

**Cabinet**

**4 NOVEMBER 2015**

**Subject Heading:**

**Outline Proposals to address Early Years, Primary, Secondary and SEN rising rolls – Phases 3 and 4 expansion Programme**

**Cabinet Member:**

**Councillor Meg Davis**, Lead member for Children & Learning

**CMT Lead:**

**Isobel Cattermole**, Deputy Chief Executive, Children, Adult & Housing

**Report Author and contact details:**

Mary Pattinson, Assistant Director, Learning and Achievement

[Mary.pattinson@havering.gov.uk](mailto:Mary.pattinson@havering.gov.uk)

Tel. 01708 433808

**Policy context:**

The recommendations have implications throughout the Borough

**Financial summary:**

Phase 3 (2015/16 to 2017/18 need) is expect to cost in the region of £40m with approx. £45m of funding confirmed leaving a balance towards Phase 4 of £5m.

Phase 4 estimated costs of £67m with no confirmed funding other than £5m referred to above. Various potential sources of funding exist. In order to deliver expansions for 18/19 academic year authority to progress to design stage requested at estimated cost of £1m. This can be contained within £5m balance from phase 3 but if schemes do not progress will be abortive costs and revenue funding will need to be identified. Phase 4 to be the subject of further reports.

Revenue implications for schools has to date been funded from the DSG. Pressures on DSG mean that there may be a need to review funding sources in the future if DSG is unable to fully fund these expansions. This will be the subject of further reports. Revenue implications for the local authority are still being assessed and will be raised through the appropriate channels as necessary.

**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 2016

**Reviewing OSC:**

Children and Learning

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

Havering will be clean and its environment will be cared for	<input type="checkbox"/>
People will be safe, in their homes and in the community	<input type="checkbox"/>
Residents will be proud to live in Havering	<input checked="" type="checkbox"/>

**SUMMARY**

Havering has seen an increase of over 33% in the number of births in families resident in the Borough between calendar years 2002 and 2013. Havering residents are choosing to start or/and increase their family more than other London borough, in fact the ONS live birth data for 2013 shows that all other London boroughs experienced a drop in their birth rate from 2012 to 2013 apart from Havering which saw a 4% increase. Many London boroughs, having already experienced the increase in birth rate, are now seeing it plateau, but for Havering we are still at the early stages of our increase in the birth rate and therefore implementing these proposals so that local residents who are choosing to start or/and expand their family have a local primary and then secondary school place to send their children is timely and imperative. An expansion programme has already begun and in 2013/14 we created 10 FE permanent forms of entry (FE) in Primary schools together with 525 temporary places to cover short-term pressures for primary age pupils. In total 21 primary schools have expanded.

The number of Primary age pupils is expected to continue rising significantly from 20,374 in 2014/15, to 24,278 in 2019/20, which is more than 3,000 extra pupils over the next five years. There will therefore be a need to continue to make new provision for these local children available in most planning areas on both a permanent and temporary basis. The authority has a statutory duty to provide school places for all children who reside in Havering.

As these pupils advance toward needing secondary education our current surplus of places in the secondary sector will be eroded and surpassed. Havering will exceed its overall Secondary places (in all year groups) around 2018/19, but is projected to exceed its Year 7 capacity sooner; in 2016/17.

There are currently 3,248 places available in Havering for Year 7 pupils. The Local Authority will begin the process of planning additional capacity across the borough

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for the projected increase in secondary pupil numbers through Phase Three of expansion.

This rise 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 early years, primary, secondary and SEN pupil numbers beyond the current Phase 2 of the Council's Programme of Primary School Expansions.

The recommendations take account of the very wide resident, parent and stakeholder consultation outcomes, the Council's agreed Commissioning Plan for Education Provision 2015/16 - 2019/20, updated pupil forecasts and other related developments.

Approval of the recommendations will enable officers to undertake consultation with stakeholders including the encouragement of new Free Schools where appropriate, and ensuring value for money, as part of the Council's strategy of ensuring that there are sufficient school places to meet the 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 2016.

### **RECOMMENDATIONS**

#### **That Cabinet:**

1. **Agree** that Phases 3 and 4 school expansion programme should be developed based on the following approach in line with consultation responses:
  - a. To have a preference for expanding existing popular and high-performing schools and inclusion of nursery provision and Additional Resource Provisions (ARPs) where appropriate and practicable.
  - b. To consider the expansion of existing schools, but only to a maximum size of 4FE in the primary phase, ensuring at all times that agreed standards of education is paramount; to consider the possible establishment of primary phase provision on secondary school sites as all through provision and the encouragement of Free Schools where needed and they provide best value.
  - c. To begin to rationalise Published Admission Numbers (PANs) for secondary schools so that they are in multiples of 30.

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2. **Agree** the **PERMANENT** expansion, subject to consultation and statutory processes, including planning processes and consultation of the following schools:
  - a. Parsonage Farm
  - b. Crownfield Infants & Junior Schools
  - c. St Peter's Catholic School
  - d. Broadford Primary
  - e. James Oglethorpe PrimaryTo note that a further 1FE expansion is required in each of the Romford and Upminster & Cranham planning areas but that work is still on-going to select these schools.
3. **Delegate** the power to take further decisions regarding the approval of which settings/schools should be expanded (subject to the appropriate statutory processes) for the remainder of the Phase 3 of the Expansion Programme be delegated to the Cabinet Member for Children & Learning and Cabinet Member for Value, following consideration of the above, subject to budgetary provision being confirmed.
4. **Delegate** to the Director of Asset Management authority to submit planning applications, commission all associated surveys/investigations (including transport assessment, soils survey, environmental check etc.) and commence tender processes as required to support the development of options appraisals to deliver the phase 3 expansions required – noting that tender awards will remain the subject of separate Executive Decision(s).
5. **Recommend to Council** that the following items be added to the 15/16 capital programme for phase 3 expansion:

£16,756,152 16/17 Basic Need Grant and;  
£282,078 interest on existing S106 education contributions
6. **Authorise** feasibility studies to be carried out to facilitate the development of a secondary high quality and value for money expansion programme to take place in Phase 4 (18/19) at a number of secondary schools.
7. **Authorise** £1m funding be transferred from the phase 3 expansion programme to phase 4 expansion programme to allow the most appropriate schemes to be developed to design & planning stage, noting that there is a risk any schemes not progressing will not be eligible for capital funding, requiring alternative revenue funding to be identified.
8. **Note** that plans to address Phase 4 of the Council's Expansion Programme will be the subject of future reports and that where possible the financial implications will be addressed as part of the 2016/17 and future years budget setting processes.

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9. **Note** that transport, parking and traffic is a key issue of concern for local residents when schools are built or expanded and that future expansion plans will incorporate an action plan to address these issues.

