



Notice of KEY Executive Decision

Subject Heading:	Redden Court Secondary school expansion – virement to increase funding allocation and approval to release funding to ESFA to progress works
Cabinet Member:	Councillor Robert Benham Cabinet Member for Children & Learning
SLT Lead:	Tim Aldridge, Director of Children's Services
Report Author and contact details:	Pooneeta Mahadeo School Organisation Manager pooneeta.mahadeo@havering.gov.uk 01708 431092
Policy context:	The Council has a statutory duty to provide sufficient school places for the local population. In Havering the school age population is rising and this is projected to continue. The Council has to plan to meet the need and ensure permanent places are available on time.
Financial summary:	Costs of works required to provide additional places estimated at £5.6m compared to £4m funding within the Capital Programme. Virement of £1.6m required from elsewhere within the school expansion programme. Revenue implications of expanded schools will be funded from the schools delegated budget.

Key Executive Decision

Reason decision is Key	The proposed expansion will cost £500,000 or more.
Date notice given of intended decision:	10/04/2018
Relevant OSC:	Children and Learning
Is it an urgent decision?	Yes
Is this decision exempt from being called-in?	Yes

The subject matter of this report deals with the following Council Objectives

Communities making Havering	<input checked="" type="checkbox"/>
Places making Havering	<input type="checkbox"/>
Opportunities making Havering	<input type="checkbox"/>
Connections making Havering	<input type="checkbox"/>

Place an X in the [] as appropriate

Part A – Report seeking decision

DETAIL OF THE DECISION REQUESTED AND RECOMMENDED ACTION

Cabinet approved the Phase school expansion programme at their meeting on the 12 October 2016. At that meeting Cabinet agreed to delegate the power to take further decisions regarding the approval of which settings/schools included within the report should be expanded or supported financially (subject to the appropriate statutory processes) for Phase 4 of the Expansion Programme to the Lead Member for Children & Learning.

The Local Authority did the consultation for the expansion of Phase 4 secondary schools – all these were academies and the Cabinet Member took the decision to implement these expansion proposals on the 29th August 2017.

Both the Cabinet report and the ED to implement had an estimate cost of £4m for Redden Court expansion build works and funding of £4m was allocated to Redden Court in the Capital Programme. However costs are now expected to be £5.6m. The increase relates to a change in the scope of works to enable the school to accommodate children with SEN and the need to include additional sporting facilities as the current provision cannot meet the needs of an expanded school. Although costs of the Redden Court expansion are exceeding the budgetary provision, funding has been allocated to Parsonage Farm Expansion within the capital programme which following the outcome of public consultation is not currently progressing. As such it is proposed to vire the funding from this scheme to Redden Court.

Once the virement has been completed authority is then also sought to release funding to the ESFA as they will be completing the expansion works on behalf of the Council as part of a bigger scheme to improve the condition of the schools as part of the priority schools build programme phase 2.

Recommendation

- To vire funding of £1.6m currently allocated to Parsonage Farm Primary School Expansion within the Capital Programme to Redden Court Expansion.
- To agree the release of funding to the ESFA (Education and Skills Funding Agency) to proceed with expansion build works by signing the S151 letter. Further discussions are underway with the ESFA regarding the wording of the lettering in order to minimise financial risk to the Council.

AUTHORITY UNDER WHICH DECISION IS MADE

Virement rules state that changes over £1m need a key decision requiring notification on the Forward Plan and approval by Members through a Cabinet report. Further to the Cabinet report of October 2016 and the Executive Decision taken by the Cabinet Lead member to implement those proposals on 29th August, 2017 this matter is now to be placed for a decision by the Leader of the Council to authorise the virement to increase the funding allocation and approve the release of funding to the ESFA in order to progress works.

