

## MUNICIPAL YEAR 2014/2015 REPORT NO. 15

### MEETING TITLE AND DATE:

Cabinet – 23<sup>rd</sup> July (KD 3943)

### REPORT OF:

Directors of Schools and Children's Services, and Finance, Resources and Customer Services

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<b>Agenda – Part: 1</b>	<b>Item: 6</b>
Subject: Strategy and Approach to delivering Pupil Places Wards: All	
Cabinet Members consulted: Cllr Ayfer Orhan and Cllr Andrew Stafford	

## 1. EXECUTIVE SUMMARY

- 1.1 Since 2010 the Council has successfully managed delivery of 4,410 permanent Primary school places, in increasingly challenging conditions, with hundreds more secured through temporary and partner school arrangements where they have been needed. Enfield is now in the top quartile in London for being able to offer parents their first choice of Primary school through the admissions process.
- 1.2 This report sets the scene for the new administration's approach to the provision of school places for Enfield residents and updates the strategy for the provision of places. The update reflects:
  - the 2014 annual review of the population projections about the expected demand for school places;
  - updated information on the current and planned supply of mainstream school places;
  - the increasing demand pressures on provision for children with Special Educational Needs; and
  - information from approved construction indexes and recent market activity on costs.
- 1.3 The overall demand for Primary school reception places up to September 2018 is projected to be broadly in line with the expectation reported last year. Throughout the year it became clear that there was less immediate demand pressure for most of the borough and delivery plans were adapted accordingly. The South West and North Central (Enfield Town) areas of the borough remain the most challenging in terms of demand for places but recent delivery has helped ease that pressure. Whilst there are some changes in supply in some pupil place planning areas, known Free / Academy Primary school provision does not meet all demand up to 2018.
- 1.4 There remains a need to deliver nine extra forms of entry between September 2015 and September 2018. Two of those extra forms are expected to be met by provision from Free/Academy Schools but the Council will need to plan to expand Local Authority maintained schools to ensure it continues to meet the statutory responsibility to provide sufficient school places in the borough.
- 1.5 Secondary school provision up to 2017/18 meets projected demand with extra provision expected to be delivered by Free/Academy Schools.

However, the position will need to be kept under review in case demand increases by more than expected or the extra provision does not materialise.

- 1.6 There is a pressing need to increase capacity in school and establishments that provide education services for some of the most acute special need categories. Autistic Spectrum Disorder is the highest priority in the short term.
- 1.7 Changes in market conditions for the construction sector have had a significant impact on costs. The indexes used for inflation and location have been updated but still lag behind real market conditions. This requires an update to the figures used to generate estimated costs for projects within the programme. An uplift of 26% is recommended.
- 1.8 Provision of free/academy school places in the North East area has removed the current need to expand and re-provide Brimsdown. This has been noted in a previous report about that secured agreement to rebuilding the kitchen and diner due to poor condition. There is the opportunity to re-allocate the remaining funding within the programme to minimise the increase to the indicative programme budget. Additionally where demand does not emerge as immediately as expected in some areas, project delivery and budgets will be re-profiled within the Capital Programme to minimise spend in the short term. Budgets and costs will continue to be monitored and adjusted through the quarterly Capital Monitor process.
- 1.9 For consistency of management arrangements the remainder of phase one PEP projects (Edmonton County, Worcesters and Prince of Wales), with their budgets, will be combined with phase two.
- 1.10 Delegated authority is already in place for a series of decisions to:
  - Establish the detailed programme and projects, including project level budgets within the programme; and
  - Agree procurement approaches, land transactions, place orders, submit planning applications and enter into contracts with required contractors.

## **2. RECOMMENDATIONS**

- 2.1 It is recommended that Cabinet approve:
  - 2.1.1 The updated strategy to provide the additional school places required up to 2018 and the continuation of the school expansion programme with an expanded scope to cover the expansion of capacity for special need provision up to 2018;
  - 2.1.2 The project cost estimates generated for the 2013/14 Capital Programme are increased by 26% to take account of changes in construction market cost indexes and current market conditions;
  - 2.1.3 That the overall programme allocation is increased from £63.4 million to £64.9 million to allow for changes in market conditions. This reflects the 26% increase on projects but has been minimised by re-allocating the remaining £10 million from the proposed Brimsdown rebuild that is currently not required to meet demand for places in the NE area. Project level budgets will be updated through the Capital Monitor process and given the pressures on the Council budget, as set out in the Medium Term Financial Strategy, the allocation for school expansions will be managed within the overall Capital Programme agreed in February 2014;
  - 2.1.4 Additional capacity is created to deliver educational services to pupils with special need, with the priority in the short term being Autism – subsequent

reports will seek decisions on scheme and cost proposals;

2.1.5 Delegating authority to the Cabinet member for Education, Children's Services and Protection and the Cabinet Member for Finance in consultation with the Directors of Schools and Children's Services and Finance, Resources and Customer Services, or the Assistant Director of Strategic Property Services, to take relevant decisions on:

- The individual schools and sites that can be expanded, and decisions on statutory expansions, to meet the need for extra pupil places, both mainstream and special, up to 2018;
- Entering in to contractual arrangements and placing orders for any capital works required for the projects;
- Conducting any land appropriations as required for schemes to be developed; and
- Conducting any necessary land transactions, including acquisitions by way of freehold or leasehold, as individual schemes are developed.

2.1.6 Delegating authority to the Directors of Schools and Children's Services and Finance, Resources and Customer Services to take decisions on the:

- Programme management arrangements and operational resourcing, including procurement of any required support services;
- Cost estimates, budgets and spend for projects in advance of updates to the Capital Programme;
- Submission of planning applications; and
- The appropriate procurement routes for individual schemes.

2.1.7 To forward this report on to Full Council for approval and adoption of the proposed changes to the Council's Capital Programme.

### **3. BACKGROUND**

#### **The Primary Expansion Programme**

3.1 The Primary Expansion Programme (PEP) phase one was designed to provide an additional 1,890 permanent school places across all year groups, or nine forms of entry (FE), beginning in September 2013 across eight schools, including increased building capacity to support previous school expansions. This was supplemented and modified by creating a second phase of the programme.

3.2 Phase one delivered permanent expansions from September 2013 at Chesterfield, Highfield, George Spicer and Edmonton County schools. Works are ongoing at Edmonton County as it a large and complex scheme.

3.3 Last year's report moved the Grange Park expansion and Garfield rebuild projects into phase two. For consistency of management arrangements the following schemes from phase one are placed under the phase two programme management structure and overall budget allocation:

##### **3.3.1 Worcesters Primary School**

Complete the accommodation requirements of the school's permanent expansion from 2 FE to 3 FE – extra space required by September 2015. Works have recently commenced.

