

CABINET

20 November 2013

Subject Heading:

Outline Proposals to address Primary Rising Rolls: Phase 2 of Expansion Programme

Cabinet Member:

Councillor Paul Rochford

CMT Lead:

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Policy context:

The recommendations have implications throughout the Borough

Financial summary:

It is the responsibility of Government to provide funding for schools to meet demand for places. A Government announcement of additional Basic Need funding is expected in December. Financial implications to be reassessed once detailed proposals known and wherever possible addressed as part of the 14/15 Budget setting process. Immediate pressure is to deliver approx. 15 classrooms for September 14 which requires addition to 13/14 Capital programme, funded from Grant.

Is this a Key Decision?

Yes as expenditure arising from implementation of the recommendations is likely to exceed £500,000

When should this matter be reviewed?

November 2014

Reviewing OSC:

Children and Learning

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

Ensuring a clean, safe and green borough	<input type="checkbox"/>
Championing education and learning for all	<input checked="" type="checkbox"/>
Providing economic, social and cultural activity	<input type="checkbox"/>
in thriving towns and villages	<input type="checkbox"/>
Valuing and enhancing the lives of our residents	<input type="checkbox"/>
Delivering high customer satisfaction and a stable council tax	<input type="checkbox"/>

SUMMARY

In September, Cabinet signed off the first phase of Havering's primary school expansion plan. This agreed permanent expansions to 15 primary schools in areas of greatest need, to provide adequate primary school places given the increasing birth rate in the Borough.

However, across the country and London in particular, demand for school places continues to rise, driven by a number of factors. The issue is particularly pressing in primary schools.

Havering has not seen the spikes in demand as in other areas of the Capital, but demand for places is now threatening to outstrip the supply of primary school places in the Borough. This unprecedented and unforeseeable surge in demand means that the Council needs to do two things:

1. Find ways to absorb the immediate extra demand for places, while protecting the Borough's excellent reputation for good schools – which is already well underway.
2. Plan for a longer term growth in pupil numbers, which means creating more capacity in the Havering school system.

This report seeks Cabinet's approval to an approach to managing the forecast increase in primary phase pupil numbers beyond the current Phase 1 of the Council's Programme of Primary School Expansions.

The recommendations take account of the Council's agreed *Commissioning School Places Strategy 2012/13-2016/17*, updated pupil forecasts and other related developments in School Organisation.

Approval of the recommendations will enable officers to undertake consultation with stakeholders including the encouragement of new Free Schools as part of the Council's strategy of ensuring that there are sufficient school places to meet the best assessment of likely future demands.

Officers will also be authorised to commission detailed feasibility work to assess, appraise and prioritise the capital implications and to firm up specific proposals for final decision by March 2014, subject to the outcome of a Department for Education (DfE) review of school organisation change processes.

RECOMMENDATIONS

- 1. That officers be authorised to develop Phase 2 of the Council's Primary Expansion Programme based on the following 'three-stranded' approach:**
 - encourage potential new Free Schools into Havering coupled with consideration of new 'all-through' provision potentially on existing secondary school sites;**
 - expand current primary phase schools by using additional sites adjacent to existing school sites;**
 - expand existing primary phase schools on their existing school sites, starting with bulges for 2014/15 and including consideration of expanding existing 3FE primary schools subject to assessment of the impact of such an expansion on standards, effectiveness and performance.**
- 2. That power to take further decisions on Phase 2 of the Primary Expansion Programme be delegated to the Lead Member, Children's Services and Lead Member for Value, following consideration of the above and including a preference for expanding existing popular and high-performing schools and inclusion of nursery provision where appropriate and practicable;**
- 3. That Cabinet agree to increase the "primary expansion" allocation within the 13/14 Capital Programme by £4,610,221 to be funded by 14/15 basic need grant (£4,451,633) and extended schools grant 2008/11 (£155,588) noting that although commitments may need to be made prior April 2014, it is unlikely that any grant will need to be physically spent prior to this point.**
- 4. That Cabinet note that the financial consequences of phase 2 of primary expansion will be addressed as part of the 2014/15 budget setting process and also be reassessed at the point further decisions are taken.**
- 5. That Cabinet note that plans to address Phase 3 will be the subject of future reports.**

REPORT DETAIL

Introduction

Phase 1 of Havering's programme of fifteen permanent expansions across primary phase schools has proceeded successfully according to approved timescales and in accordance with the Council's *Commissioning School Places Strategy 2012/13-2016/17*. This will follow through, as planned, to KS2 expansions in September 2015 and 2016. It is now necessary for the Council to identify and develop options for ensuring the provision of school places beyond 2013/14 so that all appropriate consultation and other processes can be completed.