### **Increasing SEN places**

10. **Approve** the SEN Strategy – Appendix 1 and the proposals outlined in the Strategy.
11. **Agree** to open a new 16-25 SEN provision based at Avelon Road by September 2016.
12. **Recommend to Council** that the following items be added to the 15/16 capital programme re; post 16 SEN: £927,000 interest on existing S106 education contributions
13. **Agree** to increasing the number of Early Education and Childcare Places based on the following approach:
  - a) Support the set-up of new businesses, particularly in areas of place pressure.
  - b) Engaging with maintained schools, academies and free schools to support the establishment of nursery provision to deliver the Early Education Entitlement as part of the whole school rather than engaging with a Private, Voluntary and Independent (PVI) provider especially where these are in areas of place pressure.
  - c) Encouraging and supporting schools to offer full time education and childcare (this may include Breakfast and After School Clubs) from 8am to 6pm, enabling school nurseries to deliver a more flexible offer including blocks of hours, rather than just morning or afternoon.
  - d) Engagement with both school and PVI settings to develop or expand more of these, to deliver the increased 2 year old entitlement.
  - e) Building capacity to support the delivery of the new 30 hours funded entitlement due to come into force in September 2017.
14. **Recommend to Council** that the following items be added to the 15/16 current Early Years capital programme: £1,900,000 DSG Top sliced from Early Years Capital.

**REPORT DETAIL**

**Introduction**

1. In 1991, Havering's annual birth rate started declining steadily from 2,822, until 2001 when it reached the lowest point of 2,226. This long term falling roll led to a decrease in pupil population and hence significant surplus places in some of the borough schools thereby making them uneconomical and financially unviable to sustain. The need to plan for a reduction in the level of school capacity was agreed by Havering's Cabinet and a major review of primary places throughout the Borough was then undertaken in 2004 starting with a reduction and readjustment in the pupil admission number (PAN) in 9 schools. A further review also undertaken in 2006, leading to a further reduction and readjustment in the PAN of 4 more schools and in addition, the closure of 3 primary schools.
2. Havering in common with the many other London Boroughs and urban areas has been for the last three years experiencing an increase in demand for primary school places and we are forecasting continuing significant growth in the coming years. This is because we have seen an increase of over 33% in the number of births between calendar years 2002 and 2013. The Office for National Statistics (ONS) live birth data for 2013 shows that all London boroughs experienced a drop in their birth rate from 2012 to 2013 apart from Havering which saw a 4% increase. This increase in demand is mainly due to families already resident in Havering choosing to start or expand their families here.
3. The demand pressures are mainly arising from local birth rate rises, rather than migration. However there has also been a number of families moving into the borough from other parts of London, the UK and abroad. Recent data released by the Greater London Authority (GLA) shows that Havering has experienced the largest net inflow of children across all London boroughs. The biggest inflows of children into Havering for 2014 came from neighbouring Outer London Boroughs, Barking & Dagenham and Redbridge.
4. The changes now seen in Havering's population, influenced by significant increased births, in migration from nearby boroughs, new housing developments and some economic migration, mean that the Council's provision of school places must also respond to meet increasing demand for school places for families resident in Havering. As the authority has a statutory duty to provide school places for all children who reside in Havering, urgent work needs to take place to meet these needs.
5. In September 2012, Cabinet approved a school expansion programme as part of the Commissioning School Places Strategy 2012/13 - 2016/17.
6. Following Cabinet's agreement, Phase 1 of the Programme was approved to deliver 12FE permanent expansion schemes across 15 schools.
7. Phase 1 resulted in the creation of 1,530 additional permanent primary places and a total of 525 temporary ('bulge') places in 2013.

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8. Phase 2 of Havering's programme of school expansions from 2014 delivered a total of 975 permanent and 292 temporary primary school places across all year group in 6 schools.
9. In total, 21 schools have been expanded under Phase 1 and 2 of the school expansion programme which has created an additional 2,505 permanent Primary school places in the borough.

### **Commissioning Plan for Education Provision**

10. Havering's Cabinet approved the draft Commissioning Plan for Education Provision at its meeting on 18 March 2015 and requested that it should be circulated for wider consultation.
11. A wide consultation survey on this Plan was undertaken by the School Organisation Team from 20 April to 22 June 2015 to gather the views from education providers, residents, parents and other stakeholders on proposals that will help address the needs identified.
12. There were a total of 824 completed questionnaires, of which over 700 were completed online. This is a very high level of response, in fact the highest response recorded by any London borough.
13. Key findings from the survey found that 62% of residents supported expanding an existing primary/secondary school in the area, compared to 31% who supported the establishment of a new primary school via a free school or sponsored academy and 38% who supported the establishment of a new secondary school via a free school or sponsored academy.
14. Survey responses from parents was more mixed, with 39% of parents wanting to expand an existing school, rising to 42% who wanted to expand a school but on two sites. 58% of parents indicated they wanted the establishment of a new school via a free school/academy, however the many comments from parents about this option suggests that there is confusion in the parents' comments about the powers the authority has to open new schools as a significant number of parents asked for a new local authority school.
15. Under current legislation the council cannot open a new school, but can go out to competition to invite a free school or academy to open a new school. In this instance the council is required to lease the land to the sponsor on a 125 year lease and is also required to pay for the building cost. At the present time, therefore, expanding existing schools is likely to provide greater value for money. However, at all times to ensure all options can be considered, officers from Asset Management, Property Services and Learning and Achievement meet to assess the viability of any current or future spaces that may be suitable for a school site.
16. The consultation survey responses have helped to inform the approach set out in this report which is to expand existing schools where possible but continue to explore free school options – ensuring at all times best value for the council.

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17. Overall 80% of all respondents agreed with the principles which guided the commissioning proposals, and based on this consultation, the final Commissioning Plan for Education Provision was approved in August 2015 and forms the basis of the recommendations in this Cabinet Report.

### **Traffic and Transport**

18. When considering expansion of existing schools, a key issue identified in the survey by parents/carers was traffic and transport. Parking and associated driving behaviours causes many complaints. This very controversial topic generates numerous complaints and enquiries. As part of the Corporate Transformation Programme a review of borough wide parking is soon to commence which will improve our knowledge and intelligence of the current situation, ascertain the challenges of tomorrow and through the production of new revised policies, mitigate some of the pressures associated with this highly emotive topic.
19. The most passionate complaints and enquiries are associated with parking near schools. This is not just a Havering problem but one that is causing concern and frustration nationally. Increased car ownership and the changes from life's demands have resulted in a chaotic, dangerous environment in and around the schools with many parents choosing to use their cars as the primary mode of transport. This culture is a significant issue for Havering as an outer London borough as it has the 2nd highest car ownership in London and is continuing to grow.
20. It's common for the council to receive daily complaints regarding parking on zigzag lines, double parking, blocking driveways and even on occasion parking on local resident's drives, resulting in confrontation. There are also reports of drivers mounting pavements and many near misses that could have resulted in tragic outcomes.
21. From an enforcement perspective there has been a concerted effort to address the problem. Over the past year over 1200 Penalty Charge Notices (PCN) have been issued outside schools and nearly 500 vehicles 'moved on'. Sadly this level of enforcement has not deterred those parents who are willing to accept that the risk of receiving a PCN is worth taking even if it results in a fine as long as it doesn't disrupt their daily routine.
22. With the pending schools expansion programme to accommodate the predicted increase in demand it is logical to conclude that unless the steps are taken to address the current situation, the problem will become worse.
23. An Officer/ Member group has been established to produce a plan of action to address the challenge. It is clear that a number of interventions will be required to achieve the desired outcomes and that each school will require a bespoke plan as the challenges and potential solutions vary from site to site. Some of the interventions include:
  - Hard Hitting Campaign highlighting statistics of accidents and near misses to appeal from a 'hearts and minds' perspective.