### 3.3.2 Prince of Wales Primary School

Complete the accommodation requirements of the school's permanent expansion from 2 FE to 3 FE – extra space required by September 2016. Design is complete but on-site conditions and the appropriate procurement approach are being assessed further.

## 3.4 Phase two schemes that are either being delivered or subject to feasibility work are:

### 3.4.1 Secondary Tuition Centre

Secondary School Tuition Centre (Pupil Referral Unit) – New build modular accommodation to provide a consolidation, replacement Pupil Referral Unit that will have 150 pupils on the roll and can accommodate 100 at any one time on a new site in Bullsmoor Lane.

### 3.4.2 Garfield rebuild and expansion

A full school rebuild and re-configuration of the site that includes a 1FE expansion and provision of sports facilities that can be shared with the community.

### 3.4.3 Grange Park

Provide additional accommodation to complete the permanent 1FE expansion.

### 3.4.4 Bowes Edmonton

Provide additional accommodation to support permanent 1FE capacity.

### 3.4.5 A school expansion at Grovelands

A proposal to provide additional 2FE accommodation in new buildings.

### 3.4.6 A partner school at Broomfield Secondary

Provide additional 1FE or 2FE accommodation as a pre-cursor to permanent capacity being made available through other expansion schemes.

### 3.4.7 Provision for the North Central area

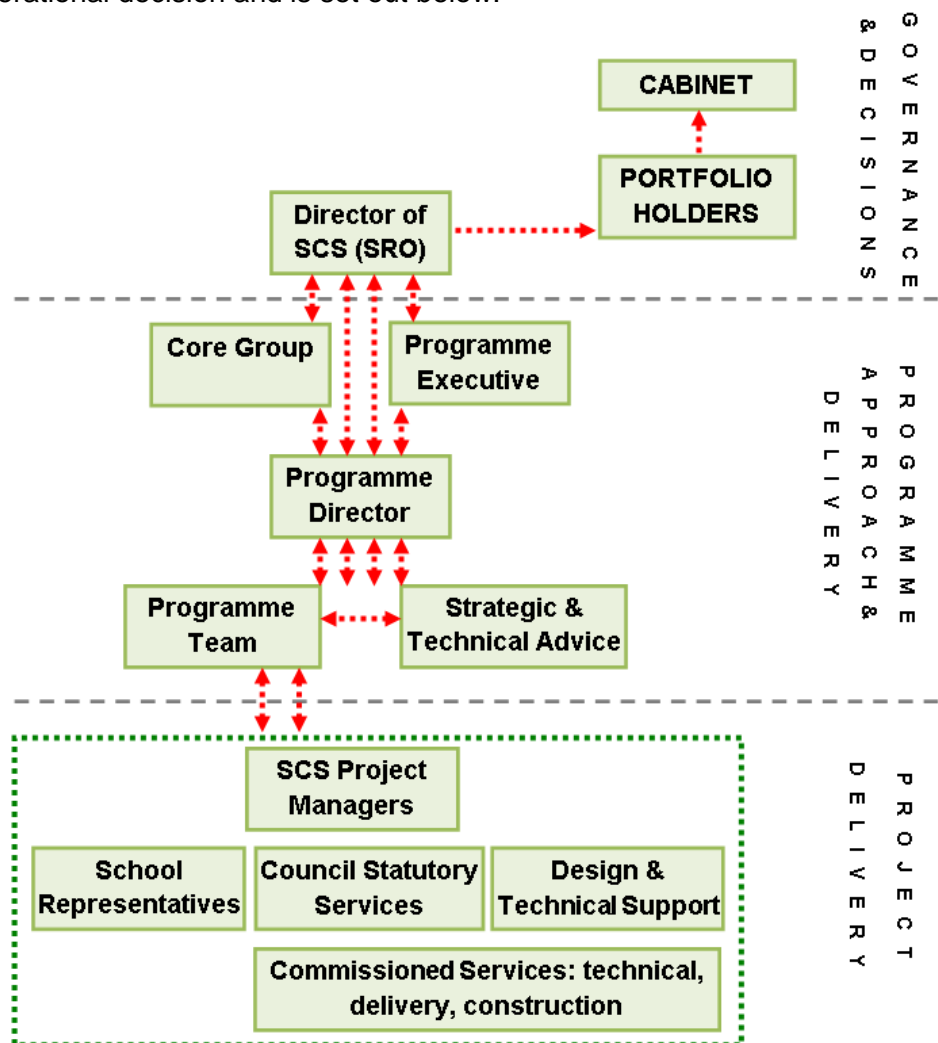
Feasibility for extra Primary provision is being investigated at:

- Chace Community (to create an all-age school with 2FE Primary intake);
- Chase Side (a 1FE expansion); and
- St John's Primary (a 0.5FE expansion).

## 3.5 The management information currently available points to the need for some extra places in the North Central area to maintain an element of parental choice from September 2015. If there are feasibility or cost issues with any of the above three options being investigated then alternative options will need to be generated.

### Programme and Project Structure for the PEP

3.6 The programme structure for phase two has been established through an operational decision and is set out below.



3.7 The new area-based Cabinet Associates will be involved through stakeholder and communication activity where there is a proposed expansion scheme in the area they cover.

### Procurement for the PEP

3.8 The procurement approach for the programme was agreed by Strategic Procurement Board in November 2013.

3.9 In November 2013, Council's Strategic Procurement Board (SPB) agreed that construction procurement for phase two would be via the Framework route from the current shortlist of:

- Crown Commercial Service (formerly Government Procurement Service) -
- Improvement and Efficiency Social Enterprise (IESE)
- London Housing Consortium (LHC)
- SMART East
- Scape

3.10 In December 2013, SPB approved the use of Exor Framework for the procurement of external technical and professional services. SPB of December 2013 also approved the Longer Term Strategy that bespoke EU compliant framework agreements are

procured to provide construction related professional services to augment CMCT to support delivery of PEP2 projects.

- 3.11 SPB has subsequently approved a transition from Exor to Construction Line in April 2014 and the use of this Framework will apply to PEP2 procurement of works and services.
- 3.12 As prices have significantly increased, and due to the increase in demand, in the construction sector it means the larger companies are stating that they do not have the capacity to deliver, therefore the approach to procurement will be kept under review. This would be routed back through Strategic Procurement Board for agreement.
- 3.13 The approach to procurement reflects Council's commitment to positively supporting the local economy through its sustainable procurement policy. Procurement activity will require contractors, where relevant and proportionate to the contract, to consider the use of apprentices, local supply chains, and local labour. This is implemented through use of the Community Benefit toolkit at the Invitation to Tender stage, the impact of which is reported back to SPB throughout each year.

