities to increase the available funds.</p>		Devolved Formula for LA Schools	£	619,320	Devolved Formula for VA Schools	£	88,495	Maintenance for LA Schools	£	3,633,262	Maintenance for VA Schools	£	487,034	Basic Need (2013/15)	£	28,104,818
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## **Recommendation(s)**

The Cabinet is recommended to

- (i) Note the allocation of the Basic Need Grant Funding of £28,104,818 from the DfE to help address the need for additional school places and that a further report will be presented to Cabinet once specific schemes have been identified;
- (ii) Approve the bid programme set out at paragraph 4 of the report in respect of the Targeted Basic Need Programme and note that the projects meet with the original strategy document approved by Cabinet on 13 November 2012 and are recommended following a consultation with all schools;
- (iii) Approve the bid proposal set out at paragraph 5 in respect of the 16 – 19 Demographic Capital Growth Fund 2013-15, noting that the project for Barking Abbey is included in the original strategy document approved on 13 November 2012 and is recommended following a consultation with all Secondary Schools and Trinity School;
- (iv) Approve the purchase of the land known as the Eldonwall site shown hatched on plan LOC10 attached as Appendix 1 to the report to facilitate the expansion of Robert Clack School as set out in paragraph 2.8 of the report, subject to agreement of terms with the GLA and advice from the Council's property and legal services;
- (v) Approve the inclusion in the 2013/14 Capital Programme of the School Improvement grant for capitalised repairs from the DfE in the sum of £3,633,262, to support the improvement of condition and modernisation of the Borough's schools and the wider Children's Services property portfolio.

## **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' and 'Treating each other fairly and respectfully' through making school places available in appropriate settings as it is part of the mitigation of Corporate Risk 31 – Inability to Provide School Places.

## **1. Background**

1.1 Cabinet have received regular reports about the continuing demand for school places and the need to develop additional provision. The most recent information about demand shows the following based on our submission to the DfE for resources through the School Capacity Return 2012:

- Primary Reception Places – to rise from 3,580 (2012/13 forecast) to 4267 places by 2020, an increase of 687 places or 26 forms on entry.
- Secondary YR7 Places – we currently have spare capacity in secondary schools, however, the demand will rise to 3,773 places for YR7 by 2020, compared to the 2,550 places available for September 2013. This represents a difference of 1,223 places or 41 forms of entry, after allowing for the current spare capacity.

1.2 Cabinet will recall that there has been investment to support some schemes for developing school places in previous years as follows:

Original Basic Need Allocation 2011/12	£14.2m
Redirected Basic Need Nov 2011	£23.9m
Basic Need 2012/13	£21.9m
Additional Basic Need 2012/13	£29.8m
Total	£89.9m

1.3 This report includes details of the allocation of funding for the current year and opportunities to bid for additional resources through DfE bidding processes. It also contains information about the opportunities and progress on the 4 main secondary projects approved by Cabinet at its meeting on 13 November 2012. Minute 51.

## **2 Development of Secondary School Facilities**

2.1 The projected forecast for demand in YR7 is being affected in the short term by the impact of out of borough school places availability particularly in Havering and Redbridge. In September 2012 around 100 pupils in addition to the usual 300 seeking out of borough places chose a school outside the Borough. This will be repeated in September 2013. However, there is evidence from neighbouring boroughs that their primary places are gradually filling – in Havering they are expanding 8 primary schools from September 2013 – and this inward demand will mean that less opportunity will exist for pupils to seek out of borough placements in the future.

2.2 The impact for Barking and Dagenham in the short term means that we will not need to have additional year 7 places available until 2015 – rather than the planned 2014 in our strategy. We need to look at ways we can continue to create spaces without the impact on schools for the revenue costs of the schools.

2.3 It is proposed where possible to continue developing places and to try to get buildings in place ahead of demand and set out below is information about current progress on schemes approved by Cabinet as follows:

Barking Abbey	- 5fe	£15m
All Saints	- 2fe	£6m
Jo Richardson	- 2fe	£3m
Barking Riverside	- 4fe	£4.4m
Robert Clack	- 2fe	£6m

### **2.4 Barking Abbey**

2.4.1 In conjunction with colleagues in the Corporate Client Unit, Walters & Cohen Architects were appointed from the frameworks schedules following a short competitive exercise.

2.4.2 Walters & Cohen have worked with the school to understand the impact of such a major rise in forms of entry possibly up to 14 forms from 9 forms and the accommodation needs matched to the timetable and curriculum offer. This has produced a comprehensive report which highlighted that investment would need to

be above the level set out in the budget and nearer to £21m because of the complexities and split site nature of the school.

- 2.4.3 Walters & Cohen were asked to investigate the options for construction and in particular to look at the £ per m<sup>2</sup>. It is proposed to seek additional funding for this project through bids as set out in section 4 of this report. If the bids for additional funding are not successful the whole programme for Barking Abbey will have to be reviewed.