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- Introducing a volunteer scheme, empowering local residents and school staff to issue PCN's.
- Wherever possible to create a drop off point within the school boundary
- Introduce alternative drop off points and promote 'walking buses'
- Open the schools earlier and encourage breakfast clubs to address the issue of parents having to wait for the gates to open before going straight on to work.
- Restrict access to roads during school opening and closing times
- Empower schools to take a harder line with parents who continually park irresponsibly.

24. In conclusion it should be remembered that although such poor behaviour causes local community frustration, the primary reason to act is child safety. Using some or all of the interventions above may not be popular but should be balanced against the need to improve and create a safe environment for the children and by supporting the majority of parents who are responsible and reducing the likelihood of a serious accident.

### **Demand for Places**

25. Havering continues to be a place that families wish to move to and bring up their children and, as has been previously noted, the birth rate of Havering residents continues to rise steeply. The deficit of primary places for Havering residents is projected to continue to rise steeply year on year into the future.
26. This increase in demand is further fuelled by the significant level of housing development in the borough, which is projected to continue up until 2024/25, in line with the London Plan.
27. There has already been a significant expansion of schools in each planning area during Phase One and Two. Those schools that were selected were those who met the criteria for expansion but also provided best value. Although it is likely that over time a larger number of schools in Havering will need to be expanded, ensuring a cost effective use of funding, has therefore been essential.
28. Schools that have already been expanded and/or have a temporary expansion (bulge) during Phase One/Two are set out below (in bold). As well as those to be expanded as part of the government funded PSPB Programme. Academies, free schools and voluntary aided schools have significantly different governance arrangements impacting on expansion decisions, so they have also been detailed.

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29. The table below indicates those schools which have been expanded or have had a bulge classes in the last 5 years, the table also shows the Governance status of each school.

<b>Collier Row</b>		<b>Hornchurch</b>	
<b>School</b>	<b>Governance</b>	<b>School</b>	<b>Governance</b>
Clockhouse Primary	C	Ardleigh Green Infant	C
Crownfield Infant	C	Ardleigh Green Junior	C
Crownfield Junior	C	<b>Benhurst Primary</b>	C
Dame Tipping Primary	VC	<b>Harold Wood Primary</b>	C
<b>Parklands Infant</b>	C	Langtons Infant	C
Parklands Junior	C	Langtons Junior Academy	A
<b>Oasis Academy Pinewood</b>	A	<b>Nelmes Primary</b>	C
<b>Rise Park Infant</b>	A	<b>Squirrels Heath Infants</b>	C
<b>Rise Park Junior</b>	A	<b>Squirrels Heath Junior</b>	C
<b>St. Patrick's Catholic Primary</b>	VA	St. Mary's Catholic Primary	VA
		<b>Towers Infant</b>	C
		<b>Towers Junior</b>	C
		<b>Wykeham Primary</b>	C
<b>Elm Park</b>		<b>Rainham &amp; South Hornchurch</b>	
<b>School</b>	<b>Governance</b>	<b>School</b>	<b>Governance</b>
Elm Park Primary	C	Brady Primary	C
<b>Hacton Primary *</b>	C	La Salette Catholic Primary	VA
<b>R J Mitchell Primary</b>	C	<b>Newtons Primary</b>	C
<b>Scargill Infant</b>	C	<b>Parsonage Farm Primary</b>	C
<b>Scargill Junior</b>	C	<b>Rainham Village Primary</b>	C
<b>Scotts Primary</b>	C	Whybridge Infant	C
St. Alban's Catholic Primary	VA	<b>Whybridge Junior</b>	C
<b>Suttons Primary*</b>	C		
<b>Harold Hill</b>		<b>Romford</b>	
<b>School</b>	<b>Governance</b>	<b>School</b>	<b>Governance</b>
<b>Broadford Primary</b>	C	<b>Crowlands Primary</b>	C
Brookside Infant	C	Gidea Park Primary	C
Brookside Junior	A	<b>Hylands Primary</b>	C
Drapers' Maylands Academy	A	<b>Mawney Primary *</b>	F
<b>Harold Court Primary</b>	C	St. Edward's CE Primary	VA
Hilldene Primary	C	<b>St. Peter's Catholic Primary</b>	VA
<b>Mead Primary</b>	C		
<b>Pyrgo Priory Primary</b>	A		
St. Ursula's Catholic Infant	VA		
St. Ursula's Catholic Junior	VA		
<b>Upminster</b>			
<b>School</b>	<b>Governance</b>		
<b>Branfil Primary</b>	C		
Engayne Primary	C		
<b>James Oglethorpe Primary</b>	C		
St. Joseph's Catholic Primary	VA		
Upminster Infant	A		
Upminster Junior	A		

Key:  
 C = LA Maintained  
 VA = Voluntary Aided  
 VC = Voluntary Controlled  
 A = Academy  
 F = Foundation  
 \* = PSPB Schools

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30. The table below indicates the minimum additional permanent primary Reception year phase capacity, expressed as forms of entry (FE) that officers forecast will be needed for each School Planning Area over the next four years. (The period that this Report covers.)

School Planning Area	Primary Phase Schools with size as at 1 September 2015 expressed as Forms of Entry (FE)	Additional need for 2016/17	Cumulative additional need 2017/18	Cumulative additional need 2018/19	Cumulative additional need 2019/20
<b>Collier Row</b>	Clockhouse Primary (3 FE) Crownfield Infant & Junior (3 FE) Dame Tipping CE VC Primary (0.5 FE) Parklands Infant & Junior (4 FE) Pinewood Primary (2 FE) Rise Park Infant & Junior (3 FE) St. Patrick's Catholic Primary (2 FE)	<b>1 FE</b>	<b>2 FE</b>	<b>2 FE</b>	<b>2 FE</b>
<b>Elm Park</b>	Elm Park Primary (2 FE) Hacton Primary (2 FE) Scargill Infant & Junior (3 FE) Scotts Primary (2 FE) St. Alban's Catholic Primary (1 FE) Suttons Primary (1 FE) The R J Mitchell Primary (2FE)	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Harold Hill</b>	Broadford Primary (2 FE) Brookside Infant & Junior (2 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) Drapers' Maylands Primary (2 FE)	<b>1FE</b>	<b>1 FE</b>	<b>2 FE</b>	<b>2FE</b>
<b>Hornchurch</b>	Ardleigh Green Infant & Junior (3 FE) Benhurst Primary (2 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) Wykeham Primary (3 FE)	<b>1 FE</b>	<b>2 FE</b>	<b>2 FE</b>	<b>2 FE</b>
<b>Rainham &amp; South Hornchurch</b>	Brady Primary (1 FE) La Salette Catholic Primary (1 FE) Newtons Primary School (2 FE) Parsonage Farm Primary (3 FE) Rainham Village Primary (2 FE) Whybridge Infant & Junior (2 FE)	<b>1 FE</b>	<b>2 FE</b>	<b>2 FE</b>	<b>3 FE</b>
<b>Romford</b>	Crowlands Primary (3 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)	<b>3 FE</b>	<b>3 FE</b>	<b>3 FE</b>	<b>3 FE</b>
<b>Upminster &amp; Cranham</b>	Branfil Primary (3 FE) Engayne Primary (3 FE) James Oglethorpe Primary (1.5 FE) St. Joseph's Catholic Primary (2 FE) Upminster Infant and Junior (3 FE)	<b>1 FE</b>	<b>1 FE</b>	<b>2 FE</b>	<b>2 FE</b>
<b>Total</b>		<b>8 FE</b>	<b>11 FE</b>	<b>13 FE</b>	<b>14 FE</b>

