

REPORT FOR: **CABINET**

Date of Meeting:	14 July 2015
Subject:	School Expansion Programme
Key Decision:	No
Responsible Officer:	Chris Spencer, Interim Corporate Director Children and Families
Portfolio Holder:	Councillor Simon Brown, Portfolio Holder Children, Schools and Young People
Exempt:	No
Decision subject to Call-in:	No
Wards affected:	All
Enclosures:	Appendix A: School Expansion Programme Capital Forecasts and Funding Appendix B: School Roll Projections 2016- 2024 Report

Section 1 – Summary and Recommendations

This report provides a quarterly update to Cabinet on the implementation of the school expansion programme and related matters. The updated school roll projections are provided.

Recommendations:

Cabinet is requested to note this update on the implementation of the school expansion programme and the School Roll Projections 2016-2024 Report.

Reason: (For recommendations)

To enable the Local Authority to fulfil its statutory duties to provide sufficient school places in its area.

Section 2 – Report

Introduction

1. The Local Authority has a statutory responsibility to provide sufficient school places for its area. Like many boroughs, Harrow is experiencing significant growth in the pupil population. There are several key strands to the delivery of sufficient school places because an increasing pupil population impacts across primary, secondary and special school provision.
2. This is the seventh quarterly report to Cabinet on the School Expansion Programme covering primary, secondary and special school places. It updates Members and outlines the progress to date on the planned programme implementation. The school expansion programme supports the Council Priorities by providing sufficient high quality school places for children in Harrow close to where they live.
3. The annual update of school roll projections provides important data to help inform the proposals that are brought forward in the phases of the school expansion programme.

Options considered

4. Cabinet agreed its School Place Planning Strategy in February 2010 to meet the increasing demand for school places that is primarily birth rate driven. In July 2011, Cabinet agreed on a Primary School Expansion Programme as part of the School Place Planning Strategy. The strategy aims to secure sufficient primary school places through the creation of additional permanent places in phases as the demand increases, supplemented by planned bulge classes opened if required.
5. In July 2013 Cabinet approved the Special School SEN Placements Planning Framework for bringing forward proposals over the next 3-5 years to increase provision for children and young people with special educational needs. In April 2015 Cabinet approved the Special Educational Needs and Disability Strategy 2015-2020.
6. In November 2013, Cabinet approved the Secondary School Place Planning Strategy. The strategy set out the Phase 1 approach to increase capacity within the secondary sector that would deliver the additional places required by September 2018.

School Expansion implementation

Summary of additional places at schools

7. Phase 1 of the Primary School Expansion Programme was implemented in September 2013 with the creation of 8 additional permanent Reception forms of entry at expanded schools.
8. Phase 2 of the Primary School Expansion Programme will have delivered 15 additional permanent Reception forms of entry by September 2015. Seven in September 2014 and a further eight in September 2015.
9. The Council's current proposals for Phase 3 will create a further 4 additional primary forms of entry by September 2016. 4 community schools are approved for expansion and work is continuing with one more school. In addition, a government approved free school, with a named site will provide 2 forms of entry. See Phase 3 Delivery below. Phase 4 proposals will be planned to cover 2017 and 2018.
10. Additional secondary school places and additional special educational need provision at special and mainstream schools are approved from 2015.

Delivery of the School Expansion Capital Programme

Phase 2 delivery

11. A building programme is underway, coordinated by the Children's Capital Project Team, to create the spaces and facilities required by September 2015. Keepmoat the Council's Framework Partner is delivering the majority of the programme.
12. Works are progressing on school sites. However, there are major programme delays and most of the Phase 2 projects will be delivered late by Keepmoat ranging in completion dates from September to December 2015.
13. The programme delays will create issues about accommodating the additional pupils in a number of the Phase 2 expansion schools from September 2015 until the completion of the individual school programmes. Keepmoat has provided assurances that all pupils will be accommodated on the school sites which will require some temporary mobile units. There will be additional costs to the programme.
14. Although the Council expects Keepmoat to meet the costs for such delays and providing temporary mobile units, any additional costs that fall to the Council as a result of these delays will create pressure on the programme budget which is also exposed to other cost increases.
15. Additional costs have been identified by Keepmoat during their programme delivery. These are being reviewed by the Council's Cost Consultants and Keepmoat is being challenged to justify and evidence these increases. This exercise will be completed during the summer and any financial implications identified from this review will be reported to Cabinet in September 2015.
16. Other financial pressures to the programme are arising from the delay to the delivery of the Government's Priority School Building Programme (PSBP) school projects delivered by the EFA. Costs will be allocated to Harrow Council to provide interim

accommodation for agreed expansions. The costs are not yet known, but will need to be funded from the school expansion capital programme.

