

MUNICIPAL YEAR 2014/2015 REPORT NO. **205**

MEETING TITLE AND DATE:

Council – 25th March 2015

REPORT OF:

Director of Schools and Children's Services

Contact Officer:

Michael Toyer, telephone: (020) 8379 5485
e-mail: michael.toyer@enfield.gov.uk

Agenda – Part: 1

Item: 8

Subject: Update on the strategy for the provision of secondary school places
Wards: All

Cabinet Members consulted:
Cllr Ayfer Orhan

1. EXECUTIVE SUMMARY

- 1.1 At the 8th October 2014 Council meeting the annual report on the Council's strategy to meet the demand for school places was discussed and a further report requested on the plans to provide sufficient secondary school places.
- 1.2 The Council has a duty to ensure that there are sufficient school places to meet demand. The demand for, and supply of, school places is assessed each year in the Spring using the Greater London Authority (GLA) school roll projections and information on school capacity.
- 1.3 Analysis of the demand for secondary school places is that it will continue to rise until 2020 followed by five years of slightly lower demand then a steady increase from 2025.
- 1.4 There is sufficient spare capacity in secondary schools and agreed plans to provide additional capacity that will enable demand to be met up to and including September 2018.
- 1.5 Initial plans for the delivery of additional secondary capacity for September 2019 and 2020 will be developed and included in the annual report to Cabinet in June or July on pupil places and how demand will be met. Funding allocations from the Education Funding Agency (EFA) to provide additional places for 2018/19 and beyond are not yet known and the amounts available to the Council will depend on how many free schools or academies are approved for either establishment or expansion.

2. RECOMMENDATIONS

- 2.1 Council is asked to note the update provided.

3. BACKGROUND

- 3.1 At the 8th October 2014 Council meeting the annual report on the Council's strategy to meet the demand for school places was discussed and a further report requested on the plans to provide sufficient secondary school places.
- 3.2 The Council has a statutory duty to ensure that there are sufficient school places to meet demand.
- 3.3 Each year the projected demand for school places is reviewed and compared with current available capacity in schools and any plans in place to provide additional capacity in future years. The Council uses the GLA produced school roll projections for this and they are generally made available in April. The assessment is done over a four to six week period culminating in a report to Cabinet in June or July on the supply and demand of places and any required capital works to expand schools to ensure that demand is met. For secondary schools the capacity is based on the number of forms and places of year seven intake. The report also contains information on costs and is referred from Cabinet to Council for any necessary amendment to the Capital Programme.
- 3.4 The GLA school roll projections for secondary school intake are increased by 3% to allow for fluctuations in population projections. This increase has been validated by the Department for Education (DfE) through the annual statutory returns made in the School Capacity Collection to the EFA. It should be noted that the GLA secondary age roll projections can fluctuate by up to 12% for some years at borough level. For secondary school provision the demand assessment is now done on a borough-wide basis as many young people are willing and able to travel some distance to attend a school of their choice.
- 3.5 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. This is in line with DfE Guidance published in September 2010 that recommended a minimum provision of 5% surplus of 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.
- 3.6 There are two main routes to meeting demand, one being Council delivered provision and the other being academy or free school provision. For the latter the provider applies directly to the DfE and has to make a case that there is sufficient local demand but the Council is not formally consulted and has little influence over the amount or location of provision. Around half of secondary school provision in the borough is now through academies for free schools.