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31. The 8 FE additional permanent provision needed for 2016/17 is planned to be delivered subject to consultation and statutory processes as follows:
- Seeking planning permission for expansion of Parsonage Farm from 3 FE to 4FE (1 FE). To note that Cabinet previously approved the expansion of this school, subject to statutory consultation process. Following a rejection of the initial request for planning permission for this school, a new planning proposal has been developed for future submission.
  - Pre-consultation and statutory consultation processes including planning. Following these processes and outcomes the proposal is to then expand:
    - St Peter's Catholic Primary from 1 FE to 2 FE
    - Crownfield Infant and Junior Schools from 3 FE to 4FE
    - James Oglethorpe Primary from 1.5 FE to 2 FE (James Oglethorpe is already operating to 2FE throughout Key Stage 2 (years 3, 4, 5 and 6) and in Reception as the school has already taken bulge classes in those year groups).
    - Broadford Primary from 2 FE to 3FE
  - To note that Suttons and Hacton Primary schools, subject of previous reports, are being expanded through PSBP 1 and therefore an additional 56 Reception places will be available for 2016/17 in those planning areas. Expanded schools that are in the PSPB Programme provide best value for money as PSPB building works are government funded.
32. Although there is a need for 1FE in Hornchurch, the council is not proposing any expansion in that planning area for that year because there is some surplus capacity in Elm Park planning area at present. Officers have been working closely with headteachers and governing bodies to ensure that they are fully on board with the expansion proposals linked to their schools and confident that the expansion will lead to improved opportunities for children and hence outcomes.
33. Officers predict a maximum overall need for additional classes over and above those needed in Reception, ie, across all year groups from 2015/16 as set out in the tables below. It is possible that some of this can be delivered by utilising existing space within schools and/or re-phasing expansions that have already been approved and funded. However in Romford and Harold Hill there will be significant capacity issues until the two free schools Romford Academy and Drapers Maylands are up and running to full capacity. The delay of the planned implementation of other permanent expansions for September 2015 has also resulted in a shortage of places not only in Reception but in Year 1 as well for 2016/17.

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### Need for Primary places Reception to Year 6 for 2015/16

Primary Planning Area	Year R	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total Yr Rec-6
Collier Row	0	0	0	0	0	0	0	0
Elm Park	0	0	0	0	0	0	0	0
Harold Hill	0	1	0	0	0	0	1	2
Hornchurch	0	0	0	0	0	0	0	0
Rainham & South Hornchurch	0	0	0	0	0	0	0	0
Romford	1	1	1	0	1	0	1	5
Upminster & Cranham	0	0	0	0	0	0	0	0
<b>Total Classrooms</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>7</b>

34. As there is no surplus capacity at all in some planning areas, 7 bulge classes will be needed for 2015/16 to meet the additional demand for primary places resulting from in year applications. It is not feasible to open a bulge class in Year 6, so families requesting a place in this year group in those areas where there's no capacity will be offered school places through the fair access process.
35. It is important to acknowledge that the creation of a temporary expansion (bulge) class, whilst in many cases necessary, is not always straight forward. Build costs are often high compared to a permanent expansion and schools have to make significant adaptations to arrangement and staffing within the school without additional resources. The approach taken in Havering has been, wherever possible, to minimise the number of "bulge" classes that have been established.

### Need for Primary places Reception to Year 6 for 2016/17

Primary Planning Area	Year R	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Total Yr Rec-6
Collier Row	1	0	0	0	0	0	0	1
Elm Park	0	0	0	0	0	0	0	0
Harold Hill	1	0	1	1	1	1	0	5
Hornchurch	1	0	0	0	0	0	0	1
Rainham & South HX	1	0	0	0	1	0	0	2
Romford	3	1	2	2	0	2	0	10
Upminster & Cranham	1	0	0	0	0	0	0	1
<b>Total classrooms</b>	<b>8</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>20</b>

36. Projections show a greater number of bulge classes than before that are needed for 2016/17. This is in addition to a need to deliver the 8 FE expansion needed for 2016/17. The expectation is that the year R requirement above will be delivered through permanent expansions leaving 12 bulge classes required for other year groups. If the 8FE expansion is not delivered fully by 2016/17 further bulge classes will be needed in future years.

**Secondary**

37. Up to 2001/02, Havering experienced a decline in the birth rate that also had an impact on the secondary pupil roll. This has resulted in a slight drop in secondary numbers which has continued until 2014.
38. As primary children move into the secondary sector, the number of Secondary age pupils (Years 7-11) in Havering schools is expected to rise significantly from 14,720 in 2014/15 to 18,665 in 2022/23. This will cause therefore our current surplus of places in the secondary sector to be eroded and surpassed. Havering will therefore exceed its Year 7 capacity from 2016/17 onwards and overall Secondary places (in all other year groups) from 2018/19 onwards. As, over the next six years, we are projecting an increase of 15% in our Year 6 cohort, the table below shows the Year 6 numbers and the projected Year 7 numbers.

Year	Year 6	Projected Year 7
2013/14	2498	2829
2014/15	2681	2963
2015/16	2727	3127
2016/17	2937	3320
2017/18	2878	3252
2018/19	3118	3514
2019/20	3290	3699
2020/21	3360	3760
2021/22	3370	3755

39. There are currently 3,248 places available in Havering for Year 7 pupils. The Local Authority therefore plans to begin the process of providing additional capacity within the borough for the projected increase in pupil numbers. Please note that plans to add additional capacity in Year 7 will take place when all the secondary schools in Havering are full up to PAN unless the pressure of place prevents this approach.
40. The tables below show the deficit of Year 7 places across the whole borough and also by planning area.