17. Whitefriars School, which has been procured through the Education Funding Agency Framework Agreement, is being delivered by Kier which has current programme issues relating to an Extension of Time (EOT) claim due to asbestos found in the ground. The project is anticipated to meet the current programme dates.

Phase 3 delivery

18. Statutory Proposals for the expansion of 4 schools, Longfield, Grimsdyke, Welldon Park Infant and Welldon Park Junior School (note these schools will amalgamate on 1 September 2015 and are considered as one expansion) and Weald Rise Primary School, have been agreed as part of Phase 3. Weald Rise Primary School expansion is being delivered by the EFA. For the other Phase 3 school expansions, site scoping studies for were completed last year and some early surveys have commenced on site. Work is also being undertaken on the site scoping for Stag Lane Infant and Stag Lane Junior School and discussions are on-going. This could be the fifth expansion school.
19. Following a procurement process, EC Harris has been appointed as Technical Advisers to complete the feasibility studies including surveys and to develop the designs. The indicative timescale for capital delivery of Phase 3 is being re-evaluated but overall delivery is still achievable during the Autumn Term 2016 with interim arrangements from September 2015 for the additional pupil intakes.
20. Options developed during the site scoping studies are being considered in relation to any Planning risks to ensure the programme can be delivered to the required tight timescales. EC Harris will provide a key milestone schedule which will allow all parties to work towards set dates. A Planning Performance Agreement will be entered into on all the Phase 3 projects.
21. The Phase 3 capital programme allows for 6 school expansions and the budget allows for £2.5m per scheme plus a 5% programme contingency. At this point 5 schemes are identified and of these 4 have been approved for expansion by Cabinet. Feasibility and scoping works are currently underway on 3 schemes that are being delivered by Harrow. As part of this exercise, a peer review of the schemes being delivered by Harrow has been undertaken along with detailed costings. The early indications of the costings suggest that the budget available may be lower than the programme requirements because at this point in the process there is a strong indication that the estimates for three of the Phase 3 schemes are above the £2.5m allocated. This is due to current market forces and a growing economy. The Cost Consultants are challenging these costs and the updated affordability of these schemes will be provided to Cabinet in September 2015.
22. The Council has agreed to fund the additional cost of the expansion of Weald Rise Primary School which is being rebuilt by the EFA through the Government's Priority Schools Building Programme. This is the fourth approved expansion in the current Phase 3.
23. The sixth scheme allowed for in Phase 3 is currently uncommitted in the light of the free school programme and the need to review this year's update of the school roll projections. There is a total £2.625m allocated to this scheme.

24. EC Harris has been commissioned to review the market and assess the best value options for the Council to procure a construction partner. This includes incorporating 'Made in Harrow' to maximise opportunities for local companies, labour and resources. There are a number of alternative procurement routes available to the Council, including framework agreements let by other public sector bodies and issuing tenders to the market on a project by project basis.
25. The decision to appoint a contractor will be made under authority already delegated by Cabinet on 16 October 2014, where Cabinet resolved that the Corporate Director of Children and Families, following consultation with the Portfolio Holder for Children, Schools and Young People and the Portfolio Holder for Finance and Major Contracts, be delegated authority for the appointment of a consultant or contractor from a national or local public sector Framework(s):
 - a) to undertake feasibility studies, surveys and provide professional and technical services;
 - b) to design and build /refurbish the school facilities;
 - c) to provide additional school places within the School Expansion Programme Phase 3 and Phase 4, subject to Council's approval of the Capital Programme 2015/16 to fund additional Phase 3 school expansions and Phase 4.

