

## CABINET

25 June 2013

<b>Title:</b> School Capital Programme Basic Need Allocation 2013 - 2015	
<b>Report of the Cabinet Member for Children's Services</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>Summary:</b> <p>Cabinet received a report on 16 April 2013 advising that the Council had been allocated an additional amount of funding from the Government to support the provision of school places – basic need. The sum allocated amounting to £28,105,818 is included as a lump sum in the draft capital programme (minute 129, 16.4.2013) and this is an allocation covering the two years 2013/14 and 2014/15. Cabinet also received a report 21 May 2013 advising on funding issues in relation to the preparation works for the permanent site of Riverside Secondary School and in particular front funding site preparation works (minute 7, 21.5.2013) The main purpose of this report is to allocate some of this funding to existing projects to allow those projects to progress.</p>	
<b>Recommendation(s)</b> <p>The Cabinet is recommended to agree:-</p> <ul style="list-style-type: none"><li>(i) the allocation of resources totalling £ 10,850,000 set out in Section 2 of the report, to ensure that the projects identified are progressed to conclusion.</li><li>(ii) the sum of £ 17,255,818 being retained at the present time to await the outcome of the bids submitted to the DfE/EFA for additional funding, as approved under Minute 129, Cabinet 16 April 2013 and further detailed work at the Gascoigne Primary Abbey depot site which is part of wider regeneration work.</li><li>(iii) The transfer of Arden House with effect from 1<sup>st</sup> October 2013 to Children's Services to allow the development of early education places with a particular focus on the statutory 2 year old offer.</li></ul>	
<b>Reason(s)</b> <p>To assist the Council in fulfilling its duty to provide every child in the Borough with a school place.</p>	

## 1. Introduction and Background

- 1.1 Cabinet received a report on 16 April 2013 advising that the Council had been allocated an additional amount of funding from the Government to support the provision of school places – basic need. The sum allocated amounting to £28,105,818 is included as a lump sum in the capital programme (minute 129, 16.4.2013) and this is an allocation covering the two years 2013/14 and 2014/15. The main purpose of this report is to allocate some of this funding to existing projects to allow those projects to progress.
- 1.2 The report to Cabinet, 16 April 2013 set out the forecast demand for places based on the School Capacity Return 2012 provided to the DfE. The figures were as follows:
- Primary Reception Places – to rise from 3,580 (2012/13 forecast) to 4267 places by 2020, an increase of 687 places or 26 forms of 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.

## 2. Proposal

- 2.1 The following paragraphs contain recommendations for increasing the budgets at previously approved projects. Members will recall that in the past projects have been approved by Cabinet based on a very initial estimate of cost and without the benefit of developing a full proposal with technical input, as this would have been both time consuming and costly ahead of knowing whether Members wish to support the proposals.

### 2.2 Nursery Education Places for 2 and 3 year olds.

It is proposed to provide £250k in 2013/14 and a further £250k in 2014/15 to support the development of nursery places for 2 and 3 year olds. This is in addition to the capital allocation of £889k for the implementation of early Education for 2 year olds approved by the DfE.

Funding to be  
approved this time  
£m

£0.5m

### 2.3 William Bellamy Primary

There was originally a sum of £1.8m approved by Cabinet (Min 133 – 10 May 2011). A subsequent sum of £0.5m was approved to support the possible amalgamation of the Infant and Junior School (Cabinet, min 109 14.2.2012) Now that some technical work has been carried out taking into account, the increased capacity, amalgamation implications and improved nursery provision for 3 year olds in the school and the promise to parents to link the infant and junior buildings a further £850k is required for this project. This will mean the overall budget for this scheme is £3.15m

£0.85m

## 2.4 All Saints R C Secondary School

Provision was made in the report to Cabinet (13 November 2012 Min 51) for £6.1m for this scheme to expand the school by 2 forms of entry per year group and increase the school by 300 places in years 7 – 11. Since the original budget was recommended the Diocese appointed consultants to undertake initial work, problems with heating distributing, asbestos encased pipe work and drainage on site have been identified. A report has been commissioned which indicates the most accurate cost implications are an increase in the order of £1m, taking the budget to £7.1m.

£1m

## 2.5 Unexpected Pupil numbers

In each of the last 3 years Cabinet has approved a contingency of £1m per year to deal with unforeseen circumstances of pupils arriving in the Borough over the summer. £1m was approved for summer 2012 and 2013 by Cabinet decision (Min 109 14.02.2012). By this report a similar sum is requested for 2014 and 2015 - £1m each year - a total of £2m.

£2.0m

## 2.6 SEN Places

By minute 109 Cabinet 14.2.12 a sum of £1m was approved for the development of ARP's (Additional Resource Provisions) in Schools to support pupils with specialist needs. A similar sum is requested. Pressure for specialist SEN places is significant at the moment and more may be required. We currently wait for the outcome of the Riverside Free school bid to expand Special School Provision to be located at Barking Riverside. A report will come to Cabinet once the outcome of this bid is formally known. There is an increasing need for specialist BESD provision in the Borough.

£1.00m

## 2.7 Barking Riverside – Riverview Secondary School Front Funding.

£5.5m

In accordance with the report to Cabinet on 21 May 2013 it was agreed to support front funding for infrastructure works to enable the phased Riverside schools to be built. This front funding was conditional on all other funding options including an application to the GLA having been explored and, as a last resort would be drawn from the DfE's Capital Grant allocation. In this event a loan would be made to Barking Riverside Ltd. to undertake the infrastructure works with a guaranteed repayment by 2018.