### **Generating cost estimates for PEP projects and the programme**

- 3.14 It has been widely reported in the sector press that the construction sector has not only recovered since the economic downturn but has now in fact overheated. This has primarily been driven by the imbalance in the supply and demand in the housing market being exposed by the increase in demand in the last two years.
- 3.15 The situation is particularly acute in London where there is higher developer viability but also in the education construction sector due to the continuing demand for construction works to support higher demand for school places. Again this is doubly the case in London.
- 3.16 Since the school expansion programme, and projects within it, were established on the Capital Programme, there has been a significant change in market conditions. The Royal Institute of Chartered Surveyors (RICS) Building Cost Information Service (BCIS) Tender Price Index and Outer London location factor used by the Corporate Maintenance and Construction Team has increased by 12.2% and 5.7% respectively, which when compounded gives an increase of 18.6%. BCIS base their figures on returns from the market and therefore lag behind real market conditions. Despite a rigorous tender process through established frameworks, this lag has been highlighted by a recent procurement for a modular building package where the average tender return was 26% higher, on a like for like basis, than the allowance for the project in the school expansion programme.
- 3.17 On that basis it is proposed that the cost estimates generated for last year's report are updated to reflect market conditions by 26%. Whilst all efforts will be made to produce the most cost-efficient design a balance needs to be sought between cost and quality. Additionally the most straightforward school expansions have already been identified and delivered. All the current projects in feasibility are more challenging due to site conditions or site context. Factors such as site size, or condition, and the context of as the surrounding environment, be it natural or urban, generally require design and construction solutions that are more costly. Many Councils are facing this problem and senior managers will continue to lobby the Education Funding Agency and the Department for Education on their unrealistic funding allocations for school place provision made through Basic Need.
- 3.18 It should be noted that that any cost estimates generated for projects at an early stage will always be subject to finalisation of requirements then the subsequent

market testing. This may result in having to establish a budget for the construction works that requires adjustment to the Capital Programme, which will be managed through the quarterly Capital Monitor process.

#### **4. Confirming the need for the School Expansion Programme to deliver extra places between September 2014 and September 2018**

##### **The need for Primary School pupil places**

- 4.1 The assessment of need for the next four years is based on the Greater London Authority (GLA) school roll projections. The recommendations on reducing the number of school place planning areas and establishing an allowance to cover changes in the statistics from last year's independent review of pupil place projections by OpenBox Consulting have been accepted. The boundaries of the school place planning areas will be reviewed during the year to ensure they balance the statistical areas used to produce the projections and the reality of travel flows to schools.
- 4.2 The GLA school roll projections are increased by 5% for Primary and 3% for Secondary to allow for fluctuations in population projections. These increases have been validated by the Department for Education through the annual statutory returns via the School Capacity Collection to the Education Funding Agency. The basis for this increase is that the Primary school roll projections can change for any given year between each annual GLA statistical release. The range is from 1% to 2% at borough level, which is relatively stable, but for the place planning areas that change can be up to 10% in either direction for any given year.
- 4.3 Additionally, Department for Education Guidance published in September 2010 recommends a minimum provision of 5% surplus of Primary school places to allow for parental choice. Previous guidance suggested a range of between 5% and 10% surplus whilst the Audit Commission recommended a 10% surplus to achieve the best balance between use of resources and supporting parental choice. In May 2012 the average surplus of Primary provision was 10% nationally<sup>1</sup>.
- 4.4 In recognition of the Council's aspiration to provide an element of parental choice in school places, programme delivery aspires to provide a surplus of up to 5% of places in each pupil place area for both Primary and Secondary. Surpluses significantly more than 10% in an area should be avoided where possible as this could lead to over provision and negatively impact on the use of resources.
- 4.5 The April 2014 GLA School Roll Projections amend the 2013 release and create the following picture of demand over the period up to 2018:
- Demand has not emerged as expected in the short term, including for September 2014, but is due to increase rapidly from 2017.
  - The South West area of the borough remains the area in most need of extra places but there is less immediate pressure for September 2014.
  - The North Central (broadly Enfield Town and Bush Hill Park) area also continues to need extra places but the immediate pressure for the short-term is less than previously projected.
  - For other areas there is now extra capacity to support more parental choice and movements across planning areas. Extra capacity will be required from September 2017 or 2018 to maintain some degree of choice across each area.
  - The numbers of in-year admission has been increasing in recent year, no doubt reflecting the change in migration patterns across London. This impact on

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<sup>1</sup> National Audit Office, Capital Funding for New School Places, published March 2013

demand outside the standard assessment of the projection reception age children.

- For September 2014 provision, existing and planned capacity meets demand on a borough basis<sup>2</sup> and for each of the six pupil place planning areas including allowances for recent school expansions that service more than one area<sup>3</sup>.
- At the borough level surplus places, or spare capacity ranges between 2% and 4% up to 2018 which is acceptable. However surpluses vary across areas ranging from low levels of 1% to 8% in any given year. However, increasing demand across all areas, apart from Hadley Wood, erodes all surpluses by 2018.

4.6 It should be noted that there are two factors that the GLA school roll projections do not take account of:

- Significant housing developments which will have a direct impact on the demand for school places locally. Housing development data is used to allocate population across geographic areas. Therefore the pipeline of significant housing developments will need to be monitored separately and any extra provision planned for as individual developments come forward.
- Cross-borough movements of pupils. The numbers of children that go to school in other boroughs fluctuates annually but in recent years there has been increase in the net outflow of reception age pupils. This needs to be monitored and addressed and there is a separate activity to make residents more aware of the success of local schools.

4.7 The number of in-year admissions, particularly at Primary school age, has been rising in recent years. Information for the Council's Admissions Services is that the Borough now experiences high demand for primary school places from parents who are new to the area. There is particular pressure on Year 1 and Year 2. The situation is monitored regularly at a senior level and options are being explored to provide additional classes within Key Stage 1 if they are required.

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<sup>2</sup> Based on the GLA school roll projections which cannot take account of cross-borough application and movements.

<sup>3</sup> Applies to Edmonton County (Little Bury St) and Worcesters where extra capacity provided through recent school expansion serves more than one pupil place planning area. This is partly due to each of these schools being on the border of two pupil place planning areas.