Demographic School Roll Projections

26. The Local Authority commissions the GLA to produce school roll projections for the borough and its school planning areas. These projections take account of birth rates, incoming population and local development. The projections are further scrutinised by the authority and adjusted based on local information about applications, in-year growth in pupil numbers, mobility of pupils and levels of demand for other services.
27. Attached at Appendix B is the Demographic Information School Roll Projections 2016–2024 Report. The report highlights the changing profile of Harrow's population, includes commentary on the methodology adopted by the GLA, and presents the latest primary and secondary school roll projections data for Harrow. Information is included about demand for early years and special educational need provision.
28. The updated 2015-16 primary school projections indicate that pupil numbers entering Reception classes in Harrow will continue to increase, though at a slightly lower trajectory than predicted in last year's projections. This changed trajectory results from projected lower birth rates in Harrow. If this birth rate projection is confirmed in reality, it could indicate that the situation in Harrow is matching changes that have occurred in other parts of London. Harrow was one of the few authorities in London not to see a fall in births between 2012 and 2013.
29. This lower trajectory does not change the overall projection of significant increased numbers of children entering Reception classes in Harrow until 2022/23, at which point Reception numbers are projected to plateau. Up to 11 additional forms of entry in Harrow primary schools are projected to be needed. The updated projections are indicating different levels of increase and stability in the Primary Planning Areas. Very slightly lower levels of future demand are predicted in the North West Planning Area, stability in the North East Primary Planning Area, and fluctuating levels in the South West Primary Planning Area. Reception numbers in

Central and South East Primary Planning Areas are predicted to be higher than previously forecast. The Voluntary Aided Primary Planning Area projection is effectively a top-slice of the overall projection and reflects the overall increase in predicted Reception numbers in Harrow.

30. The on-time Reception applications for places in September 2015 were at a lower level than expected and slightly below last year's total. This change does not reflect the relevant birth rate for this cohort of children, which was higher than the previous year. A factor may be a change in the retention rate of children taking up Reception places compared to the birth rate, though this retention rate has been consistently high in recent years and has been projected to remain high. There may be other factors on demand for Reception places, such as choices parents are making about private education and perhaps the impact of the Government's welfare benefit reform programme and the changing demography in Harrow over time.
31. A further significant impact of migration trends and demographic changes to the population in Harrow is on demand for school places in other primary year groups. Many schools in Harrow have children in primary year groups above the published admission numbers. This situation has arisen because of the increased numbers of families moving into the borough with children of primary school age needing school places. It is essential that school places are found for children requiring a place. Where there is not an available school place for a child in a local school, Harrow's Fair Access Protocol is applied and a place is offered at a local school that may put the numbers in that year group above the published admission number (PAN). Mobility of pupils in the usual course of events may mean that the numbers soon return to the PAN for the year group at that school. The demographic report provides details of the Fair Access Protocol numbers and numbers above PAN across year groups.
32. Harrow area place planning provides for a concentration of new housing in the Intensification / Opportunity Area in the Wealdstone to Harrow central corridor. The successful Housing Zone Bid, increased targets for new housing units and the developing plans to relocate the Civic Centre will lead to an enhanced and accelerated rate of new housing development from around 2,500 housing units to around 5,300 housing units in the next 10 years. In light of this, an adjusted housing trajectory will be developed and then the GLA will produce amended school roll projections which will include the newly identified sites in the Harrow & Wealdstone Opportunity Area, plus perhaps higher densities on other sites. The school place planning implications of this work will be reported to Cabinet in the Autumn.

School place planning considerations

33. Schools in Harrow are responding magnificently to the challenge of providing high quality school places for children in Harrow. As well as opening 50 temporary additional 'bulge' classes, over half of Harrow primary schools will have been permanently expanded by this September. The combined increase of permanent Reception classes across Phase 1, Phase 2 and currently approved in Phase 3 totals 27 additional forms of entry in primary schools above the 2008 baseline. Academy schools have submitted successful applications to the Government's free school programme that are creating new schools that add to the community of schools in Harrow.