The need for additional permanent school places from 2015/16

There are a number of factors that lie behind the need for additional places.

A rapidly rising birth-rate is one of the main reasons for the national trend in demand for school places. In Havering, the birth rate has risen by 26 per cent over the last 10 years. This has long been factored into the planning around school places, but the birth-rate has continued to accelerate, over and above what was expected. In the coming years it will continue to rise and this must be factored in to projections.

Other unforeseeable factors have emerged more recently, leading to a sharp increase in demand.

The current economic climate has led to a migration of families out of inner London to more affordable areas to buy or rent homes. Havering is not only more affordable, but it also has a high quality of life and good schools, so unsurprisingly, new families are attracted to the Borough.

There has also been a general growth in population across the country, and particularly in London, which attracts people from across the world. This inward migration to London is also a factor. For example in relation to inward migration over the summer holiday period, we had 371 Primary applications, of which 13% were from overseas. We also had 110 Secondary applications, of which 25% were from overseas. Combined figures were 481 applications, of which 16% were from overseas.

In the light of updated projections of pupil numbers and set out in the Background Paper to this report, school planning officers need to consider a range of options for increasing primary phase school provision including the expansion of existing community schools. Alternatives include the expansion of existing schools on 'split sites' where existing main sites are constrained, the establishment of primary phase provision on secondary school sites possibly as 'all through provision' and the encouragement of Free Schools to be established in areas of highest need.

Final decisions about which schools to propose for expansion from September 2015 will be made as soon as discussions with schools are complete and certainly by March 2014 to allow time for design work for capital projects and for any necessary statutory school organisation processes. The statutory school organisation processes are currently being reviewed by the DfE.

The table below indicates the minimum additional permanent primary phase capacity, expressed as forms of entry (FE) that officers forecast will be needed for each School Planning Area for September 2015 and then for the next five years.

School Planning Area	Primary Phase Schools with size as at 1 September 2013 expressed as Forms of Entry (FE)	Phase 2 - Additional need for 2015/16	Phase 3 - Further additional need for next 5 years
Collier Row	Clockhouse Primary (3 FE) Crownfield Infant & Junior (3 FE) Parklands Infant & Junior (4 FE) Pinewood Primary (2 FE) Rise Park Infant & Junior (3 FE) St. Patrick's Catholic Primary (2 FE)	2 FE	2 FE
Elm Park & South Hornchurch	Benhurst Primary (1.5 FE) Elm Park Primary (2 FE) Scargill Infant & Junior (3 FE) Scotts Primary (1 FE) St. Alban's Catholic Primary (1 FE) Suttons Primary (1 FE) The R J Mitchell Primary (1 FE) Whybridge Infant & Junior (2 FE)	1 FE	2 FE

Harold Hill	Broadford Primary (1.5 FE) Brookside Infant & Junior (2 FE) Dame Tipping CE VC Primary (0.5 FE) Harold Court Primary (2 FE) Hilldene Primary (3 FE) Mead Primary (3 FE) Pyrgo Priory Primary (2 FE) St Ursula's Catholic Infant (2 FE)	1 FE	2 FE
Hornchurch	Ardleigh Green Infant & Junior (3 FE) Harold Wood Primary (3 FE) Langtons Infant & Junior (3 FE) Nelmes Primary (2 FE) Squirrels Heath Infant & Junior (3 FE) St Mary's Catholic Primary (2 FE) Towers Infant & Junior (3 FE)	2 FE	2 FE
Rainham	Brady Primary (1 FE) La Salette Catholic Primary (1 FE) Newtons Primary School (1.5 FE) Parsonage Farm Primary (3 FE) Rainham Village Primary (2 FE)	1 FE	2 FE
Romford	Crowlands Primary (2.5 FE) Gidea Park Primary (2 FE) Hylands Primary (2 FE) St Edward's CE VA Primary (3 FE) St Peter's Catholic Primary (1 FE) The Mawney (2 FE) Wykeham Primary (3 FE)	3 FE	3 FE