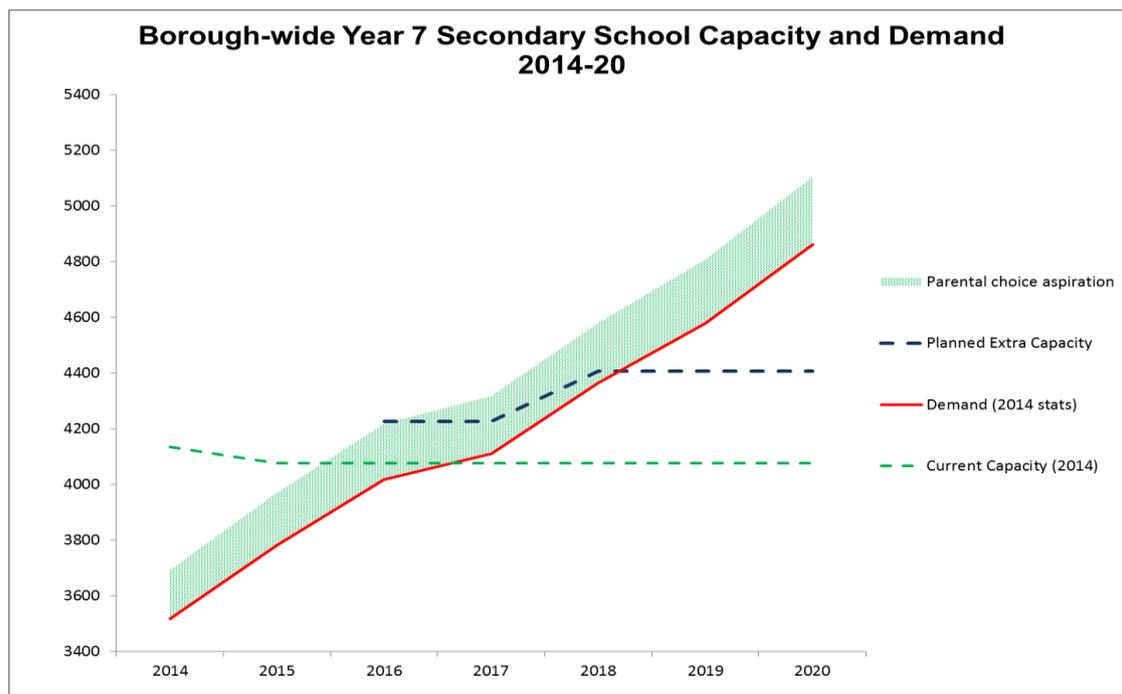
4. CURRENT DEMAND AND AVAILABLE CAPACITY IN SECONDARY SCHOOLS

- 4.1 In recent years there has been a significant increase in the provision of secondary school places from new academies and free schools in the

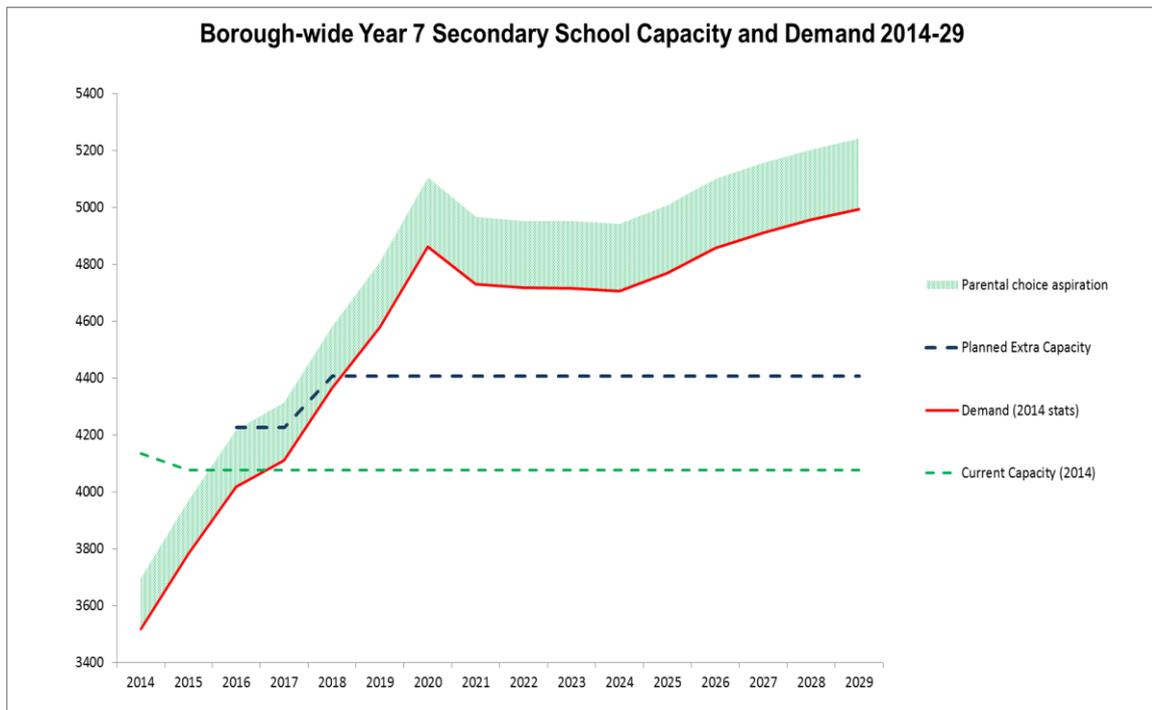
borough. This has resulted in provision for September 2014 of just over 4,130 year seven places with the October 2014 school census recording 3,630 pupil on the year seven roll. New academy and free school provision has created 500 places of spare capacity, which at 12% of overall capacity is quite high. Whilst this means there should be a large degree of choice for pupils about which secondary school to attend it requires schools to promote their offer sufficiently to ensure they can attract enough pupils to maintain financial viability.