Primary school places

34. As stated above, the on-time Reception applications for places in September 2015 were at a lower level than expected and slightly below last year's total. The position for Reception places is being monitored and late applications have been and continue to be received. In light of this, it is expected that the 3,330 Reception places available in September 2015 will be sufficient to meet demand in September 2015 and the additional in-year demand through the 2015/16 academic year.
35. Free schools are an important component of Harrow's school expansion programme. If the lower trajectory of increased demand for Reception places materialises in reality, and the already announced free schools are delivered in Harrow, it may be that the current Phase 3 expansion plans up to September 2018 will provide sufficient additional permanent places in Harrow to meet demand. The situation will need to be monitored annually, but on the updated projections the peak and any fluctuations in demand could perhaps then be met by continued use of bulge classes to avoid any risk of over capacity of permanent places.
36. However, it is important to keep in mind that there has been steep growth in demand for Reception places, of at least 4 forms of entry for each of the past 4 years.

School Year	January number on roll	Increase in pupil numbers	Forms of entry the increase represents	Additional places created
2011/12	2,759	+ 122	4	100
2012/13	2,879	+ 120	4	110
2013/14	3,030	+ 151	5	150
2014/15	3,251	+ 221	7-8	240

In light of this, the reality of a lower trajectory of increased demand would need to be experienced before conclusions can be reached about whether a Phase 4 of school expansions will be needed if the announced free school are delivered.

37. The need for a Phase 4 will need to be kept under review. In particular, the need for permanent capacity to meet the in-year level of demand is an important consideration for school place planning, particularly with the expanded proposals for housing development in the opportunity area that can be expected to generate a child yield across all school year groups.
38. As the funding for Phase 4 schools in the capital programme is uncommitted at present, it will be proposed to vire £420k, being the year one Phase 4 programme costs, to the secondary programme to fund feasibility and scoping works in the secondary sector as set out below.
39. The pressure on schools of in-year applications for primary school places across year groups is a continuing concern. Already in Harrow, five additional temporary 'bulge' classes (150 places) have been opened in year groups other than Reception and more are planned. Part of the reason for the current pressure in retrospect is that not enough permanent additional school places have been opened in previous years in Reception. The 'bulge' classes have met the immediate demand for Reception places, but have not created sufficient additional capacity to meet the subsequent in-year demand that has been experienced across year groups as the pupil cohorts progressed. This is an additional indication that permanent expansions are needed to address this in-year pressure in future years.

Secondary school places

40. Applications for Year 7 places in September 2015 are higher than last year and above the projected numbers. There are sufficient Year 7 places to meet the

demand. The first phase of the Secondary School Place Planning Strategy sets out the planning to meet the increasing demand for Year 7 places in the next few years.

41. The first phase includes the expansion of Bentley Wood High School by one form of entry and the age range extension of Whitefriars School both funded through the Government's Targeted Basic Need Programme. Further additional places will be provided by the Government's Free School Programme with the opening of Pinner High School in September 2016 and the expansion of Salvatorian College through the Government's Priority Schools Building Programme.
42. Initially, there will be available capacity in the secondary sector in advance of the larger primary pupil cohorts transferring into secondary schools from 2016 onwards. However, it is important to note that the schemes are being provided in accordance with capital funding provided directly by the Government.
43. The projections indicate that there will be additional secondary school places required. Phase 2 secondary expansion planning will require expansion of places at a number of existing high schools as well as potentially an additional new school above the current free school plans in the borough.
44. Given the complexity of bringing forward additional secondary school places, initial plans are being developed for the places that will be needed by 2021-22 on current projected demand and planned provision. To inform planning for Phase 2, it is proposed to create Secondary Planning Areas. Three broad geographic planning areas are proposed and a fourth planning area for voluntary aided schools and those with random allocation. The geographic approach is relevant for the community schools and academies that have admission arrangements which offer the majority of places on distance criteria and will indicate the local impact of additional primary places on secondary schools in the area. More detail of this approach is provided in Appendix B under Section 5 on Secondary Schools.
45. Sites for a new high school in Harrow will be challenging to identify, and planning and delivery can be expected to take some years. Current high school sites are also constrained by existing student numbers and site scoping work will be needed to explore potential options. The new Government has confirmed the continuation of the free school programme and if a site can be identified the new high school may be a free school funded by the Government. It will be proposed that there is virement within the existing capital programme to enable site scoping work to be progressed into potential options to create additional secondary school places in Harrow.
46. In the existing capital programme £525k was added for 2018-19 as part of the 2014-15 MTFS process to begin the feasibility process of developing a new secondary school. The previous estimate had been £13.7m over a total of 4 years, starting in 2018-19, which would provide for a 5FE secondary school, without a sixth form.
47. At this stage, it is proposed to bring forward the programme of works for additional secondary school provision to 2016-17. This is because the current projections and planning to increase secondary capacity leaves a shortfall of places from 2021 onwards of at least a new school. This will be challenging and potentially lengthy to deliver, and it is considered necessary to begin this process in 2016-17 following the initial scoping work. It may be that the specification for the additional school would need to be adjusted to 6FE. The result of this means that the full £13.7m (less £525k already