STATEMENT OF THE REASONS FOR THE DECISION

Cabinet approved the Phase school expansion programme at their meeting on the 12 October 2016. At that meeting Cabinet agreed to delegate the power to take further decisions regarding the approval of which settings/schools included within the report should be expanded or supported financially (subject to the appropriate statutory processes) for Phase 4 of the Expansion Programme to the Lead Member for Children & Learning.

The Local Authority did the consultation for the expansion of Phase 4 secondary schools – all these were academies and whilst the Council does not formally take the decision to expand academies, the Cabinet Member took the decision to fund these expansion proposals on the 29th August 2017.

Both the Cabinet report and the ED to implement had an estimate cost of £4m for Redden Court expansion build works.

As the ESFA was already doing some condition work at Redden Court as part of a successful PSBP2 (Priority Schools Building Programme) they were asked to deliver the expansion project as well. Our original budget for this was £4m but are now estimated to be £5.6m amounting to a budget uplift of £1.6 m .

The extra costs derived largely from the need for SEN provision at Redden Court and this was agreed through expansion board. Although this was agreed we were initially told that this extra funding could not be met from Basic Need Allocation as the extra accommodation provided was beyond BB103 (Building Bulletin 103 – area guidelines for schools).

The ESFA only recently confirmed that we can now use Basic Need for this project as the additional accommodation requested is not beyond the area guidelines of what the school require for a 2FE expansion.

The SoA (Schedule of Accommodation) tool advises that the gross area for a generic, new build secondary school with 1050 pupils ranges from 7665m² (BB103 minimum area) to 8725m² (BB103 maximum area). The PSBP only fund BB103 minimum areas to address condition needs.

Using the information contained within the SoA tool for Redden Court, the existing Spaces tab informs the following:

GIFA of current existing school (A)	6791 m ²
GIFA of Block C and I (B)	738 m ² (area to be demolished)
GIFA of retained (A-B)	6053 m ² (C)
GIFA of proposed (D)	2189 m ² (new block to be built)
GIFA of final school (C + D)	8242 m ²

Key Executive Decision

Maximum GIFA for a 1050-place school is 8725m²; so we are under even if you factor in partitions.

Taking the above into account, the basic need funding allocated to the local authority to address the needs for pupil places can be utilised for all the spaces up to the maximum recommended area guided under BB103. It is up to the local authority to ensure the basic need funding is proportionately distributed to all schools that are expanding and having capital works carried out to meet the local demand needs.

The Council are also applying for a MUGA at the school and if the application is successful this will be funded from Basic Need as well. Costs are estimated at £200k.

The reason for the urgent decision is that the ESFA is going to e-procurement soon and has sent the S151 letter through for the LA to sign to confirm that we are providing a capital contribution of £5.378m for the provision of the expansion works at Redden Court. The S151 officer would not be able to sign the S151 letter because only £4m is allocated in the Capital Programme against this project. If we do not submit the S151 letter to the ESFA as soon as possible this will delay the building works further and the additional places would not be delivered on time.

The expansion works need to be delivered by August 2019 so that the school can admit to the expanded Published Admission Number of 210 in Year 7 in Sept 2019. The school has already taken a bulge class in Year 7 for Sept 2017 and took 1 FE expansion in Sept 2018.

For Sept 2019, the school will have the pupil numbers below and will not be able to manage without the erection of two new build blocks to accommodate the expansion from 5 FE to 7FE.

	Year 7	Year 8	Year 9	Year 10	Year 11
Sept 2018	180	180	150	150	150
Sept 2019	210	180	150	150	150

The Academy has already determined its admission arrangements for the Academic Year 2019-20 on a PAN (Published Admission Number) of 210.

OTHER OPTIONS CONSIDERED AND REJECTED

Options were considered in earlier report of 29th August 2017 and the circumstances of that haven't changed.

NAME AND JOB TITLE OF STAFF MEMBER ADVISING THE DECISION-MAKER

Name: Pooneeta Mahadeo

Designation: School Organisation Manager

Key Executive Decision

Signature:

A handwritten signature in black ink, appearing to read "P. Mahad". The signature is written in a cursive style with a large, looping initial "P".