5. FUTURE DEMAND AND CAPACITY IN SECONDARY SCHOOLS

- 5.1 The assessment of future need over the short to medium term (up to 2020) is based on the GLA school roll projections. These are uplifted by 3% to allow for fluctuations between each annual statistical release. The Council also aims to provide up to 5% surplus capacity to provide an element of parental choice and allow for in-year movements.
- 5.2 The picture of current capacity, planned extra capacity (projects that are confirmed either by the Council or EFA) and projected demand for the borough over the short to medium term are set out in the graph below where the current levels of spare capacity are quite clear.



- 5.3 Over the period, the demand for year seven secondary school places will rise and by September 2016 spare capacity will have fallen to within the 5% aspiration. The fall in capacity from 2014 to 2015 is a result of Oasis Hadley reducing its secondary intake as part of a plan to increase primary aged provision.
- 5.4 Over the medium to long-term the significant increases experienced in primary school rolls will work through the school years and impact on demand for secondary school places. This will result in five continuous years of sustained rises in demand up to 2020 followed by five years of slightly lower demand and a steady increase from 2025.



5.5 By 2020 an additional 26 forms of secondary entry will be required to meet demand, compared to the available capacity due to be available in September 2015. Confirmed schemes will deliver an additional 11 forms of entry up to September 2018 but that year will see a low level of additional capacity to support parental choice. The slight fall and levelling off of demand between 2020 and 2025 means that as long as demand in 2020 is met then no additional secondary capacity will then be required until 2026 but this is subject to review of subsequent releases and analysis of the GLA population and school roll projections.

6. THE APPROACH TO MEETING DEMAND

- 6.1 The high cost of providing additional secondary school capacity compared to the low levels of government grant available makes it difficult for the Council to directly deliver additional secondary school capacity. Government policy still prevents Councils establishing new schools. The Council will continue to work with the EFA plus academy and free school providers that want to work pro-actively with other schools in the borough to consider options to increase capacity when required.
- 6.2 The 2015 review of places and capacity will consider demand requirements from the GLA statistics due to be available from April. The focus will be on the 2018 to 2020 period and will need to consider the EFA's plans for any new free schools and academies, or expansions, that could provide the further 15 forms of entry required. If there is little evidence of suitable academy or free school led additional capacity, options will be developed for expansions of local authority maintained secondary schools to ensure the Council's duty to provide sufficient places continues to be met.
- 6.3 As part of the Council's ongoing engagement with secondary school head teachers there will be discussions about the future increase in secondary

demand and the approach to providing additional capacity to meet that demand.

6.4 Where it is clear that the Council needs to provide additional secondary school capacity then the following sequential assessment of local authority maintained secondary schools will apply:

- The school must be Ofsted rated good or outstanding and level one from the most recent Enfield Intervention and Support annual review;
- The school management and governing body should be supportive of pre-feasibility assessment and a subsequent consideration of an expansion once more detail is available;
- A capacity assessment of the site and available buildings that points to enough available space to meet with current EFA baseline designs for schools;
- A curriculum analysis of additional space required for expansion and consideration of options for potential sixth form expansion if required; and
- A cost analysis based on estimated costs from the feasibility work, available funding, site context, site conditions and building requirements must show that the expansion represents value for money when compared with available relevant benchmarks.

7. PLANS TO MEET FUTURE DEMAND

7.1 As previously stated, by 2020 an additional 26 forms of secondary entry, compared to the available capacity due to be available in September 2015, need to be provided in a phased way to meet projected demand. The table below sets out the confirmed schemes that are due to deliver an additional 11 forms of entry up to September 2018 and a number of proposals at an earlier stage of consideration for the delivery of a further 15 forms of entry by 2020.