approved) will need to be added to the capital programme. This will be considered as part of the MTFs process and presented to Cabinet in December 2015.

48. In addition, part of the 2015/16-2018/19 MTFs Progress Update Report, also on this Cabinet agenda, a virement of £420k is requested from the currently approved Phase 4 programme to begin feasibility and scoping works this summer to look at expansion of a number of existing high schools.

Special educational need places

49. The additional 151 special educational need places secured through the government's Targeted Basic Need Programme will become available to be filled from September 2015. In March 2015 Cabinet approved the Special Educational Needs and Disability Strategy and representative task and finish groups have begun working on the six Strategic Priority Areas. Additional special educational need provision is likely to be an outcome of the SEND Strategy. When specific proposals are identified to be brought forward for potential implementation, these will be reported to Cabinet and site scoping work will be arranged.

Brief updates

Free School Programme

50. Officers continue to liaise with proposers of free schools and with the Education Funding Agency about the establishment of free schools in Harrow. Free schools provide an important contribution to meeting the demand for school places and add to the diversity and choice of school provision in the borough.
51. Avanti House has been open since September 2012, though the final location for the school has not yet been secured by the Education Funding Agency. The other proposed free schools summarised below are at the pre-opening stage and await funding agreements with the Education Funding Agency. Planning consents will be needed for the necessary building developments at the planned locations of the free schools.
52. Pinner High School (six forms of entry) is planned to be established from September 2016 at the former Heathfield School site in Beaulieu Drive, Pinner.
53. The Education Funding Agency plans to locate the secondary phase of Avanti House at the former Heathfield School site from September 2015 until a permanent building is secured for the school in Summer 2017. This will involve Avanti House co-locating with Pinner High School from September 2016 to Summer 2017. It is planned that the Avanti House primary phase will be located at the former Peterborough and St Margaret's School site in Stanmore from September 2015.
54. Saint Jérôme Church of England Bilingual School (two forms of entry) is planned to open at the former Wickes building in central Harrow in September 2016.
55. Harrow View Primary School (three forms of entry) is proposed to open in September 2016 on the Kodak site, though the opening of the school will need to be aligned with the plans of the developers to bring forward the housing development on the Kodak site.
56. The New School for Harrow (two forms of entry) is proposed to open in September 2016. No site for the school has been announced yet and officers will liaise with the

proposers and the Education Funding Agency about plans for the location and opening of the school.