Year	Projected Year 7	Year 7 places	Deficit of Year 7 places	Deficit as forms of Entry (Cumulative)	Deficit as forms of Entry (Incremental)
2016/17	3,320	3,248	-72	2 FE	2 FE
2017/18	3,252	3,248	-4	0 FE	0 FE
2018/19	3,514	3,248	-266	9 FE	7 FE
2019/20	3,699	3,248	-451	15 FE	6 FE
2020/21	3,760	3,248	-512	17 FE	2 FE
2021/22	3,755	3,248	-507	17 FE	0 FE

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<b>Projected surplus/deficit of year 7 places by secondary planning area</b>							
<b>School Planning Area</b>	<b>Secondary Schools with size as at 1 September 2015 expressed as Forms of Entry (FE)</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
<b>North East</b>	Drapers Academy (6 FE)	<b>-46</b>	<b>-49</b>	<b>-68</b>	<b>-81</b>	<b>-78</b>	<b>-72</b>
<b>North West</b>	Bower Park (6 FE)	<b>8</b>	<b>13</b>	<b>1</b>	<b>-7</b>	<b>-9</b>	<b>-9</b>
<b>Central</b>	Marshalls Park School (5.5 FE) Abbs Cross Academy (5.5 FE) The Albany School (6.5 FE) The Champion School (5 FE) The Frances Bardsley Academy (7 FE) Emerson Park School (6.5 FE) Redden Court School (5 FE) The Royal Liberty School (4 FE) St Edward's C of E School (7FE)	<b>-143</b>	<b>-100</b>	<b>-229</b>	<b>-320</b>	<b>-345</b>	<b>-350</b>
<b>East</b>	The Coopers & Coburn School(6FE) Gaynes School (6.5 FE) Hall Mead (6.5 FE) Sacred Heart of Mary Girls' School (4FE)	<b>44</b>	<b>63</b>	<b>16</b>	<b>-17</b>	<b>-28</b>	<b>-28</b>
<b>South</b>	The Brittons School (7.5 FE) The Chafford School (6.5 FE) Sanders School (6.5 FE)	<b>65</b>	<b>67</b>	<b>14</b>	<b>-27</b>	<b>-50</b>	<b>-48</b>
<b>Total Surplus/ Deficit of places</b>		<b>-72</b>	<b>-4</b>	<b>-266</b>	<b>-451</b>	<b>-512</b>	<b>-507</b>
<b>Total Surplus/ Deficit of places in FE</b>		<b>2FE</b>	<b>0FE</b>	<b>9FE</b>	<b>15FE</b>	<b>17FE</b>	<b>17FE</b>

41. For secondary expansion planning purposes additional places have been looked at a borough-wide level rather than on a planning area level.
42. In 2016/17 the additional need is proposed to be delivered by rationalising the Published Admission Number (PAN) of the oversubscribed secondary schools in areas of need so they are multiples of 30, rather than below that number. Feasibilities on the rationalisation of PANs for the following first tranche of schools will be carried out. Further feasibilities on PAN rationale will also be needed in other schools in the future.

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	Current PAN	Revised PAN	Increased Year 7 places
Marshalls Park School	172	180	8
The Frances Bardsley Academy	220	240	20
Emerson Park School	192	210	18
Abbs Cross Academy	168	180	12
The Albany School	196	210	14

43. It is envisaged that the costs associated with rationalising PANs will be considerably less than delivering a form of entry for 2018/19 and beyond and therefore offer best value.
44. Statutory proposals will not be required for the rationalisation of schools' PANs as these will not increase the capacity of the school by 25%.
45. Feasibilities and design work is planned to be carried out to explore how the secondary 7 FE expansion needed for September 2018 can be delivered. To note that a number of schools and Academies have been successful for PSBP 2 and are likely to have major building works, funded by the government, over the next five years. It will be important to explore as to whether linking any expansion plans to these government funded projects will provide a best value option.

### **Strategy for meeting the rising demand in the secondary sector**

46. With any potential shortfall in funding needing to be met by the council, it has been important to ensure at all times that the most efficient and cost effective approaches are adapted to meet the rising demand for places, ie creating additional capacity in schools. As set out in paragraph 13, this is also the preferred options of parents. Therefore it is planned to select schools:
  - where there is increased pressure of places
  - which are oversubscribed
  - which can be expanded
  - which are good or outstanding
  - which are sufficiently educationally secure and resilient to have the capacity to manage a significant increase in size
  - where the expansion will provide value for money
47. Most Havering secondary schools take the majority of their pupils from their local feeder primary schools. There is a strong tradition in Havering of close working between secondary schools and their feeder primaries too. It is therefore sensible to consider expanding secondary schools where there has already been expansions in the linked feeder primary schools so they can take the increased demand for places in primary. This will keep the strong "family of schools approach" positively supported by parents in their survey responses, in Havering, an approach that research shows also ensures better outcomes.
48. As allocations for year 7 are completed a year in advance, solutions for 2018/19 will need to be determined by Sept 2017 when parents make their applications for secondary places. Consultation on proposals need to be



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concluded by June 2017 hence feasibilities and design needs to be carried out soon to enable work to start on developing proposals to meet the 7 FE expansion needed for 2018/19.

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

49. 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 PVI Full Day Care Nurseries, Pre-Schools and Child-minders.
50. The projected increase in the population of under 5s in Havering by 14.4% between 2012 and 2019, with significantly higher increases in certain planning areas, together with the extension of the 2 year old offer, will put pressure on place availability. As primary and secondary schools are considered for Phase 3 of the Expansion Programme for additional school places it is proposed that consideration also be given to nursery provision particularly in areas where there is potential EEE place pressures. Detailed schemes have not yet been finalised but it is envisaged that schemes will be developed to best utilise the £1.9 Early Year Capital Funding available.
51. The government's new Childcare Bill is expected to double the amount of free childcare available for working parents of three and four-year-olds to 30 hours a week during term-time. While the free childcare expansion will be rolled out nationally in 2017, trials in some areas will begin in September 2016. Havering is starting to plan for the delivery of the new entitlement offer.

### **SEN Provision**

52. As the general population of school aged children increases, the numbers of children who have special educational needs will increase too. There are approximately 20 children with an additional or special need for every 100 children, with 2/3% of those needing significant support. There is also an increase in the complexity of needs of some of the children requiring a school place. The numbers of places for children who have some primary needs such as Moderate or Specific Learning Disabilities may decrease as support is offered in mainstream schools but we are predicting sharp rises in the numbers of children needing places with other special needs, for example Autistic Spectrum Disorder.
53. The SEND Strategy (see Appendix 1) outlines a set of proposals which is intended to implement over the next five years to meet the increased demand for SEN places in Havering. These are as follows:

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### 54. For 2015/16 (Phase 3)

- To create an additional 20 places for pupils with ASD through the establishment of 2 or more new ARPs, 1 primary and 1 secondary, with a range of 6-10 places in each, to cover for the age range of 3 to 19.
- An additional 20 places for Children and Young People with Social, Emotional and Behavioural difficulties through the creation of 1 or more ARP (Primary), with 6-10 places in the South East/East, and 1 or more ARP (Secondary), possibly in the South East/East to link in with its primary equivalent or alternatively in the North West to link in with Hilldene.