Demand for places	Current known plans that meet demand
An additional ten forms of entry by September 2018	<p>5 additional forms of entry (FE) will be provided through Heron Hall's permanent building and is due to be available from September 2016.</p> <p>6 additional FE will be provided through ARK North Enfield's building due to be available from September 2018 in the East of the borough.</p> <p>These two schemes will provide one FE more than is required to meet demand.</p>
A further 16 forms of entry to be available between September 2019 and September 2020	<p>Two new schools could provide between 12 and 16 additional forms of entry by 2020.</p> <p>EFA funded options will be investigated with the best case scenario being:</p> <ul style="list-style-type: none"> • Provision in the South East as part of the Meridian Water development proposal; and • Provision in central Enfield or to the West to balance out the significant levels of provision in the East.

- 7.2 As part of the 2015 assessment of demand and capacity (to be reported to Cabinet by July 2015), options to deliver a further 15 forms of entry between 2019 and 2020 will be developed then assessed in terms of their viability and likelihood of success. This will inform the consideration of whether expansions of existing secondary schools will be required to provide the remaining three forms of entry required to meet demand in 2019 and 2020.
- 7.3 These options will be further developed through 2016 and once funding is confirmed form part of delivery plans to ensure building works can commence in 2017/18 to ensure delivery by 2019 for some provision and 2020 for the remainder.

8. ALTERNATIVE OPTIONS CONSIDERED

- 8.1 This is an update report and as at this stage a decision is not being sought as there are no alternative options to the proposed decision. As stated in previous reports on school expansions, Enfield Council has a statutory responsibility to provide the necessary school places and the School Expansion Programme (SEP) is the mechanism to achieve that. Failure to provide enough school places is not an option and for secondary schools, where free school or academy provision will not meet projected demand then the Council will have to develop plans, and secure funding, to deliver those places.

9. REASONS FOR RECOMMENDATIONS

- 9.1 There are no recommendations in this report. This report updates Full Council on the plans to provide enough secondary school places to meet projected demand.

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

10.1 Financial Implications

10.1.1 The current known plans that enable demand to be met up to September 2018 are based on EFA funded schemes, which mean the construction costs are directly funded by the EFA and new schemes delivered by the EFA. If Enfield Council is required to expand our secondary schools to meet a shortfall in places then this will need to be built into the Council's capital programme with the expectation that additional capital funding is provided by the EFA through either the annual Basic Need Funding rounds or one-off capital bidding rounds.

10.1.2 The funding of additional permanent primary and secondary school places is through the annual Basic Need Funding grant with a three-year formula-based allocation announced each year. We have recently been advised of our allocations up to 2017/18. The number of additional places required is based on data returns from the Council

to the EFA. The amount of funding is on a per pupil basis with the revised standards for the Priority Schools Programme as the cost reference. These costs assume off site construction on straightforward sites that have no challenges around ground conditions, additional planning requirements (such as conservation areas) or the need to “link” with existing buildings as in the case of an expansion. In Enfield it is rare that there are no site based issues which has in many cases resulted in costs higher than the DfE funding allocation. Where there is a funding gap then this has to be addressed through the use of other capital resources including Section 106 receipts, Community Infrastructure Levy allocation, capital receipts from asset disposals or unsupported borrowing within the Prudential Code.

10.1.3 Funding allocations for the provision of any required additional primary and secondary school places in the 2018/19 period are expected to be announced between December 2015 and February 2016. When the funding is announced the options for any Council provision of places will be reviewed to assess their financial viability.

10.2 Legal Implications

10.2.1 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.

10.2.2 Each Council-led school expansion will be subject to the statutory consultation process prescribed by Section 19 of the Education and Inspections Act 2006 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 DfE in January 2014. The decision on each Council-led statutory expansion will be made by the Cabinet Member for Children and Young People.

10.2.3 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. Once planning permission is gained Building Regulations will need to be adhered to as part of the enabling and construction works.

10.2.4 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.

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

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

10.3 Property Implications

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

10.3.2 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

10.3.3 If land acquisitions are required. 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. Internal and external approvals will be required and the Council will need to ensure appropriate consents are obtained or in place.

10.3.4 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.

10.3.5 Initial consultations regarding acquisitions should require the Assistant Director of Strategic Property Services to be either present or informed. 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 GLA, Sports England and the appropriate Secretary of State.