## **2.5 All Saints**

- 2.5.1 The Diocese of Brentwood have appointed Living Architects who know the building well and have carried out a number of projects at the School. Living Architects have worked with the school to develop the extent of the brief to achieve this 2 form entry expansion.
- 2.5.2 In order to achieve this project the design incorporates the replacement of the current art block which is beyond economic repair condition and replaces it with a new block. There will be some additional buildings added to the existing science and sports blocks to make this work, together with some internal remodelling. To accommodate this, a small area of land adjoining the science and sports block will need to be sold to the School. A specific item covering this proposal is included on this Cabinet report – Proposed Transfer of Land - Robert Clack to All Saints.
- 2.5.3 There is also an emerging issue regarding heating distribution for the site and in particular the new additions. A more detailed report has been requested by Children's Services through the Diocese Architect and their mechanical engineering consultants. Again this may result in some additional cost but we are aiming to keep such costs to a minimum at this time we are not looking to increase budgets.

## **2.6 Jo Richardson**

- 2.6.1 The Council has determined to close the public library located at Castle Green, however, this was a shared library with Jo Richardson Community School. As a consequence some of the vacated space is to be turned into a library for the school with some other internal works to move rooms and create two classrooms for the school. This will be phase 1 of the works and be carried out using the existing PFI contractor. The School/Castle Green are liaising to secure a price for the work from the PFI Contractor. It is estimated this work will be accommodated within the current allocation of £3m.
- 2.6.2 The second phase will be to provide a 10 classroom block adjoining the site of the school/Castle Green which will allow a department of the school to be rehoused. Some initial sketch plans are being drawn up and there will need to be some consultations before we can move this forward.

## **2.7 Barking Riverside – Proposed Riverview Free School**

- 2.7.1 A comprehensive report was given at the meeting of Cabinet on 12 February 2013 setting out the route to secure this project – minute 98 refers.

2.7.2 An order for the provision of buildings on the former City Farm site has now been placed.

## **2.8 Robert Clack**

2.8.1 This project was conceived originally to provide for two forms of entry; however, the complex nature of a split site school, which was discovered at Barking Abbey, will mean that some of the original costs will increase. The initial piece of work being carried out by the school is to examine the demand for teaching spaces and they have provided an analysis of teaching spaces required. This piece of work is continuing.

2.8.2 Officers are now exploring the opportunity of purchasing a piece of land adjoining the Robert Clack School Green Lane site and currently referred to as the Eldonwall site. This is in the ownership of the GLA and initial discussions have indicated the GLA are looking to dispose of this site. The site is 2.3 acres and is shown hatched on plan no. LOC 10 attached at Appendix 1 to this report.

2.8.3 The benefits of this land are seen as the opportunity to support the development of Robert Clack to have two sites each accommodating up to 8 forms of entry with a joint sixth form remaining as part of the North East Consortium located mainly on the Gosfield Road site, but also providing the opportunity to develop the proposed three- form entry primary school planned at Lymington Fields to be developed as an integrated provision at Robert Clack. The expansion of Robert Clack in this way will mean that the traditional intake to the School will be maintained.

2.8.4 Permission is therefore being sought to secure the land indentified as the Eldonwall site subject to an independent valuation and negotiations with the GLA and appropriate property and legal advice to protect the Council's interest. The purchase of this land is to be funded from the original allocation of £6m and the balance, along with hoped for additional funding from the bidding process, funding the capital expansion works. If the bids for additional funding are not successful, the whole programme for Robert Clack will have to be reviewed.

## **3 School Capital Funding**

3.1 The Secretary of State has released details of the capital allocation for 2013/14 and for basic need for 2013/15. For Barking and Dagenham the following apply.

Devolved Formula for LA Schools	£619,320
Devolved Formula for VA Schools	£88,495
Maintenance for LA Schools	£3,633,262
Maintenance for VA Schools	£487,034
Basic Need (2013/15)	£28,104,818

3.2 The Basic Need allocation covers two years and therefore will help with planning but is a disappointing settlement when we have estimated that need is in excess of £40m per year.

3.3 Approval from Cabinet is sought to include £3,633,262 in the capital programme for investment to address condition aspects of existing Children's Services buildings in accordance with the funding criteria.

- 3.4 Cabinet is asked to note the allocation of the £28.104m Basic Need funding for 2013 to 2015. A spending programme for this sum will be brought back to Cabinet for approval when specific schemes have been identified.