### 55. For 2016-17 (Phase 4)

- 2 or more off-site Satellite Units with 6-10 places in each to create capacity in special schools through the planned transfers of pupils whose needs can be better served through this type of provision. This will follow consultation with special schools who have expressed an interest in operating this kind of resource; preference will be given to those who have identified a potential off-site facility, either in a mainstream school or elsewhere.
- A further 20 places delivered via ARPs, 6-10 places for primary and 6-10 places for secondary aged pupils with behavioural, emotional and social difficulties.

### 56. For 2017-20 (Phase 4)

- An additional 2 or more ARPs for ASD, one or more primary and one or more secondary, with 6-10 places in each to serve mainly mainstream ASD pupils.
- An additional 2 or more satellite units specifically to be used to create capacity in special schools enabling them to transfer pupils whose needs could be met in this way, thereby releasing places for a return of a similar number of pupils from out borough schools which may include the retention of some pupils who would otherwise be placed out of the borough.
- A further 20 places delivered via ARPs, 6-10 for primary and 6-10 for secondary aged pupils with behavioural, emotional and social difficulties.

## **Post 16 SEN Provision**

57. Cabinet approved the Post-16 Strategy on the 20 November 2013 and gave approval, in principle, as part of that strategy to develop a new post-16 provision for young people with SEND. £1m of section 106 receipts were provisionally earmarked for this project. The Council's statutory requirement, introduced by the Children and Families Act 2014, is to make provision for young people with SEND up to the age of 25, i.e. for an additional 6 years, for those who require it.

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58. It has been agreed that the new provision will be co-located, with adult's day centre services, at Avelon Road Day Centre. The provision will start, in September 2016, with around 10-15 students and will provide a varied curriculum which supports young people to move into adulthood.
59. The vision is to provide high quality education and training opportunities for young people aged 16-25 years. The provision will be aspirational in supporting young people and adults to move onto pre-entry or Entry Level 1 qualifications, alongside building their social and employability skills, and into becoming active and contributing members of their community. The provision will support young people and their parents to aspire to a life which is as independent as possible and which includes some form of work, whatever this might look like for each young adult, depending on their need. The curriculum will cover:
- Independence skills, such as:
    - Home living and living with others
    - Personal care and safety
    - Money
    - Travel and leisure
    - Interpersonal relationships
    - ICT (computer skills) and e-communication (e.g. emails)
  - Food hygiene and food preparation
  - Work experience and supported employment opportunities
60. Work on the new provision is progressing. Two parent events have been held, hosted by Councillors Davis and Brice-Thompson. Other consultations have taken place with parents and young people to ensure the provision will meet need and reflects demand. The Head-teachers of Havering's special schools have also been involved in development, with meetings to identify potential cohorts and to start looking at options for the curriculum.

### **Future Housing and Regeneration Opportunities**

61. The school roll projections include the child yield expected from known housing developments in the Borough. The scale of housing in Havering incorporated in the school roll projections, are shown in the tables below for housing developments with a net gain of 10+ units either completed, under construction, including those with planning but not yet started and those on the Havering Housing Authority Monitoring Report 2013/14 and by planning area.
62. Recently the Rainham and Beam Park Housing Bid has also been approved. A total of 1800 units are expected to be delivered over the period 2015/16 to 2021/22. However, it is important to note that although the projected child yield over this period has now been factored in the school roll projections. Beyond this period further development is expected and in the long term, this is likely to result in a continuation and probable escalation of the projected increase in pupil numbers.

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63. Havering will be undergoing future regeneration programmes particularly in the Romford area. Cabinet has approved the Romford Development framework where over 2,000 new housing units are proposed. Any proposed new residential developments will add to the demand for school places in all areas of Havering, as pupil numbers are projected to continue to increase.

64. Housing developments with a net gain of 10+ units by planning area:

<b>Primary Planning Area</b>	<b>Completed</b>	<b>Under construction</b>	<b>Not Yet Started</b>	<b>Total</b>
Collier Row	72	0	0	72
Elm Park	0	113	0	113
Harold Hill	90	742	725	1,557
Hornchurch	136	111	0	247
Rainham & South Hornchurch	22	227	4,450*	4,699
Romford	1,198	1,256	481	2,935
Upminster & Cranham	18	0	0	18
<b>Total</b>	<b>1,536</b>	<b>2,449</b>	<b>5,656</b>	<b>9,641</b>

<b>Secondary Planning Area</b>	<b>Completed</b>	<b>Under construction</b>	<b>Not Yet Started</b>	<b>Total</b>
North East	90	742	725	1,557
North West	30	0	0	30
Central	1,376	1,367	481	3,224
East	18	0	0	18
South	22	340	4,450*	4,812
<b>Total</b>	<b>1,536</b>	<b>2,449</b>	<b>5,656</b>	<b>9,641</b>

\*Includes Rainham Housing Zone

### **Summary of proposed approach to ensuring sufficiency of school places**

65. In the light of the changing schools landscape the permanent increase in early years, primary, secondary and SEN phase school capacity could be met in a number of ways and involve a number of providers of new places. Therefore the following “two stranded” approach is therefore proposed to ensure a robust strategy is developed with minimal risks:

- Expand existing schools on their existing sites or onto an additional site (i.e. satellite schools/split sites schools), including consideration of expanding, subject to assessment of the impact of such an expansion on standards, effectiveness and performance.
- To seek proposals to establish an academy (free school) when and where there is a need for a new school in an area and it is cost effective to do so. The development of new free schools is not within the full control of the Council and this work would need to be undertaken with the Department for Education to find a free school sponsor who is interested in setting up in Havering. There has been some particular

challenges in Havering in the opening of one of the proposed new free schools with significant delays to its opening due to the low number of parents selecting this school. Officers in Education and Strategic Property Services are looking at alternative sites in planning areas of high demand to put forward proposals for new schools as an option. As well as funding the buildings, any land needed for a free school would need to be given to the sponsor at no cost.

**Next steps**

66. Following the agreement to the recommendations set out in this report, it is proposed to progress Phase 3 proposals identified here and begin to develop further proposals for Phase 4.

**REASONS AND OPTIONS**

**Reasons for the decision:**

This decision is necessary to ensure the provision of sufficient school places to meet the forecast rise in early years, primary, secondary and SEN pupil numbers projected beyond Phase 2 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**

**Phase 3 – Expansion Programme**

**Capital**

It is difficult to estimate the costs of expansions without knowledge of schemes and details of site specific issues. For those elements of the expansion where sites have been identified cost are estimated based on feasibility studies. For sites not yet identified, such as some primary schools and ARPs/Satellite Provision the cost

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below are a very broad estimates based on previous expansions provided and may vary considerably as plans for delivery of are finalised.