Priority School Building Programme

57. First phase (PSBP1). The Education Funding Agency (EFA) is delivering 7 capital funded rebuilding projects in Harrow under PSBP1. Unfortunately, all the projects are behind schedule for completion because of EFA procurement issues. The Children's Capital Project Team continues to liaise closely with the EFA on all projects, the last batch of which should be completed during 2016 and 2017. These projects will provide additional primary and secondary school places and discussions are being progressed with the EFA and schools about interim arrangements to ensure there are facilities for the additional children until the projects are completed.
58. Vaughan Primary School (PSBP1). On 20 June 2012, Cabinet agreed to permanently expand Vaughan Primary School from September 2013 as part of the School Expansion Programme Phase 1 and the Council commenced the design proposals for the redevelopment of the school as an expanded three form entry school. At the time Vaughan Primary School was accepted into the PSBP the Council had secured planning permission for the development combining new build and refurbishment. To avoid delay and to deliver the expanded school by the end of 2015, an agreement was reached in September 2013 between the Council and the Education Funding Agency (EFA) that the Council would make a top-up payment to the EFA's capital programme to avoid delays which may be caused by a further a planning application. The agreement would cover any additional costs over and above those expected to deliver a school under the PSBP, for example, additional floor area, increase in specification to the external façade, other changes to the specification which would not be standard practice in PSBP schools.
59. The EFA has procured a contractor to deliver this project and has requested that this figure is paid in two instalments for them to commence the project. Starting this project is essential because the EFA are already behind in their anticipated delivery timescale. In view of the history of this rebuild and expansion project that pre-dates PSBP, this top-up figure represents value for money to the Council overall for the expansion of this school as part of the PSBP rebuild. Following officer review and challenge of the EFA top-up account, the Council has agreed to make a capital contribution of £307,594.47 plus VAT for the New Build Additional Works payable no later than 31 July 2015. Subject to further negotiation, the Council has agreed to pay up to £830,000.00 plus VAT for the Refurbishment Additional Works payable by 30 November 2015. A virement within the capital programme has been approved to ensure funds were available before final agreement with the EFA was made (see paragraph 79).
60. Second phase (PSBP2). Elmgrove Primary School and Hatch End Academy were successful applications to PSBP2. It was disappointing that other bids to PSBP2 were not successful, and any opportunity to re-submit or to bid again on behalf of schools will be taken up. The EFA have met with Elmgrove Primary School and informed the school they should be notified by the end of the 2015 summer term where they will be placed in the PSBP2 programme of works.
61. In order to facilitate the EFA in delivering PSBP1 and PSBP2 the Council will co-operate with the EFA and the construction contractor in connection with the delivery of each PSBP project. Additionally the Council will grant a licence to occupy to permit the contractor to enter upon the sites for the purposes of undertaking and

completing the works and as such protects the Council's interests by ensuring that the contractor's access to the site is controlled. Collateral Warranties will be provided by the contractor and consultant sub-contractors undertaking the works for the benefit of the Council and will provide a contractual assurance that the works will be delivered with the appropriate duty of care.

Performance Issues

62. Schools in Harrow perform well in comparison to national and statistically similar local authorities. The vast majority of primary schools and secondary schools are judged 'good' or 'outstanding' by OfSTED. As at 31st December 2014 88% of Harrow's primary and secondary schools are judged 'good' or 'outstanding', compared to 87% in London and 81% nationally (Source: Ofsted Data View).
63. The Education Act 2011 maintains a focus on driving up standards in schools, and places more of the responsibility with the schools directly for their improvement. The role of the Local Authority in measuring performance and driving improvement has changed significantly and is reduced from its previous level. However, the Local Authority maintains a strategic oversight and enabling role in local education, and is likely to retain some role in monitoring educational achievement and key measures such as exclusions and absence. The Local Authority is also statutorily responsible for supporting and improving underperforming schools.
64. The Local Authority continues to monitor key education indicators. The indicators are used locally to monitor, improve and support education at both school and local authority level. They are also used within information provided to the Department for Education.
65. There is a complex interrelationship between a number of other performance issues such as traffic congestion, road safety, traffic and parking enforcement and travel plan performance, and all these considerations are taken into account in assessing school expansion proposals.

Environmental Implications

66. The Council's over-arching climate change strategy sets a target to reduce carbon emissions by 4% a year. Schools account for 50% of the Council's total carbon emissions. Reducing emissions from schools is therefore a vital component in meeting the Council's target. However there is a significant risk that the expansion programme will increase emissions rather than reduce them. In this context, the impacts on carbon emissions of the phases of the school expansion programme will need to be carefully considered.
67. The RE:FIT Schools Programme will be available to retrofit existing school buildings to improve their energy efficiency. For new-build schools, the design standards will need to ensure that they meet high energy use efficiency standards. Of particular importance will be the use of low carbon technologies – particularly for space heating – and these will need to be thoroughly investigated during the design phase.
68. For many of the projects in the school expansion programme, planning applications will be required and part of the application will be a school travel plan. Through this process and the development of the solutions for the schools, the impact of the additional pupils and their travel modes will be addressed.