4.8 The table below outlines the need for Primary School places for September 2015 and beyond. It should be noted that in all Primary school expansions the reception class is required initially, followed by extra classes for school years one to six to accommodate the increased number of pupils as they move up each year. Following a school expansion decision it takes seven years for the school to reach full capacity.

<b>Enfield Primary Areas</b>	<b>Recent delivery to meet demand for Sept 2014</b>	<b>Delivery required to meet demand for Sept 2015</b>	<b>Delivery required to meet demand beyond Sept 2015</b>
North East Enfield	ARK John Keats provided one extra class (30 extra places). Area surplus capacity is expected to be around 1% which is low and reduces parental choice	One extra form of entry is required to meet demand and is expected to create surplus capacity of 4% to support parental choice	Extra capacity required from 2019 as the surplus capacity is expected to drop to 2.6%. Subject to annual review of GLA projections
South East Enfield	Bowes Edmonton will provide one extra class (30 places) to meet demand. Area surplus capacity is expected to be 2%.	None required to meet demand. Surplus capacity is expected to be around 3% to support parental choice.	One extra form of entry is required from 2016 then another by 2017 to meet demand. Surplus capacity is expected to drop to 1% by 2018 requiring a further form of entry. Subject to annual review of GLA projections
North Central Enfield	George Spicer completed to allow one extra class, in addition to the one extra class in Sept 2013 (30 extra places). Area surplus capacity is expected to be 3%	One form of entry is required to maintain an element of surplus capacity to support parental choice which is expected to be 4%.	Extra capacity required from 2018 where the surplus capacity is expected to drop to 3%. Subject to annual review of GLA projections
South West Enfield	Edmonton County will provide one extra class (30 places) in addition to the one class in Jan 2014. A partner school located at Broomfield secondary will provide one extra class (30 places). Area surplus capacity is expected to be around 6%.	No extra capacity required if partner school continues to provide one form of entry. Surplus capacity is expected to be around 3% to support parental choice.	Two permanent extra forms of entry required from 2016 <sup>4</sup> where the surplus capacity is expected to drop to 2%. Surplus capacity is expected to drop to 0% by 2018 requiring a further two forms of entry. Subject to annual review of GLA projections
West Central Enfield	No extra classes required but Wolfson Hillel (a faith based school) delivered an extra 15 places. Area surplus capacity is expected to be 4%	None required to meet demand. Surplus capacity is expected to be around 3% to support parental choice.	Extra capacity required from 2019 where the surplus capacity is expected to drop to less than 1%. Subject to annual review of GLA projections
Hadley Wood	No extra capacity required	No extra capacity required	No extra capacity required

<sup>4</sup> Permanent provision required to replace partner school delivered in Sept 2014

## Meeting the demand for Primary School Reception Classes and Places from September 2015

4.9 The list of options for provision of extra Primary capacity was generated for last year's Cabinet report and the establishment of phase two of the School Expansion Programme. The current position on those options in terms of the required timescale for provision is summarised in the table below. Requirements are to meet demand and to create a degree for surplus capacity to support parental choice.

Primary Area	Schools/sites	Comments (need)	Comments (delivery)
North East Enfield	A primary school expansion (+1FE at Oasis Hadley)	Required from 2015	Subject to planning, procurement and delivery. Secondary space can be used for the short-term if necessary. No contingency required.
South East Enfield	A new free school (+ 1FE in new 2FE school at Meridian Water)	Required from 2016	Subject to consultation, feasibility and funding – would not be Council funded. May need to investigate option of providing a 3FE school on this site if other options to meet demand from 2017 and 2018 cannot be sourced
	A potential primary school expansion (+1FE)	Required from 2017	Options to be investigated and developed for 2017 and 2018 following a review of the pupil flows to Oasis Hadley, which is in another place planning area but in close proximity to the border
North Central Enfield	A potential primary school expansion (+1FE at Chase Side)	An option to meet demand from 2017	Further options to be investigated in relation to securing required extra land. Subject to consultation, feasibility and funding.
	A potential primary school expansion (+0.5FE at St John's)	An option to help meet demand from 2017	Subject to feasibility, consultation and availability of funding
	A potential expansion to create an all-age school (+2FE at Chace Community)	An option to meet demand from 2017	Subject to feasibility, consultation and availability of funding
	Potential temporary provision or partner school as a pre-cursor to permanent provision	An option to meet demand from 2015	A contingency option to be developed to allow the above schemes to be investigated and delivered.
	A potential expansion of an academy to become an all-age school (+2FE at Kingsmead)	An option to help meet demand from 2016 or later	Information from school consultation. Subject to a successful application to the Department for Education, then feasibility, planning and availability of funding – would not be Council funded
South West Enfield	A partner school expansion (+1 FE)	Required from 2014	Managed by Bowes Learning Alliance on the Broomfield Secondary school site. Required until permanent provision secured
	A potential primary school expansion (+2 FE at Grovelands)	Required from 2016	This could include the +1FE from the partner school above. Subject to feasibility, consultation and availability of funding

Primary Area	Schools/sites	Comments (need)	Comments (delivery)
	A potential expansion to create an all-age school (+2FE at Broomfield)	An option to meet demand from 2018	A longer term option and subject to further discussion with the school, consultation, feasibility and funding.
	A primary school expansion (+1FE)	An option to meet demand from 2018	A longer term option that is being investigated, which has been carried forward from phase one and will be subject to further consultation, feasibility and funding.
	A potential expansion of an academy to become an all-age school (+2FE at Ashmole in Barnet)	An option to help meet demand from 2015	Ashmole Academy is proposing an expansion and its proximity to the Enfield border is such that it could make a noticeable contribution to meeting borough demand if the Head Teacher's suggestion that the catchment area may cover some of Enfield is implemented. Subject to then feasibility, planning and availability of funding
West Central Enfield	No extra reception capacity required until 2019		Options to be investigated and developed.
Hadley Wood	No extra reception capacity needed		Options not required.

4.10 As a result of the increase in in-year admissions, there may be a need to provide extra year one or year two classes from September 2014 or at any point through the academic year. The situation is monitored and assessed by the Council's Admissions Service and contingency plans will be implemented if the need for extra places warrants intervention.