	Oasis Academy (3 FE)		
Upminster & Cranham	Branfil Primary (3 FE) Engayne Primary (3 FE) Hacton Primary (1.5 FE) James Oglethorpe Primary (1.5 FE) St. Joseph's Catholic Primary (2 FE) Upminster Infant and Junior (3 FE)	1 FE	1 FE
Total		11 FE	14 FE

Meanwhile, officers predict a maximum overall need for additional classes across all year groups for 2014/15 as set out in the table below. It is possible that some of this can be delivered by utilising existing space within schools and/or rephasing expansions that have already been approved and funded. Current estimates are that of the 23 class rooms needed, 15 will need new accommodation. This also includes a 5% additional capacity, recommended as good practice by the DfE.

Need for Primary Places for 14/15								
Planning Area	Year R	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total
Collier Row	1	1						2
Harold Hill	1					1		2
Hornchurch	1.5							1.5
Rainham	1	1			1	1		4
Romford	3	1		1	1	1	1	8
South Hornchurch and Elm Park	1							1
Upminster	1	1		0.5		1	1	4.5
Total	9.5	4		1.5	2	4	2	23

Initially it is proposed that the needs for 2014/15 be met through 'bulging' year groups at certain schools as necessary, as has been the case in previous years. The final position regarding admissions for the 2014/15 school year will not be clear until the new school year has started, however it would seem prudent to undertake preliminary planning at this stage to minimise disruption. Subject to the availability of capital funding and sufficient time for statutory processes it may be also possible to bring forward capital projects, already within the current Capital Programme to commence permanent expansion at certain schools from September 2014. Clearly it will be preferable to 'align' bulges, wherever practicable, to those schools eventually identified for permanent expansion from September 2015.

Expansion of schools through the Priority School Building Programme

The inclusion of Hacton Primary School for expansion from 1.5-3 FE, as part of the national Priority School Building Programme (PSBP) will help with the longer term provision of additional places in the Upminster and Cranham Planning Area from September 2016. Similarly, Suttons Primary School in the Elm Park and South Hornchurch Planning Area is due to expand from 1 FE to 2 FE as part of the PSBP also from September 2016. Originally, in October 2011, Havering put forward three primary schools for inclusion in the PSBP - Hacton Primary, Suttons Primary

and The Mawney Foundation - and all three were successful in being prioritised by DfE in May 2012 for rebuilding and expansion, The expansion of The Mawney Foundation School beyond 2 FE (as bid for) would contribute to the additional place requirements in the Romford School Planning Area but would be dependent both on finding a suitable new site large enough to accommodate an increased capacity and on the provision of additional funding.

Free Schools as an option for securing additional places to cope with increased demand

For Free Schools intended to open in 2015 or 2016 DfE has invited applications to be received during three 'windows' – one in September 2013, another in January 2014 and the third in May 2014. Clearly the first opportunity for applications has elapsed and we are identifying and working with, wherever possible, potential Free Schools for the January 2014 "window". Subject to the progress of investigating the feasibility of the other options it would be prudent for officers to seek to engage actively with potential Free School promoters for 2015 and 2016 to increase the chances of new schools being established in areas of highest demand for pupil places. The expectation is that Education Funding Agency at the DfE would fund the costs of building new free schools with the assumption that the Local Authority would provide a site. The issues around land availability and/or, funding of new sites and or loss of capital receipts will all be considered in detail in the appraisal of options.

Impact of Early Education Entitlement for 2, 3 and 4 Year Olds

The Local Authority has a statutory duty to ensure, so far as is reasonably practical, that there is sufficient childcare in the area to meet the requirements of parents enabling them to work or undertake training leading to work. From September 2013 this has been extended from entitlement to all 3 and 4 year olds to more disadvantaged 2 year olds that meet criteria. The Early Education Entitlement (EEE) is currently delivered by 15 Nursery Classes in Maintained Schools and by approximately 130 Private, Voluntary and Independent (PVI) Full Day Care Nurseries, Pre-Schools and Childminders.