#### **4 Targeted Basic Need Programme**

- 4.1 Clearly if the Council is going to secure any additional funding the opportunities will need to be taken to bid for additional resources. The Targeted Basic Need programme of £982m is such an opportunity. In the Autumn Statement on 5 December 2012, the Chancellor announced that the Government will provide an additional £982m invest in schools in England over the remainder of this Parliament over and above existing allocations. The Department for Education (DfE) followed this announcement with the launch of the Targeted Basic Need Programme to fund the provision of new high quality school places in locations experiencing basic need pressures in order to prepare for further rises in pupil numbers. The DfE want to ensure that basic need is met with higher quality and more diverse provision. The programme will therefore provide additional support to those local authorities experiencing the greatest pressure on places through the funding of new academies and Free Schools as well as enabling investment to permanently expand good and outstanding schools with high levels of demand. The LA must provide the land.
- 4.2 The Programme was formally launched on 1 March and applications close on 30 April so timescales are tight. LAs can bid for new free schools or academies or to expand existing good or outstanding schools. The LA must provide the land. Given the timescales both for bidding and the need to complete projects for September 2015 proposals to expand existing schools are likely to be the most realistic as we do not have sites available. It is proposed to make applications from existing schemes approved by Cabinet, and subject to consultation with other schools.
- 4.3 It was originally hoped that the Council would be able to bid for a number of projects from this fund, and then to re-cycle the current project fund to other schemes. This now appears not to be an option as we have to demonstrate when making the bids to the DfE what we are doing with our existing allocations.
- 4.4 It is proposed following consultation with all schools that we bid for the following projects.
- 4.4.1 Barking Abbey – as indicated at 2.4 we have a shortfall of £6m for this scheme and it is a priority to create secondary school places for 2015.
- 4.4.2 Robert Clack – as indicated at 2.8 we have set aside some funding to support the land purchase, legal costs, site clearance and preparation of £6m, but to develop a scheme to expand the school is expected to be in the region of £15m to £18m.
- 4.4.3 Eastbury Secondary – the provision of improved facilities at the school to replace poor quality accommodation and allow for the development of primary facilities is included in the Priority Schools Building Programme. It is becoming increasingly a problem to accommodate primary pupils in the Faircross area with a number of housebuilding projects in central Barking. The funding for the Priority Schools Building Programme is not due to be available – as PFI Credits – until 2015 at the

earliest. It is proposed to bid for £16m to bring this forward as a grant funded project.

## **5 16-19 Demographic Capital Growth Fund 2013-15**

- 5.1 The 16-19 Demographic Growth Capital Fund (DGCF) for 2013/15 is now open and local authorities are eligible to apply. At present DfE do not plan to have a further round in 2014/15. The total budget for the two year period is £80m. The purpose of the DGCF is to support the cost of additional places needed by young people 16-19 years of age as a result of increases in population and / or participation and by young people 16 – 25 years of age who have learning difficulties and / or disabilities. The Education Funding Agency (EFA) is asking Local Authorities to submit applications on behalf of eligibility institutions. The deadline for submitting applications is 30 April 2013 and each bid is limited to £2.5m. .
- 5.2 The Council has had successful bids in the last two years – Robert Clack and Trinity 6<sup>th</sup> Form provision. It is proposed to determine the best bids and, subject to consultation and Cabinet agreement, make an application. The most pressing need at present appears to be at Barking Abbey.

## **6. Options appraisal**

- 6.1 The main option outside of the report's immediate proposals is to do nothing more than accept the current and proposed levels of funding which then exposes the Council to risks of poor accommodation and a challenge to its ability to fulfil its statutory obligations.

## **7. Financial Implications**

Implications verified by: Dawn Calvert, Finance Group Manager

- 7.1 The capital funding for maintenance for LA schools of £3.633m and Basic Need funding (2013/15) of £28.104m is expected to be received monthly in 2013/14.
- 7.2 In November 2013 Cabinet approved a capital allocation of £6m for a two form of entry expansion at Robert Clack. This allocation will be partly used to fund the purchase of the Eldonwall Site with the balance, along with hoped for additional funding from the bidding process, funding the capital expansion works. If additional funding is not secured, the whole programme for Robert Clack will have to be reviewed.

## **8. Legal Implications**

Implications verified by: Lucinda Bell, Safeguarding Lawyer

- 8.1 S 14 of the Education Act 1996 imposes a duty on each Local Authority to secure that sufficient schools for providing primary and secondary education are available for their area. Schools must be sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education. The Authority must secure diversity in the provision of schools and increase opportunities for parental choice.

## 9. Other Implications

- 9.1 **Risk Management** - Risk that funding levels will not be sufficient to create new school places needed. This risk is high impact (4) and medium (3) probability = 12 red. This risk is being managed by purchasing the most affordable accommodation which is system build where possible. Post control the risk is high impact (4) and low (2) probability = 8 amber.

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

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

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

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

- 9.2 **Contractual Issues** - 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.

It is anticipated that projects will be secured 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.

A further report on new projects and the suggested procurement route will be brought back to Cabinet once the projects have been scoped and the implications understood more fully.

- 9.3 **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.



- 9.4 **Customer Impact** - 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.
- 9.5 **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.
- 9.6 **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.
- 9.7 **Property / Asset Issues** - This proposed decision would facilitate the improvement and renewal of Council assets.

**Background Papers Used in the Preparation of the Report:**

Cabinet Report – School Capital programme – Basic Need Allocation 2012/13  
Phase 2 – 13 November 2012 (Minute 51)

**List of appendices:**

Appendix 1 - Robert Clack Green Lane Site – Eldonwall Estate/Site  
Location Plan No: LOC10