Estimated costs and funding details are summarised below:

<b>Detail's Briefing 21 October 2015</b>	<b>Total Estimated Cost</b>	<b>£ 15/16</b>	<b>£ 16/17</b>	<b>£ 17/18</b>	<b>£ 18/19</b>	<b>£ 19/20 onwards</b>
Primary Expansions for 16/17 Academic Year & remodelling of Oglethorpe	15,150,000	3,412,500	8,872,500	1,740,000	975,000	150,000
Primary Expansions for 17/18 Academic Year	6,000,000	-	1,500,000	3,900,000	600,000	-
Primary Bulge Classrooms for Sept 15	750,000	675,000	75,000	-	-	-
Primary Bulge Classrooms for Sept 16	1,500,000	-	375,000	975,000	150,000	-
Secondary – Rationalising PAN for Sept 16	1,875,000	750,000	937,500	187,500	-	-
Early Education Entitlement for 2, 3 and 4 Year Olds	1,872,000	468,000	1,404,000	-	-	-
SEN ARPs – Sept 15	3,000,000	750,000	1,950,000	300,000	-	-
SEN ARPs – Sept 16	1,500,000	375,000	975,000	150,000	-	-
SEN Satellite Unit – Sept 16	2,000,000	500,000	1,300,000	200,000	-	-
SEN ARPs – Sept 17	3,000,000	-	750,000	950,000	1,000,000	300,000
SEN Satellite Unit – Sept 17	2,000,000	-	500,000	1,300,000	200,000	-
Post 16 SEN	1,000,000	250,000	650,000	100,000	-	-
<b>Total Estimated Costs</b>	<b>39,647,000</b>	<b>7,180,500</b>	<b>19,289,000</b>	<b>9,802,500</b>	<b>2,925,000</b>	<b>450,000</b>
<b>FUNDING AVAILABLE</b>						
<i>Schemes within Phase 2 Programme</i>						
A1828 Broadford Primary Permanent Expansion	<b>(700,000)</b>	(700,000)	-	-	-	-
A1843 Parsonage Farm Permanent Expansion	<b>(2,000,000)</b>	(2,000,000)	-	-	-	-
A1844 Romford Planning Area Permanent Expansion	<b>(2,500,000)</b>	(2,500,000)	-	-	-	-
A1873 Upminster Permanent Expansion	<b>(2,200,000)</b>	(2,200,000)	-	-	-	-
<i>Other funding</i>						
Unallocated phase 1 funding – estimate	<b>(750,000)</b>	(750,000)	-	-	-	-
Unallocated phase 2 funding – estimate	<b>(1,750,000)</b>	(1,750,000)	-	-	-	-
2016-17 Basic Need Grant	<b>(15,355,280)</b>	-	(15,355,280)	-	-	-
2017-18 Basic Need Grant*	<b>(16,756,152)</b>	-	-	(16,756,152)	-	-
Secondary s106 funds Received and earmarked for post 16 SEN*	<b>(927,000)</b>	(927,000)	-	-	-	-
Interest on s106 funds received and not yet earmarked*	<b>(282,078)</b>	(282,078)	-	-	-	-
Early Years Funding – Capital Grant	<b>(422,000)</b>	(422,000)	-	-	-	-
Early Years Funding – Top-slice of DSG*	<b>(1,900,000)</b>	(1,900,000)	-	-	-	-
<b>TOTAL CONFIRMED FUNDING</b>	<b>(45,542,510)</b>	<b>(13,431,078)</b>	<b>(15,535,280)</b>	<b>(16,756,152)</b>	<b>0</b>	<b>0</b>
<b>In year (Excess)/Shortfall in Funding</b>		<b>(6,250,578)</b>	<b>3,933,720</b>	<b>(6,953,652)</b>	<b>2,925,000</b>	<b>450,000</b>
<b>Cumulative (Excess) Funding</b>	<b>(5,895,510)</b>	<b>(6,250,578)</b>	<b>((2,316,858)</b>	<b>(9,270,510)</b>	<b>(6,345,510)</b>	<b>(5,895,510)</b>

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There is sufficient funding available to deliver the phase 3 expansion requirements if the Capital Programme is increased in line with the recommendations within this report, to include the additional (\*) items above. The anticipated timing of spend and funding available also means that there are no longer term cash flow implications anticipated from this programme. Any in year issues will be covered as part of normal treasury management activities of the Council.

It should be noted that Basic Need Grant Allocations do not include any additional funding for pupils with SEN, as such; provision of the more expensive SEN provision put a strain on the funds remaining to fund mainstream primary and secondary places.

Future capital repairs costs of any new places delivered will either be the responsibility of the local authority in respect of mainstream schools, or the school themselves in respect of Academies, as is the case for the existing school estate. The responsible party will need to prioritise schemes and manage costs within the funding available to them, as they do currently.

### **Revenue Implications for the Local Authority**

A revenue budget of £135k exists for feasibility studies and 15/16 costs are expected to be contained within this budget.

It should be noted that an increase in school admissions across the Borough are having 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. The DSG allocation to the LA is based on pupil numbers and will therefore increase each year as pupil numbers rise. The majority of this increase will be allocated to the schools with the additional pupils through the Schools Funding Formula although there may be some available to meet other school-related pressures.

## **Revenue**

### **Revenue Implications for schools**

The revenue implications for schools are that in creating additional classes, additional resources will be incurred particularly for teaching and support staff. The funding received by the LA for allocation to schools through a mainly pupil-led formula is based on the numbers on roll at Havering schools as at an October census point. Schools therefore receive funding for a financial year based on the preceding October pupil numbers (other data is also used to recognise deprivation and special educational needs). Any additional pupils who are placed in schools after the October census are not funded by the DfE even though schools will need to appoint additional staff. In consultation with the Schools Funding Forum, the LA has top-sliced a budget of £2.7m from the DSG (Dedicated Schools Grant) from which to fund schools for mid-year increases in pupil numbers where a new class is required.

In 2015/16 financial year this budget has been largely committed to fund the growth already in the school system from previous years as the larger cohorts



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move through the school but there is sufficient to fund the seven bulge classes required in the current financial year mentioned in this report.

In 2016/17 the seven bulge classes from 2015/16 will need to be funded in full from the DSG Pupil Growth Fund as it will only be when the pupils are on roll in October 2016 that the LA will receive funding to allocate to the school through the pupil-led formula. The Pupil Growth Fund will also need to fund the eight additional bulge classes that may be required from September 2016 as well as the continuing commitment for previous year growth as the cohorts move through the schools. Should there be significant growth in any secondary school this will also need to be funded from the Pupil Growth Fund.

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.

Funding to LAs for pupils with behavioural or special educational needs is to LAs through a High Needs Block. Each Additional Resource Provision whether ASD or SEBD (as set out in the report) will require funding at £10,000 per place plus a needs led top up. The Additional Resourced Provisions will help increase capacity and ultimately reduce the costs of expensive out of borough provision.

LAs receive funding for Early Years places on the basis of participation measured against numbers on roll at a January census point at early years settings. The LA funds provision on the basis of a Single Funding Formula consisting of an hourly rate and supplements for deprivation and quality. Further guidance is awaited from the DfE on how the increase to 30 hours per week is to be funded.

The need to set a pupil growth fund of £2.7m funded from the DSG has meant that the funding delegated to schools through the schools funding formula has reduced. Any further increase in the pupil growth fund above this level would require a further reduction in school funding and put a risk the ability of schools to set balanced budgets and maintain high standards of educational provision. The current £2.7m growth fund is unlikely to be sufficient to fund continuing growth in the primary sector, the forecast growth in the secondary sector and additional provision for pupils with special educational needs outlined in this report.