10.3.6 The use of modular or system build techniques can 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 of the prevailing market conditions and recent tender returns. Modular construction can significantly improve a buildings environmental performance and overall sustainability.

10.3.7 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.

10.3.8 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.

10.3.9 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. Property Services is involved in the programme management structure and is able to advise on acquisition, disposal and other land development issues.

11. KEY RISKS

School capacity and contingency

11.1 This report provides the detail behind the 2014 assessment of the supply and demand of pupil places. The next set of school roll projections will be available from the GLA shortly and will be reviewed to inform the annual update to the strategy for providing school places and subsequent report to Cabinet in the summer. The Council's aim is to improve parental choice, and minimises the risk of providing insufficient pupil places.

11.2 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. Conversely popular schools in other boroughs that are easily accessible from Enfield can have the opposite effect and result in a net outflow of children.

11.3 Actual pupil numbers will be carefully monitored against projections, to ensure that secondary school places are provided in the most appropriate areas but there has to be an acceptance that there is no control over where EFA funded academies and free schools are provided. 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

11.4 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. However, this is

more of a risk for primary school expansion as secondary school pupil generally walk or use public transport to travel to school. The programme and project team members will work closely with schools and Governing Bodies to ensure that designs are of the highest quality possible given the funding constraints and that issues of concern are addressed in the design proposals, including traffic management once technical information is available.

- 11.5 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.

Delivery timescales

- 11.6 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. Cabinet member decision-makers and key stakeholders such as Headteachers and Governors are engaged regularly through existing mechanisms.

Planning consent

- 11.7 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.

Basic Need Funding

- 11.8 The annual submission to the 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.
- 11.9 There is wider commentary on the fact that the per pupil amount of Basic Need Funding is flawed as it has not kept pace with construction inflation, does not allow for site challenges and does not make any allowance for acquisition of additional land to support expansions. A combination of the Local Government Association, London Councils and local authorities continue to lobby the DfE to recognise the reality of delivering additional school places when most straightforward school sites have already been expanded and that in most urban areas land is at a premium due to housing pressures.

Construction costs

- 11.10 If future analysis of EFA led provision of additional secondary school capacity through free schools and academies shows a need for Council intervention to ensure the statutory duty to provide sufficient school places continues to be met then the cost of delivering additional school buildings on

challenging sites could well become an issue. This could place a strain on wider Council finances.

- 11.11 If Government grant funding is not forthcoming, or is insufficient, and other sources such as Section 106 payments or Community Infrastructure Levy are also insufficient then prudential borrowing might have to be a route to funding school expansion but this would have a significant impact on revenue budgets. Currently, for every £1 million of borrowing, an additional pressure of £80k will need to be added to the annual revenue budget to address repayments.
- 11.12 Costs for each established Council-led project will be managed through the already established School Expansion Programme governance arrangements and will 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.
- 11.13 Wider economic and market conditions are likely to be a major factor in terms of contract costs. As previously stated, EFA Basic Need Funding does not reflect actual delivery costs. Additionally, construction market conditions suggest ongoing inflation in both the sector as a whole and the education sub sector. This is due to a combination of the increase in housing delivery and the scale of school expansions required to address demand across London and the South East.
- 11.14 Statutory requirements around the provision of places and guidance around teaching space sizes limit options on reducing the quantity of provision. Options on aligning the specification of materials in Enfield delivered projects with the EFA baseline designs, which form the basis of their projects, are being investigated to consider any impact on maintenance costs over the lifetime of the buildings. However, changes in specification to more cost effective options will not be able to counter balance a buoyant construction market. Additionally increasing the risk of higher maintenance costs 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.

12. IMPACT ON COUNCIL PRIORITIES

Fairness for All

- 12.1 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

- 12.2 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

- 12.3 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.
- 12.4 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.

13. EQUALITIES IMPACT IMPLICATIONS

- 13.1 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.

14. PERFORMANCE MANAGEMENT IMPLICATIONS

- 14.1 The provision of additional places at the schools identified in this report will enable the Council 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.
- 14.2 The strategy presented in this report is consistent with the national agenda for expanding popular and successful schools.

15. HEALTH AND SAFETY IMPLICATIONS

- 15.1 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.
- 15.2 There are no specific health and safety implications other than the impact of additional traffic, generated by increased numbers at the SEP 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 considers that as part of the approval process.

16. PUBLIC HEALTH IMPLICATIONS

- 16.1 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.

Background Papers: None