## Proposal for the provision of extra primary school places to meet projected demand

4.11 Across the borough, the demand and supply of Primary school places can be summarised as follows:

Primary Provision	2015	2016	2017	2018	TOTAL (FE)	TOTAL (places)
Projected Demand	+2FE	+3FE	+1FE	+3FE	+9FE	+1,890
Free/Academy school supply	+1FE	+1FE <sup>5</sup>	0	0	+2FE	+420
Requirement for Council funded supply	+1FE	+2FE <sup>6</sup>	+1FE	+3FE	+7FE	+1,470

4.12 Overall the demand for places is the same as projected last year but the requirement for Council funded provision is 1FE or 210 places lower on account of the changes provision from academies and free schools, and lower demand than expected, in the North East area. The proposed project at Brimsdown has subsequently been removed from the programme.

4.13 The current delivery activity to increase the supply of placed through the second phase of the School Expansion Programme can be summarised as:

- Deliver one extra form of entry by September 2014 in the South West of the Borough – this will be a partner school in advance of permanent provision;
- Investigate options and deliver an extra two forms of entry by September 2016 in the South West area of the Borough – this is subject to feasibility, planning, funding and annual review of population projections;
- Investigate options and deliver an extra two forms of entry by September 2018 in the South West area of the Borough – this is subject to feasibility, planning, funding and annual review of population projections;
- Investigate and deliver options to deliver an extra one form of entry by September 2015 in the North Central area of the Borough – this is subject to feasibility, planning and funding: temporary provision may be required if current options are not feasible for delivery;
- Investigate and deliver options to deliver an extra one form of entry by September 2017 and another one by September 2018 in the South East area of the Borough – this is subject to feasibility, planning and funding and annual review of population projections; and
- Monitor the progress of Free/Academy Schools that are seeking to provide places that affect provision in the Borough, particularly:
  - Oasis Hadley – due to deliver +1FE in the NE area from Sept 2015;
  - Meridian Water – due to deliver +2FE in the SE area from Sept 2016 (with 1FE transferring from current provision at Dyson's Road);
  - Kingsmead – if accepted by the EFA could deliver +2FE in the North Central area
  - Ashmole – if there is an Enfield specific element to the catchment area then it could deliver +1FE for Enfield children in the South West area; and

<sup>5</sup> This will be one extra form but in a new two form of entry school taking one from existing provision at Dysons Road

<sup>6</sup> Funding for permanent provision to replace partner school delivered in Sept 2014

- St Mary's in Broxbourne – this could potentially attract parents from the North East of the borough and perhaps the North Central area but access is not easy. The impact is expected to be minimal but it should be monitored.

### **The need for Secondary School places**

- 4.14 The assessment of need for the next four years is based on the Greater London Authority (GLA) school roll projections. The independent review by OpenBox proposed three pupil place planning areas for Secondary provision whilst the Council currently has four in place for the GLA projections. However, two important factors point to the need to actually consider Secondary school place planning at a borough level. These factors are:
- Half of the Borough's Secondary schools are in close proximity to at least one of the Secondary place planning boundaries; and
  - Secondary age children are likely to travel further to a school of their choice.
- 4.15 The GLA school roll projections for Secondary are increased by 3% to allow for fluctuations in population projections. These increases have been validated by the Department for Education through there is in the annual statutory returns via the School Capacity Collection to the Education Funding Agency. It should be noted that the Secondary roll projections have fluctuated much more in the last release, up to 12% for some years at borough level, with the south of the borough seeing larger differences of up to 17%.
- 4.16 The Department for Education and Audit Commission guidance is the same for Secondary as it is for Primary so there is an aspiration to provide a surplus of up to 5% across the borough to allow for parental choice.
- 4.17 The April 2014 GLA School Roll Projections amend the 2013 release and create the following picture of demand over the period up to 2018:
- On a borough-wide basis there is spare capacity until 2017 but from September 2018 extra places are likely to be required. This will need to be monitored annually.
  - Demand in 2014 is an anomaly as it both lower than previously estimated and lower than 2013. By September 2015 it will have returned to higher than 2013 levels and will be on an increasing trend line.
  - Surplus capacity is high in 2015, due to the drop in demand, and will have been completely eroded by 2018 where there will be a shortage of places.
  - There is more spare capacity in the East of the borough due to the recent provision from academies and free schools. However, the area is well served by bus routes allowing easy access from other areas of the borough.
- 4.18 It should be noted that there are two factors that the GLA school roll projections do not take account of:
- The GLA projections do not include an allowance for significant housing developments which will have a direct impact on the demand for school places locally. Housing development data is used to allocate population across geographic areas. Therefore the pipeline of significant housing developments will need to be monitored and any extra provision planned for as individual developments come forward.
  - Cross-borough movements of pupils. The numbers of children that go to school in other boroughs fluctuates annually and is generally higher at Secondary age due to pupils travelling further to school. However, in recent years there has been increase in the net outflow of Year 7 age pupils. This needs to be monitored and

addressed and there is a separate activity to make residents more aware of the success of local schools

### **Meeting the demand for Secondary School Year 7 Classes and Places from September 2015**

- 4.19 Plans already in place for ARK John Keats have ensured delivery of an extra six forms of Year 7 classes (180 places) for September 2014. Additionally Heron Hall academy is expected to increase its provision from three forms (90 places) of Year 7 classes to eight forms over the coming years, subject to feasibility and planning consent. The current assumption is that eight forms of year 7 classes will be available from September 2016.
- 4.20 Due to the change in projected demand for 2014 there is expected to be surplus capacity of around 15% for one year only. However that surplus falls significantly from 2015 onwards.
- 4.21 With the provision of extra capacity at ARK John Keats and Heron Hall there will be sufficient Secondary capacity until September 2017 when the surplus will have fallen to 4% and will be beginning to limit parental choice. Ideally extra Secondary provision should be made available from September 2017 but will definitely be required from September 2018.
- 4.22 Currently ARK North Enfield has been confirmed by the Department for Education as a new school and the Education Funding Agency are in the process of planning delivery of the buildings required for proposed six form entry school in the East of the borough. The extra capacity from this school should ideally be delivered by September 2018 to help meet borough demand.

### **Proposal for the provision of extra secondary school places to meet projected demand**

- 4.23 It is proposed that for the provision of extra Secondary Year 7 places the Local Authority:
- Continues to monitor the progress of Free/ Academy Schools that are seeking to provide places in the Borough, particularly:
    - Heron Hall academy which is due to provide an extra five forms of entry (on top of the current three) in the East of the borough from September 2016 in the East of the borough; and
    - ARK North Enfield which is due to provide an extra six forms of entry in the East of the borough. Ideally provision should commence in September 2018 and scale up in subsequent years.
  - Continues to annually review the Secondary school pupil place projections alongside Free / Academy school applications then updates the strategy for providing places accordingly.