Risk Management Implications

69. Risk included on Directorate risk register? Yes.
Separate risk register in place? Yes.
70. The directorate and corporate risk management implications for the Council arising from school place planning are included on the directorate and corporate risk registers. A Programme Risk Register is reviewed by the Programme Board.
71. The risks for delivery of the school expansion programme have been reported in detail to Cabinet in the previous quarterly update reports. The highest priority risk for this programme is financial in respect of the programme or individual projects being unaffordable and thereby incurring additional costs to the Council. Control actions to mitigate against this risk include:
- Capital strategy brings together the Government's school funding streams: Basic Need; Capital Maintenance; Targeted Basic Need Programme; and building programmes e.g. Priority School Building Programme.
 - School expansion feasibility designs aligned to the DfE guidance on spaces and areas for schools.
 - Indicative costs calculated from feasibility studies to inform programme budget.
 - Programme contingency has been included in the programme budget.
 - Robust financial and programme monitoring through the Programme Board, Capital Forum and Cabinet reports.
 - Exploring how the Government's Free School Programme for new schools (programme funded directly from government) may be supported in Harrow.

Legal Implications

72. The Council has a statutory duty under the Education Act 1996 to ensure the provision of sufficient schools for the provision of primary and secondary education in their area.
73. Under s.14 of the Education Act 1996, a local authority shall secure that sufficient schools for providing primary and secondary education are available in their area. Sufficient means sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education.
74. In meeting this duty, a local authority must do so with a view to securing diversity in the provision of schools and increasing opportunities for parental choice.

Financial Implications

Revenue

75. School revenue budgets are funded from the Dedicated Schools Grant (DSG). As the Department for Education (DfE) allocates DSG based on pupil numbers, any increase in pupil numbers results in additional revenue funding for the expanding school. The revenue funding is allocated to schools based on the Harrow Schools Funding Formula. School budgets are based on the pupil numbers in the October prior to the start of the financial year, so there is always a funding lag when schools increase their pupil numbers. To ensure that schools who agreed to an additional class are not financially penalised, the DSG growth fund provides Additional Class

funding for the period from September to March following which the mainstream funding formula will take effect. This ensures that schools have adequate funding for at least the average costs of a teacher and some set up costs.

Capital

76. The budget for the school expansion programme through to 2018-19 is £124.944m and is shown at Appendix A.
77. This does not include costs for two schools (Priestmead and Aylward) which will be delivered as part of the Government's Priority School Building Programme (PSBP) to improve the schools in the worst condition across the country.

SEP 2

78. The Cost Consultants have highlighted increased costs in relation to the SEP2 programme which are currently under review. Keepmoat, the contractor, is being challenged to evidence and justify these costs. Any financial implications as a result of this review will be reported to Cabinet in September 2015. There is also a delay to the Priority School Building Programme (PSBP) school projects delivered by the EFA for which there will be costs allocated to Harrow Council to provide interim accommodation for agreed expansions. The level of funding is not yet known, but any related costs may also be required to be funded in addition to the programme.
79. As reported in the Priority School Building Programme section above, in order to avoid any further delay to the EFA delivery of the Vaughan Primary School project, a virement has been approved within the capital programme to meet the increased top up cost of £1.138m. The current approved capital programme includes a top-up budget of £700k for Vaughan Primary School. A virement has therefore been sought to transfer £438k from the School Expansion Programme Contingency totalling £1.802m to fund the increase. According to the Council's Financial Regulations, the Chief Financial Officer can approve virements up to a value of £499,999 with counter signature from the Portfolio Holder for Finance and Major Contracts. This approval was given at the beginning of July 2015 in order to ensure funds were available before final agreement with the EFA was made.

SEP3

80. The Phase 3 capital programme allows for 6 school expansions and the budget allows for £2.5m per scheme plus a 5% programme contingency. At this point only 5 schemes are identified. As at May 2015 feasibility and scoping works are currently underway on four schemes that are being delivered by Harrow. As part of this exercise, a peer review of the schemes being delivered by Harrow has been undertaken along with detailed costings. The early indications of the costings suggest that the budget available may be lower than the programme requirements because at this point in the process there is a strong indication that the estimates for three of the Phase 3 schemes are above the £2.5m allocated. This is due to current market forces and a growing economy. The Cost Consultants are challenging these costs and the updated affordability of these schemes will be provided to Cabinet in September 2015.
81. The Council has agreed to fund the additional cost of the expansion of Weald Rise Primary School which is being rebuilt by the EFA through the government's Priority Schools Building Programme. This is the fifth scheme

82. The sixth scheme allowed for in Phase 3 is currently uncommitted in the light of the free school programme and the need to review this year's update of the school roll projections. There is a total £2.625m allocated to this scheme.