## 2.8 Sub Total to be approved for spending.

**£10,850,000**

Section 3 of the report provides details of expected spending totalling £10,850,000 out of the **£28,104, 818**.

2.9 This leaves a balance for distribution on projects of £17,215,818. It is suggested that this sum is retained until:

- (i) we are clear about the bids submitted under the Targeted Basic Need Programme and 16-19 Demographic Growth fund Bid.
- (ii) we are clear about the Barking Riverside Free School bid.
- (iii) more detailed work at the Gascoigne Primary Abbey Depot site which is linked to the Gascoigne master-plan and requires clarity around HRA apportionment.

Further reports will be submitted to Cabinet.

### 3. Financial Summary

3.1 For clarity, the following summary of likely spend is as follows:

#### Projected Spend Profile by Project

	2013/14	2014/15	2015/16	2016/17	
Nursery Places 2-3 year olds	250,000	250,000			500,000
William Bellamy Nursery		800,000	50,000		850,000
SEN Places		250,000	750,000		1,000,000
All Saints Catholic School and Technology College		900,000	100,000		1,000,000
Unexpected Numbers 2013 – 2015		1,000,000	1,000,000		2,000,000
Barking Riverside – Riverview Secondary School Front Funding	500,000	4,500,000	500,000	-	5,500,000
	750,000	7,700,000	2,400,000	0	10,850,000

#### **4. Increasing Provision for 2 years old**

- 4.1 The Government have allocated some resources to support the provision for 2 year olds in the Borough and this amounts to £889k. As this report indicated in section 2.2 there is a need to add some funding to make this work and £250k for 2013/14 and a further £250k is suggested for 2014/15.
- 4.2 A project has been identified at Arden House in Longbridge Road to be included in the capital programme utilising £250k from the £889k, and £250k from basic need. Another potential site at Halbutt Street has been identified. This site is currently administered by Adult Services. They have indicated they no longer need this site. Initial costs have yet to be established for conversion to early education places, but it is estimated to be in excess of 300K. It is expected this cost will be met jointly between the basic Need Allocation and the funding secured for Two Year Old Capital.
- 4.3 Cabinet are asked to agree that Arden House be transferred to Children's Services for the purpose of developing places for 2 year olds in the Borough. This will be with effect from October 2013.

#### **5 Options Appraisal**

- 5.1 The projects in which investment is being made relates to the concept of investing to expand most schools where it is felt appropriate. See also Risk Management at 9.1 below.

#### **6. Consultation**

- 6.1 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 8 of this report.

#### **7. Financial Issues**

- 7.1 Implications verified by: Nicolini Gaspare, Group Accountant

Earlier this year the Government allocated additional basic need funding 2013-15 to support the provision of school places. The sum allocated amounted to £28,104,818 this is included as a lump sum in the capital programme (minute 129, 16.4.2013). The proposals within this report amount to £19,550,000 proposals for the remaining unallocated sum of £8,554,818 will return to Cabinet once these have been formulated.

#### **8. Legal Issues**

Implications verified by: Lucinda Bell, Senior Lawyer

- 8.1 The report seeks approval for further spending on schools, taking into account financial, Health and Safety and other government requirements of the authority to meet its legal requirements e.g. the provision of sufficient pupil places under s14 of the Education Act 1996, and the duty to secure sufficient free early years provision

under s7 of the Childcare Act 2006. The Local Authority (Duty to Secure Early Years Provision Free of Charge) Regulations 2012 (SI 2012/2488) will come into force on 1 September 2013. They extend children in respect of whom there is a duty to secure sufficient free early years provision to include some 2 year olds.

- 8.2 Under s149 of the Equality Act 2010 the Council must in the exercise of its functions have due regard to the need to eliminate discrimination and any other conduct that is prohibited by or under the Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics are age, disability, gender reassignment, marriage and civil partnership, race, religion or belief, sex and sexual orientation.
- 8.3 All commissioning of works must be made in accordance with Council's Standing Orders and EU procurement requirements.

## 9. Other Implications

- 9.1 **Risk Management** - Risk that funding levels will not be sufficient to meet demand 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 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.

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.

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.

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. Procurement routes for these projects were agreed in the report to Cabinet on 13 November 2012.

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.

The longer term outlook is unlikely to be positive on the proposed funding levels.

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.

The longer term outlook is unlikely to be positive on the proposed funding levels.

9.6 **Health Issues** - In the short term there are no specific implications, but in the longer term the outlook is unlikely to be positive on the proposed funding levels.

9.7 **Crime and Disorder Issues** - In the short term there are no specific implications, but in the longer term the outlook is unlikely to be positive on the proposed funding levels.

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.

9.8 **Property / Asset Issues** - This proposed decision would facilitate the improvement and renewal of Council assets.

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

- Demand for School Places – Proposed Investment - Cabinet date 16.04.13
- School Capital Programme Basic Need Allocation 2012/13 Phase 2 – Cabinet date 13.11.12
- School Capital Programme Basic Need Allocation 2012/13 – Cabinet date 14.02.12

**List of appendices:** None.