### **Special school places**

- 4.24 The Council is currently working with practitioners to update the Special Educational Needs (SEN) Strategy to account for the increase in demand for provision and the appropriate approach to address to different categories of need. There have been a number of discussions with practitioners about demand, one example being the Schools Forum in December 2013 where it was agreed that extra provision to support autistic children was required.
- 4.25 Whilst numerically the overall number of school-age pupils with a SEN is broadly the same as in 2010 there has been a disproportionate and significant increases in some of the categories where specialist provision outside of maintained schools is the appropriate delivery solution. Primarily this is Autistic Spectrum Disorder and Severe

and Complex Learning Difficulty, where there is now a pressing need to increase capacity.

4.26 Some of the key demand factors are:

- The numbers of pupils with high level autism needs and Severe Learning Difficulty has risen disproportionately. Between 2010 and 2014 the proportion of SEN in these categories rose by 36% and 43% respectively.
- The numbers of Additionally Resourced Provision (ARP) in mainstream have increased. These take children who would have gone to special schools in the past.
- There is an increase in demand for special school places particularly as pupils move from primary to secondary mainstream provision.
- It has become apparent that a number of Reception age to Year Two pupils have need that far exceeds the support that can be provided in a mainstream setting, this has created a lower picture of demand and the impact will need to be assessed.
- There is a worrying rise in young teenagers/adults, including those with SEND, who have been in mainstream and who are struggling with increasing levels of mental health/emotional difficulties as the numbers move through from primary schools.
- Where the LA cannot meet the demand for special school places parents are requesting out of borough provision and applying to the SEND tribunal if refused. Where out-of-borough provision for autism has to be utilised then significant costs per pupil are incurred at between £50k to £80k (day provision) depending on the level of need and institution. This excludes the cost of transport which raises the overall cost significantly.

4.27 On the supply side whilst the Council has increased special school places over recent years and they are now at capacity and cannot fully address demand for Enfield children. Whilst there was a successful growth bid in 2013/14 for extra special school places more needs to be done to increase capacity to address the main demand factors listed above. Three out of the six special schools have been asked to take temporary/ bulge classes for September 2014 and in addition to the temporary classes the LA is having to request for between 5-10 additional specialist out of borough place for September 2014.

4.28 With existing capacity that has been increased on a temporary basis already stretched it is now time to develop permanent extra capacity of Special Educational Needs provision. Options are being developed to achieve that which includes any land acquisitions or capital building works required alongside service changes and revenue implications. These will be brought forward in separate reports to secure agreement to the approach and funding, including where necessary inclusion of projects on the Capital Programme. Any capital build projects will be managed through the school expansion programme structures and governance.

#### **Pupil Referral Unit places**

4.29 Recent legislation (April 2013) requires that all Pupil Referral Units are managed and funded in the same way as maintained schools. As part of the implementation of this change in legislation the Council has confirmed the need to increase places and this will be achieved through relocation and expansion of provision at the new Enfield Secondary Tuition Centre.

4.30 The demand for PRU places will continue to be monitored and any requirements for extra provision will be the subject of further reports.

## **Programme and project management**

- 4.31 The programme and project management arrangements from phase one were modified as part of last years' report that established phase two of the programme. A programme document has been put in place that established:
- The governance structure and strategic decision-making protocols;
  - Delivery governance, structures and key delivery roles;
  - A consistent approach to delivery activity for phase two projects that is aligned to industry standards, corporate ways of working and corporate systems;
  - Information requirements to support decision-making and consistent reporting; and
  - Mechanisms to manage the flow of accessible accurate information for each project and the programme overall to internal and external stakeholders.
- 4.32 Those arrangements are being implemented in parallel with the modernization agenda and the leaner programme. During this period of wider Council transformation the risk that programme operations could be hindered by changes to systems or staff unfamiliarity with systems is being managed through regular meetings with staff working in the Transformation and Leaner Teams.

## **Stakeholder engagement**

- 4.33 Alongside the programme management arrangements a Stakeholder Engagement Strategy has been put in place for the programme. This is to ensure that the pro-active approach to consultation and communications is maintained. The programme objectives for stakeholder engagement are:
- To Achieve wider Council commitments about communication and consultation;
  - Stakeholders are identified, appropriately informed and consulted in the right way at the right time;
  - Communication and engagement to stakeholders is pro-active and clear to ensure there is clarity amongst stakeholders about the Council's plans; and
  - Opportunities for dialogue are provided to ensure that stakeholders understand how and when they can contribute their views;

## **5. ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Enfield Council has a statutory responsibility to provide the necessary school places. The School Expansion Programme creates a mechanism to assist with the delivery of extra capacity required. Failure to provide enough school places is not an option.
- 5.2 The following proposals have been considered but rejected:
- Increasing class sizes to over 30 pupils. Current legislation stipulates that Key Stage One classes cannot exceed 30 pupils with only one qualified teacher. This does not apply to Key Stage two. However, school accommodation does not normally allow for more than 30 pupils in one class base.
  - The use of community halls as emergency class bases. This option has been explored with a number of head teachers in relation to the development of the Partner School initiative. However, the revised strategy seeks to deliver a programme of permanent expansions.



## 6. REASONS FOR RECOMMENDATIONS

- 6.1 The Council has an overriding statutory duty to provide sufficient pupil places to meet anticipated demand. This report sets out the proposed strategy and delivery arrangements to oversee delivery arrangements for schools with funding secured for expansion, to further develop options for expansion by conducting feasibility studies and consultation with the schools identified and to secure funding through opportunities that become available.
- 6.2 This strategy and delivery arrangements will deliver the additional reception places required in the areas of highest demand up to 2018. The expanded capacity aims to provide a higher level of flexibility built in to counter sudden increases in demand.

## 7. COMMENTS OF THE DIRECTOR OF FINANCE, RESOURCES AND CUSTOMER SERVICES AND OTHER DEPARTMENTS

### 7.1 Financial Implications

- 7.1.1 The previously approved 2013/14 to 2016/17 capital programme as reported in March for the Q3 monitor included a total of £63.4m for the phase two programme, including the Secondary Tuition Centre. The new 2014/15 to 2017/18 capital programme approved by cabinet as part of the budget report in February 2014 also included a provision of £8.7m in 2017/18 for future provision from Basic Need grant that has not been allocated to specific schemes. This brings the revised budget to a total of £72.1m which is profiled below, takes account of slippage in spend which will be reported with the 2014/15 Q1 monitor.
- 7.1.2 The re-phased programme, including the proposed 26% uplift, totals £64.9m and can be met within the existing programme budget, both for the existing year and for the overall programme. This is achieved partly due to the removal of Brimsdown school from the programme as described in para 4.11. The slippage of the programme into 2017/18 also means that the provision of £8.7m that had been allocated in that year against possible future provision has now been allocated against the PEP 2 programme. The phasing of the revised programme and the latest approved programme are set out below.