The projected increase in the population of under 5s in Havering by 14.4% between 2012 and 2019, with significantly higher increases in certain areas, together with the extension of the 2 year old offer will put pressure on place availability. As primary schools are considered for Phase 2 of the Expansion Programme of additional school places it is proposed that consideration also be given to nursery provision particularly where there are potential EEE place pressures. The financial implication of this is still to be assessed, however Early Years Capital Grant of £422,000 is available towards this.

Proposed approach to ensuring sufficiency of school places

In the light of the changing schools landscape the permanent increase in primary phase school capacity could be met in a number of ways and involving a number of

providers of new places. The following **‘three stranded’ approach** is therefore proposed to ensure a robust strategy is developed with minimal risks:

- **encourage potential new Free Schools** into Havering coupled with consideration of new **‘all-through’ provision** potentially on existing secondary school sites.
- **expand existing primary phase schools onto additional sites** (i.e. split sites), including consideration of expanding existing 3FE primary schools subject to assessment of the impact of such an expansion on standards, effectiveness and performance;
- **expand existing primary phase schools on their existing school sites**, starting with bulges for 2014/15 and including consideration of expanding existing 3FE primary schools subject to assessment of the impact of such an expansion on standards, effectiveness and performance;

Next steps

The next stage of the Phase 2 planning process will be to consider the extent to which the need for additional pupil places can be met through the above three approaches to be developed ‘in parallel’ and through consultation with stakeholders. For options involving the potential establishment of primary phase provision on secondary school sites (either as separate primary/secondary or as ‘all-through’) there will clearly be the need to consult carefully and in plenty time with the governing bodies and sponsors involved to support appropriate planning, designing and an appropriate consultation process if needed. During this period we are expecting to receive notification of the next round of Basic Need funding, following the authority’s recent submission. This submission alerts the Education Funding Agency of the Department for Education to the significant increase in pupil numbers.

REASONS AND OPTIONS

Reasons for the decision

This decision is necessary to ensure the provision of sufficient additional primary places to meet the forecast rise in primary pupil numbers projected beyond Phase 1 of the Council’s Programme of Primary Phase School Expansions.

Other options considered

A number of options have been identified in this paper each requiring further consideration. So far no option has been rejected.

Not providing any additional places is not an option as we would be failing to meet our statutory duties.

IMPLICATIONS AND RISKS

Financial implications and risks

Capital

Without detailed proposals it is difficult to estimate the costs of additional classrooms as the needs at each site will be different. However, previously officers have estimated costs at £250,000 per classroom (or £1,750,000 per Form of Entry)

The Council's capital strategy assumes that LBH resources will cover spend on universal type assets and grant will cover any major investment in schools. If such grant is not forthcoming this will be a major change in the Councils Capital Strategy and will therefore need to be addressed as part of the Councils budget setting process.

It is estimated that 23 classrooms will be required. It is estimated that 23 classrooms will be required in September 2014, as part of phase 2 of the primary expansion. Wherever possible existing accommodation will be utilised, or current expansion programmes rephased to provide space earlier. Current estimates are that approximately 15 new classrooms will be needed.

Bulge Classrooms for September 14 (ultimately to become part of the September 15/16 permanent expansions	Total Estimated Cost
COSTS	
New Classrooms to be built	15
Cost per classroom	£250,000
Costs of providing additional places through extending existing schools.	£3,750,000
FUNDING	
13/14 Capital Programme for future primary expansion – current balance (funded from 13/14 basic need grant)	£2,719,286
2008/11 Extended Schools Grant *	£158,588
14/15 Basic Need Grant *	£4,451,633
Total Funding Available	£7,329,507
Balancing for remainder or phase 2	£3,579,507

* It is recommended that Cabinet add the grants shown to the 13/14 Capital Programme for “primary expansion” to enable decisions to be made to progress the September 14 “Bulge” classrooms prior to finalisation of the 2014/2015 budget. It should be noted that although the bulk of the grant relates to 14/15, although commitments will need to be made prior to the commencement of the financial year, all significant spend is expected to take place post April 2014.