SEP4

83. There is a total budget of £10.5m for SEP4. This phase is uncommitted at present, it is proposed to vire £420k being the year one SEP 4 programme costs to the secondary programme to fund feasibility and scoping works in the secondary sector which will be considered by Cabinet as part of the 2015/16-2018/19 MTFS Progress Update report also on this agenda.

Secondary

84. In the existing capital programme £525k was added for 2018-19 as part of the 2014-15 MTFS process to begin the feasibility process of developing a new secondary school. The previous estimate had been £13.7m over a total of 4 years, starting in 2018-19, which would provide for a 5FE secondary school, without a sixth form.
85. At this stage, it is proposed to bring forward the programme of works for additional secondary school provision to 2016-17. This is because the current projections and planning to increase secondary capacity leaves a shortfall of places from 2021 onwards of at least a new school. This will be challenging and potentially lengthy to deliver, and it is considered necessary to begin this process in 2016-17 following the initial scoping work. It may be that the specification for the additional school would need to be adjusted to 6FE. The result of this means that the full £13.7m (less £525k already approved) will need to be added to the capital programme. This will be considered as part of the MTFS process and presented to Cabinet in December 2015.
86. In addition, part of the 2015/16-2018/19 MTFS Progress Update report also on this agenda, a virement of £420k is requested from the currently approved SEP4 programme to begin feasibility and scoping works this summer to look at expansion of a number of existing high schools

Basic Need Allocation

87. In the April SEP quarterly update Cabinet report it was proposed that the additional £19.670m received from the Basic Need allocation is used to offset Council borrowing previously agreed for SEP3 and SEP4.
88. However it is proposed that the decision about the use of the additional Basic Need funding should be considered and delayed to September 2015 in the context of:
- The affordability of the SEP Phase 2 and Phase 3 projects;
 - Potential cost implications of PSBP delivery arising through slippage by the EFA;
 - Potential cost implications of free school projects;
 - MTFS growth requests of £14.625m to be considered by Cabinet in December 2015.

Equalities implications / Public Sector Equality Duty

89. Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment,

victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it.

90. Equalities Impact Assessment has been undertaken on Phase 2 of the Primary School Expansion Programme and on each school proposed for permanent expansion. The overall conclusion of these assessments is that the implications are either positive or neutral in that the expansion of the schools will help to ensure sufficient school places for the increasing numbers of children in Harrow. The assessments have not identified any potential for unlawful conduct or disproportionate impact and conclude that all opportunities to advance equality are being addressed.
91. Harrow's schools are successful, inclusive and provide a diversity of provision. The school expansion programme will ensure sufficient school places for the increasing numbers of children in Harrow and will build on the successful provision that already exists in Harrow's schools. By acting to ensure all children in Harrow have access to a high quality school place, Harrow is promoting equality of opportunity for all children and young people.

Council Priorities

The Council's vision is: **Working Together to Make a Difference for Harrow**

92. The Council Priorities are as follows:
- Making a difference for the vulnerable
 - Making a difference for communities
 - Making a difference for local businesses
 - Making a difference for families
93. The recommendation supports these priorities by:
- Ensuring Harrow Council fulfils its statutory duties to provide sufficient school places in its area.
 - Providing high quality local mainstream and special educational need provision in schools for children close to where they live.

Section 3 - Statutory Officer Clearance

Name:	Jo Frost	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date:	12 June 2015		
Name:	Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date:	11 June 2015		

Ward Councillors notified:	NO, as it impacts on all Wards
EqlA carried out:	YES <i>Undertaken on the School Expansion Programme during Phase 2</i>
EqlA cleared by:	Equality Impact Assessment Quality Assurance Group

Section 4 - Contact Details and Background Papers

Contact: Johanna Morgan, Education Lead School Organisation,
020 8736 6841 johanna.morgan@harrow.gov.uk

Background Papers: Equalities Impact Assessment on Phase 2 of the School Expansion Programme

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in does not apply as the Recommendation is for noting]</i>
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