	2013/14 000s	2014/15 000s	2015/16 000s	2016/17 000s	2017/18 000s	TOTAL 000s
Approved allowance on Capital Programme (Feb 2014)	£1,372	£18,298	£15,406	£28,333	£8,700	£72,109
Re-profiled allowance Capital Programme	£1,372	£15,254	£16,958	£20,901	£10,402	£64,887

- 7.1.3 The revised forecasts include an uplift of 26% recommended as a representation of market conditions and the construction sector indices. However this is indicative and as each project is developed through the stages of feasibility, planning and delivery value for money tests will be applied. As design and procurement progresses individual project budgets

and funding will be established and subject to further agreement. At that stage, relevant comparisons with industry benchmarks will be made.

- 7.1.4 The availability of funding for the programme will depend upon future allocation of government grants such as Basic Need Grant. If such grant funding is not forthcoming, decisions on individual schemes will need to be taken in the context of affordability, taking account of the impact that prudential borrowing would have on revenue budgets. For every £1 million of borrowing, an additional pressure of £85k will need to be added to the annual revenue budget. The programme is partly funded from Targeted Basic Needs grant and expenditure is being closely monitored to ensure that grant conditions will be met to avoid any clawback of funding. Where there are other relevant opportunities in the future to bid for capital funding then these will be taken to contribute to the programme budget and minimise prudential borrowing.
- 7.1.5 In respect of proposals around the provision of surplus places as set out in this report the risk that this could pose to schools revenue budgets should be noted. This could arise if a school has an excessive number of surplus places as schools are funded on pupil numbers and not on places provided. Where a large number of empty places occur the school will lose funding which could compromise their ability to set a balanced budget.
- 7.1.6 Project costs and budgets will be managed through the programme structure under the Director of Schools and Children's Services with decision-making linked to the quarterly Capital Monitor process.

## **7.2 Legal Implications**

- 7.2.1 Section 14 of the Education Act 1996 requires that an authority ensures that sufficient school places are available within its area for children of compulsory school age. Case law upon this statutory duty confirms that compliance with the duty requires an education authority to actively plan to remedy any shortfall. Section 111 of the Local Government Act 1972, includes the power to do anything ancillary to, incidental to or conducive to the discharge of any of its statutory functions. The recommendations within this report are in accordance with these powers.
- 7.2.2 Each school expansion will be subject to the statutory consultation process prescribed by Section 19 of the Education and Inspections Act 2006, The School Organisation and Governance (Amendment)(England) Regulations 2009, and the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013 . There is also statutory and non-statutory guidance (School Organisation – Maintained Schools) issued by The Department for Education in January 2014. The decision on each statutory expansion will be made by the Cabinet Member for Children and Young People.
- 7.2.3 Where Planning Permission is required in respect of any school expansion that proceeds beyond feasibility considerations and initial consultation with schools such will be accordance with the Town and Country Planning Act 1990 (as amended). This will require statutory and public consultation. Pursuant to the Council's constitution such will be required to be considered at planning committee. Works should not commence until such time as approval is given and any pre-commencement conditions (if required) by the planning permissions are discharged.
- 7.2.4 All procurements of goods/services/works will be in accordance with the Councils Constitution, in particular Contract Procedure Rules ("CPRs"). In

particular, the Council is able to utilise a range of EU compliant frameworks to engage the services of construction contractors or technical support staff such as architects or quantity surveyors in full compliance with the CPRs. Any use of a framework must be in accordance with the framework terms.

7.2.5 All legal agreements will need to be in a form approved by the Assistant Director of Legal Services.

7.2.6 Any acquisition or disposal of land will need to be in accordance with the Council's Property Procedure Rules.

### **7.3 Property Implications**

7.3.1 The Strategy set out in this report will provide additional primary places in local areas of need.

7.3.2 Where there is a requirement for expansion, existing Council assets will be reviewed in the first instance. Where an acquisition may present itself, in order assist in the School Expansion Programme, these opportunities will be need to be assessed in more detail with feasibility and due diligence studies.

7.3.3 Stamp Duty Land Tax (SDLT), transactional costs (legal, surveyors and disbursements), potential VAT, holding costs including security and vacant premises rates will need to be considered when acquiring a property and a suitable strategy will need to be enabled to limit the Council's exposure to these cost items

7.3.4 The site values will depend upon the prevailing market conditions at the time, and external valuations may be required to support the acquisition of land.

7.3.5 The land acquisition strategy will be challenging. Several internal and external approvals will be required and the Council will need to ensure appropriate consents are obtained or in place.

7.3.6 If existing Council assets are to be brought in to assemble land for an expansion then Appropriation to the correct holding department will be required. If Appropriation from the Housing Revenue Account to the General Fund is required then all transactions will be undertaken at current existing use value.

7.3.7 Initial consultations regarding acquisitions should require the Assistant Director of Strategic Property Services to be either present or informed.

7.3.8 Relevant stakeholder consultation will be required from the outset to support either acquisition or disposal of land and gaining planning permissions. Depending on the site and land-use designation, consultees could include English Heritage, the Greater London Authority (GLA), Sports England and the appropriate Secretary of State.

7.3.9 The use of modular construction will assist with speeding up the construction process, but requires significant investment upfront in the design process. Additionally it has the potential to lower costs as compared with the traditional build routes but this requires assessment given recent market conditions and tender returns on modular packages. Modular construction also significantly improves a buildings environmental performance and overall sustainability.

7.3.10 To meet statutory requirements it is vital to ensure that the Council's financial accounts do not include buildings (or parts of buildings) that have been demolished. To ensure we have high quality records and meet our

statutory obligations Education Asset Managers will complete a demolition notification form and return to Property Services.

- 7.3.11 An inventory list of any material procured and produced will need to be kept. In the event of failure, appropriate arrangements will need to be made for these supplies to be retained and secured for the Council until a decision is made on how best to dispose of them.
- 7.3.12 Property Services will need to be aware and sent the new data being generated for the expansion of these schools. These include floor plans with room data for the purposes of the Asset Management System, Atrium.
- 7.3.13 Property Services is involved in the programme management structure and is able to advise on acquisition, disposal and other land development issues.
- 7.3.14 Once planning permission is gained Building Regulations will need to be adhered to as part of the enabling and construction works.