The financial implication of developing the Impact of Early Education Entitlement for 2, 3 and 4 Year Olds has yet to be assessed, however it should be noted that Early Years Capital Grant of £422,000 is available for this purpose.

During the planning period we are expecting to receive notification of the next round of Basic Need funding, following the authority’s recent submission to the Education Funding Agency of the Department for Education, notifying them of the significant increase in pupil numbers. This should then enable us to plan the next phase.

Revenue Implications for schools

The revenue implications for schools are that, in creating an additional class from September 2014, additional resources will be incurred particularly for teaching and support staff. From the financial year 2015/16 the schools will receive additional funding through their budget shares as the pupils will be on roll at the date of the pupil census that is used to calculate funding. For the period September 2014 to March 2014, however, additional resources will need to be provided. These will be met from a pupil growth contingency held within the Schools Budget (funded by the Dedicated Schools Grant) as agreed by the Schools Funding Forum. A similar situation will arise for those places created from September 15.

The demand for increased funding to be held as a pupil growth contingency from a ring-fenced DSG is likely to result in less funding being available for distribution to schools putting at risk the ability of schools to maintain current levels of expenditure. Schools are, however, guaranteed through DFE financial regulations to not have their funding reduced by greater than 1.5% per pupil.

Revenue Implications for the Local Authority

It should be noted that an increase in school admissions across the Borough may also have a ‘knock-on effect’ on other LA budgets such as special educational needs, home to school transport, etc. The details of this are currently being quantified and any pressures arising will be addressed through the appropriate channels. As mentioned previously, the DSG will be increased from 2015/2016; the bulk will be allocated to schools however there may be some available to fund LA services.

Risks

There is a risk that utilising a substantial amount of funding to deliver bulge classrooms (especially if achieved via temporary accommodation) will mean that there is insufficient funding available to fund the remainder of the permanent expansion programme. However, it may be that some of the classrooms provided can ultimately be used for permanent expansion and in other cases where demountables have been purchased they can be relocated thus reducing the costs of any future bulge classes.

There is also a risk that pupil numbers continue to grow and that the places delivered as a result of phase 2 are insufficient.

Further risks, are that capital projects develop, costs increase over and above the funding available and/or that additional costs are incurred as a result of the short timescales available for the delivery of classrooms for September 14. In addition to the financial risks the short timescale also put the delivery of the September 14 programme at risk. Wherever possible measures are being taken to minimise these risks.

The full financial implications of this programme will need to be reassessed as proposals develop and considered as part of the 2014/15 budget setting process.

Legal implications and risks

At present certain types of school organisational change (including change of age range, change of character and expansion through enlargement of premises) are subject to statutory processes of consultation and decision-making. Statutory processes were undertaken for a number of the school expansions in Phase 1 of the Primary Expansion Programme and all the statutory proposals were agreed without change. The outcome of the current review of DfE school organisation processes is unlikely to be known before 31 December 2013. At this stage we assume the current law will still apply but this will need to be kept under review.

Should the provision of additional primary phase capacity involve expansion of existing academies or foundation schools consideration will need to be given to the school organisation processes involved. Nationally there are cases of academies having changed their character and/or expanded to 'absorb' pupils previously in community schools. Should this approach be adopted in Havering then a specific and detailed risk assessment would need to be undertaken. At this stage there are minimal risks in setting out the direction of travel and the principles to be applied. The risks involved at later stages in the processes will need to be the subject of detailed legal advice based on the legislative regime applicable at the time.

Human Resources implications and risks

The human resources implications for the schools to be proposed for expansion will be managed by the schools themselves. There is likely to be a need to recruit additional teaching and support staff and the relevant schools will undertake the recruitment and selection process in accordance with the appropriate policies and procedures. It is not anticipated that these schools will have any difficulties

recruiting new teaching or support staff as long as appropriate planning is undertaken. The Havering Education HR service will provide support as appropriate and required to all schools, academies or free schools that purchase relevant services.

Equalities implications and risks

An Equality Analysis was conducted for Phase 1 of the Primary Expansion Programme and a similar analysis will be undertaken for Phase 2 of the Expansion programme as firm proposals emerge to fully assess their impact on children with protected characteristics and their families.

BACKGROUND PAPERS

Programme of Additional School Places Phase 2