### **Risk**

There is a risk that pupil numbers continue to grow and that the places delivered as a result of phase 3 and 4 are insufficient, leading to the need for additional places and funding. It is also possible that if plans are not delivered in time short term arrangements will need to be introduced to ensure that places are available. Delivery of places at short notice may require temporary accommodation to be hired. Any such costs are classified as revenue expenditure for which no funding has been identified. There is also possibility that suppliers becoming aware of urgent demands increase their prices accordingly thus putting further financial pressure on the Council. As such every effort should be made to avoid these situations

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A further risk is that places will be delivered and then not be taken up leading to unnecessary levels of spend. However, the pupil forecasting methodology used is robust and take up levels are regularly monitored in order to minimise this risk. To date the vast majority of places predicted have been filled.

Further risks are that, as 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 additional classrooms. In addition to the financial risks the timescale also puts the delivery of the programme at risk. Wherever possible, measures are being taken to minimise these risks.

As a significant level of the predicted need is based on an expected demand arising from the Rainham Housing Zone and Romford Development Framework any significant slip, either forward or backward, in the delivery of these developments could mean that places are needed sooner/later than forecast.

### **Phase 4 – Expansion Programme**

The financial implications of such a large scale increase in service delivery are significant. Details will become clearer as the plans for meeting need are finalised but this section aims to give an overview of the scale of costs, funding available and any other associated financial implications. As approval is sought for delivery of the relevant plans details financial implications will be set out and approved through the relevant channels

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<b>Detail</b>	<b>Total Estimated Cost</b>		<b>£ 15/16</b>	<b>£ 16/17</b>	<b>£ 17/18</b>	<b>£ 18/19</b>	<b>£ 19/20</b>	<b>£ 20/21 onwards</b>
Primary Expansions for 18/19 Academic Year	4,000,000		0	0	1,000,000	2,600,000	400,000	0
Primary Expansions for 19/20 Academic Year	2,000,000		0	0	0	500,000	1,300,000	200,000
Secondary Expansions for 18/19 Academic Year~	24,500,000		1,000,000	3,165,000	12,495,000	5,635,000	2,205,000	0
Secondary Expansions for 19/20 Academic Year~	27,000,000		0	1,620,000	2,970,000	13,770,000	6,210,000	2,430,000
Secondary Expansions for 20/21 Academic Year~	9,000,000		0	0	540,000	990,000	4,590,000	2,880,000
<b>Total Estimated Costs</b>	<b>66,500,000</b>		<b>1,000,000</b>	<b>4,785,000</b>	<b>17,005,000</b>	<b>23,495,000</b>	<b>14,705,000</b>	<b>5,510,000</b>
<b>Estimated Balance from Phase 3 programme</b>	<b>(5,362,354)</b>							
<b>Funding Gap</b>	<b>61,137,646</b>							

It should be noted that 14 out of 18 secondary schools within Havering are Academies who may wish to deliver the building works themselves, albeit funded by the Council. Negotiations need to take place with the relevant Academies and wherever possible payments to academies should be phased to both minimise cash flow implications and also ensure that key delivery milestones are monitored

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At this stage, other than the £5.8m balance expected to remain from Phase 3, no funding has been identified for delivering phase 4 of the expansion programme, leaving a funding gap of £61 million. However there are various potential sources of funding as detailed below:

- Future years basic need grant allocations – if the 2018/19 to 2020/21 grant allocations are at a similar level to 2014/15 - 2017/18 then this could address approximately £45m of the gap. It is also possible that as latest SCAP return highlighting the shortfall in secondary places is reviewed our grant allocation will increase significantly. Alternatively, government may reduce grant allocations and look to local authorities to fund the shortfall.
- Additional Section 106/CIL receipts, both in relation to current and new planning agreements – when the Rainham Housing Zone and Romford Developments are built significant developer contributions are expected, although the exact amount timing of receipts is unclear at this stage it could be millions;
- Capital Receipts; this could be receipts already realised or sale of sites already identified for disposal. However, it may be necessary to identify further sites for disposal in order to fund the next round of expansion Programme.
- Borrowing; the Council's financial strategy does not currently allow for borrowing – consideration may need to be given to changing this in order to fund the expansion programme. However, any borrowing would incur additional revenue costs for which there is currently no funding.

### **Feasibility Studies and Design Fees**

Although a significant funding gap has been identified for phase 4, a lead time of approximately 2.5 years is required to deliver a secondary expansion. This means that in order to deliver 7 FE expansions for September 18 it is necessary to start developing these schemes now.

Initially feasibility studies need to be undertaken. A revenue budget of £135k exists for feasibility studies and 15/16 costs are expected to be contained within this budget.

However, following completion of feasibility studies, it will also be necessary to develop designs during the remainder of 15/16 for those schemes to be delivered. Design fees for 15/16 are estimated at £1m. The balance remaining from phase 3 of the expansion programme would be sufficient to cover these costs. However, should the phase 4 programme not be approved at a later stage and these design costs become abortive, capital funding would no longer be appropriate and it would be necessary to identify alternative revenue funding.

## **Revenue Implications & Risks**

These are the same as highlighted for Phase 3.

However, the most significant additional risk for Phase 4 is that due to the long lead in times to deliver secondary expansions it may be necessary to approve delivery of schemes before future years grant allocations are confirmed. This would require alternative sources of funding to be identified and may also create cash flow issues.

Although the Council aims to manage any cash flow implications are part of its overall treasury management processes, with the scale of costs involved this may not be possible. Consideration may need to be given to short term borrowing which will have a revenue cost and should be avoided if possible. Also, the Council's financial strategy does not currently allow for borrowing and consideration may need to be given to changing this in order to fund the expansion programme.

These issues will be the subject of further reports and/or addressed as part of future years budget setting processes.

## **Legal implications and risks**

The Council has a statutory duty to ensure sufficient primary and secondary education is available to meet the needs of the population of their area (Section 13 Education Act 1996).

The new guidance on School Organisation came into force on 28 January 2014. As a consequence of the changes, governing bodies of all categories of mainstream school can now make the following changes to their schools without following a formal statutory process:

- Expansion (enlargement of premises);
- Alteration of upper or lower age limit by up to two years (except for adding or removing a sixth form); and
- Adding boarding provision

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.

Academies wishing to expand, make age range changes (by up to two years), add boarding provision or amend admissions need to seek approval from the Secretary of State, through the EFA, to make such changes.

The recommendations set out guiding principles for the Council to address the rising school roll issues and there is no apparent risk in adopting them. As and when individual decisions come to be made legal advice is likely to be necessary

**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. There are growing difficulties in recruiting to teaching posts and therefore schools 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 schools, academies or free schools that purchase relevant services.

**Equalities implications and risks:**

An Equality Analysis was conducted for Phase 2 of the Primary Expansion Programme and a similar analysis will be undertaken for Phase 3 of the Expansion programme as firm proposals emerge to fully assess their impact on children with protected characteristics and their families.

**Appendices**

Appendix 1: SEND Strategy

**BACKGROUND PAPERS**

There are none