## **8. KEY RISKS**

### **Additional capacity and contingency**

- 8.1 The revised Provision of Primary Places Strategy has been revised by this report to set out the arrangements to commence delivery of a further 1,680 primary school places in the 2013/14 to 2017/18 period. This is in response to the recent review of pupil number projections. The next set of pupil number projections will be available in Spring 2014 and will be reviewed to inform the annual update to the strategy for providing school places. Our aim is to improve parental choice, and minimises the risk of providing insufficient pupil places.
- 8.2 There is a risk that if popular and successful Enfield schools near the borders of neighbouring boroughs are expanded then this could encourage an influx of pupils from those boroughs if they have not been successful in expanding their own provision.
- 8.3 Actual pupil numbers will be carefully monitored against projections, to ensure that the Council strives to provide places in the actual areas of demand (i.e. local places for local children). Officers will also continue to engage in regional and bilateral discussions about the provision of places to assess provision in other Boroughs.

### **Concerns about school expansions**

- 8.4 Experience to date suggests that the three most significant factors likely to cause concern to some stakeholders are car parking, increased traffic flows and the exterior treatments of outward facing structures. The programme and project team members will work closely with schools and Governing Bodies to ensure that designs are of high quality and that issues of concern are addressed in the design proposals, including traffic management once technical information is available.
- 8.5 Both the informal and statutory rounds of consultation will be managed in a way that makes them accessible to stakeholders, including residents, to maximise opportunities for input.

### **Basic Need Funding**

- 8.6 The annual submission to the Department for Education (DfE) is based on identifying existing capacity in the system. Thus, close monitoring of pupil numbers and a review of projections will ensure that the Council is best placed to maximise any Basic Need Funding for the provision of school places.

### **Delivery Timescales**

- 8.7 Each school year the Council will have to fulfil its statutory duty to provide sufficient school places. Programme and project milestones will be clearly identified and progress monitored closely by the Programme Executive and Board which is made up of stakeholders, Cabinet Members, Headteachers, Governors and Council officers at the most senior level.

### **Planning Consent**

- 8.8 Each school expansion will require planning consent. During the initial design and pre-planning processes, architects will carefully follow pre-application advice that has been provided, so that designs presented to the Planning Committee will be of a high quality and best placed for approval. However, there is clearly a risk at this stage. Some flexibility regarding pupil numbers will be provided within the programme to ensure that the Council meets its statutory duty to provide sufficient school places.

### **Costs**

- 8.9 The estimated cost of expansion as outlined in the body of the report could well place additional strain on the Council's finances. If Government grant funding is not forthcoming then prudential borrowing might have to be a route to funding school expansion but this would have a significant impact on revenue budgets. For every £1 million of borrowing, an additional pressure of £85k will need to be added to the annual revenue budget.
- 8.10 The overall programme cost and the amount included on the Capital Programme will be reviewed as part of an annual programme review in April that will consider the updated statistics on pupil places; levels of school provision, particularly planned Academy or Free School provision; construction market inflation and the progress of individual projects.
- 8.11 Costs for each established project will be managed through the project and programme management governance arrangements already put in place and be subject to the Council's usual due diligence and value for money tests. Changes in estimated costs, established budgets and the spend profile will be managed through the Capital Programme via the quarterly Capital Monitor updates.
- 8.12 Wider economic and market conditions are likely to be a major factor in terms of contract costs. As previously stated, the construction index lags behind real market conditions suggesting it will increase again next year. Statutory requirements around the provision of places and guidance around teaching space sizes limit options on reducing the quantity of provision. Reducing the quality of provision will not be able to counter balance a buoyant construction market and in addition to increasing the risk of higher maintenance costs it could have a negative impact on school Head Teachers' and Governors' willingness to support expansions in the first place. Additionally they may even form a negative view of the Council as a stakeholder.

## **9. IMPACT ON COUNCIL PRIORITIES**

### **Fairness for All**

- 9.1 This proposal will result in pupil places being created across the Borough in order to meet demand in the relevant geographical areas which will also create employment opportunities for teaching and support staff. Further improvement and investment in school buildings will provide greater opportunities for enhanced community use.

## **Growth and Sustainability**

- 9.2 By ensuring that places are provided in areas of highest demand, this will ensure that pupil mobility across the Borough is kept to a minimum. This therefore means that increased road travel is minimised and families can be encouraged to walk to school.

## **Strong Communities**

- 9.3 The proposals outlined in this report will provide additional places in parts of the Borough where pressure on local schools is forecast to be greatest. The extra places provided in the neighbourhoods of highest demand will help satisfy demand in these specific areas and will ensure that young children will not have to travel unmanageable distances to and from school.
- 9.4 The proposals in this Strategy will allow the Authority to have greater control over the provision (and potential future reduction) of pupil places, allowing more opportunities to stabilise local communities and ensure that there are local places for local children.

## **10. EQUALITIES IMPACT IMPLICATIONS**

- 10.1 An equality impact assessment was completed for approval of the overall strategy in June 2012. The strategy was developed to ensure that there are sufficient places across the Borough to meet demand, that these places are not discriminatory and to ensure that all children have access to high quality education. The delivery of the strategy is updated annually following a review of pupil place projections. In accordance with the publication of statutory notices, full consultation with residents and parents on each proposed school expansion will be conducted.

## **11. PERFORMANCE MANAGEMENT IMPLICATIONS**

- 11.1 The provision of additional places at the schools identified in this report will enable the Authority to meet its statutory duty to ensure the availability of sufficient pupil places to meet demand. The programme management arrangements are established and this provides the mechanism for both programme and project monitoring to ensure objectives are met.
- 11.2 The strategy presented in this report is consistent with the national agenda for expanding popular and successful schools.

## **12. HEALTH AND SAFETY IMPLICATIONS**

- 12.1 As all of the school expansion projects will involve contractors working on existing school sites, the Council will ensure that contractors provide the highest level of Health and Safety on site and meet Criminal Records Bureau (CRB) requirements.
- 12.2 There are no specific health and safety implications other than the impact of additional traffic, generated by increased numbers at the PEP schools. Working with Highways, funding has been included in the cost summary to allow for traffic mitigation measures on each of the schemes. As part of the planning approvals process, traffic impact assessments have to be submitted for each scheme, and the Planning committee will have to give approval.

## **13. PUBLIC HEALTH IMPLICATIONS**

- 13.1 Providing school places in the areas where there is demand will encourage parents and carers to walk to school. This will impact on the health and well-being of the public in Enfield. Walking to school will encourage healthy lifestyles, and reduce pollution caused by traffic.