Date: 19/04/2017

Part B - Assessment of implications and risks

LEGAL IMPLICATIONS AND RISKS

The Council is the Local Education Authority within the meaning of Section 12 of the Education Act 1996 and has a general responsibility for education under Sections 13 and 14 of the Act. Such obligations include under Section 16 the provision and maintenance of primary and secondary education establishments. Such powers may be supplemented by other legislation notably the Council has a wide "general power of competence" under Part 1 Chapter 1 of the Localism Act 2011 enabling the council to arrange the funding set out in the report. The recommendations in this report are compatible with these statutory powers.

Officers have been provided with advice on the arrangements including the ramifications of the letter to be signed by s151 officer and how best to protect the Councils interests in funding the expansion of the Academy."

FINANCIAL IMPLICATIONS AND RISKS

CAPITAL

Estimated Costs of Building Works to expand from 5 to 7 FE	£5,378,086
Estimated Cost of MUGA	£200,000
Contingency	£21,914
Total Costs of School Expansion	£5,600,000

Funded from:

Capital Programme from Redden Court School	£4,000,000
Virement from Capital Programme for Parsonage Farm Expansion*	£1,600,000
Total Funding	£5,600,000

* The current capital budget for this scheme is £2,500,000 leaving £900,000 to be reallocated.

Risks

The scheme is to be delivered by the ESFA. Exact costs will be confirmed following their tender process and should they be significantly higher than expected the Council will be given an opportunity to reconsider. Discussions are underway with the ESFA regarding the wording of the S151 letter in order to minimise financial risk to the Council.

The PSBP does not fund any off-site works, including but not limited to works required under the Town and Country Planning Act 1990 (including but not limited to section 106 works) or the Highways Act 1980 (including but not limited to section 278 works). The Council acknowledges that should any such works be necessary then the Council will be required to fund the costs of them in addition to the figure of £5,378,086. It is envisaged that if not containable within the contingency above, a further virement will be possible from within the school expansion programme.

Key Executive Decision

The costs of the MUGA are estimated and its implementation is subject to a number of factors. Cost of estimated and as such may change at the scheme becomes clearer. Given the overall size of the scheme any variation is expected to be manageable within the overall expansion programme.

Sam Gable, Strategic Finance Business Partner.

HUMAN RESOURCES IMPLICATIONS AND RISKS (AND ACCOMMODATION IMPLICATIONS WHERE RELEVANT)

The human resources implications for the school to be proposed for expansion will be managed by the school itself. There is likely to be a need to recruit additional teaching and support staff and the academy will undertake the recruitment and selection process in accordance with the appropriate policies and procedures. There are growing difficulties in recruiting to teaching posts and therefore the academy will need to consider that additional resources and a longer recruitment timescale may be required to fill vacancies. The Havering Education HR service will provide support as appropriate and required to all academies that purchase relevant services.

EQUALITIES AND SOCIAL INCLUSION IMPLICATIONS AND RISKS

An Equality Impact Assessment (EIA) has been carried out for Phase 4 secondary school expansions.

BACKGROUND PAPERS

Part C – Record of decision

I have made this executive decision in accordance with authority delegated to me by the Leader of the Council and in compliance with the requirements of the Constitution.

Decision

Proposal agreed

Delete as applicable

~~Proposal NOT agreed because~~

Details of decision maker

Signed



Name:

Rowan RAMSEY

Cabinet Portfolio held:

CMT Member title:

Head of Service title:

Other manager title:

LEADER

Date:

25. 4. 18.

Lodging this notice

The signed decision notice must be delivered to the proper officer, Andrew Beesley, Committee Administration & Interim Member Support Manager in the Town Hall.

For use by Committee Administration

This notice was lodged with me on 26/4/2018

Signed  _____

