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**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	18 February 2016
<b>Subject:</b>	School Expansion Programme
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Chris Spencer, Corporate Director of People
<b>Portfolio Holder:</b>	Councillor Simon Brown, Portfolio Holder Children, Schools and Young People
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	No, as the recommendation is for noting only
<b>Wards affected:</b>	All
<b>Enclosures:</b>	None

**Section 1 – Summary and Recommendations**

This report provides a quarterly update to Cabinet on the implementation of the school expansion programme and related matters.

**Recommendations:**

Cabinet is requested to note this update on the implementation of the school expansion programme.

**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. This is the ninth quarterly report to Cabinet on the School Expansion Programme. 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 and is implementing its strategies to increase the number of school places.
2. The school expansion programme supports the Council Priorities by providing sufficient high quality school places for children in Harrow close to where they live.

### **Options considered**

3. Previous reports have set out the strategies agreed by Cabinet to increase provision across primary, secondary and special schools to meet pupil growth. This report updates Members and outlines progress on the planned programme implementation.

### **School Expansion Programme Delivery**

4. So far in the school expansion programme, 26 additional permanent Reception forms of entry have been created through the expansion of existing schools, which is over half of Harrow's primary schools. Six additional permanent Year 7 forms of entry have been created through the expansion of two existing schools. Six schools have opened additional special educational needs places.

#### **Initial phases of the school expansion programme**

5. There is an extensive schools capital programme to deliver the additional school places and special educational needs provision. This capital programme represents significant investment into schools in Harrow and wherever possible the opportunity is taken to improve the learning environments while expanding schools. The Children's Capital Project Team coordinates the school building programme.

#### **School Expansion Programme Phases 1 and 2**

6. The majority of the school expansion programme has been carried out by Keepmoat, the Council's Framework Partner, under Phase 1 (SEP1) and Phase 2 (SEP2). This is a complex programme and at the height of the programme there were 29 live sites. Unfortunately, there have been delays and challenges across the SEP1&2 programmes which have inevitably impacted adversely on schools and the completion of the programme.
7. In the current programme, eight projects have been completed and eight have indicative completion dates in the first quarter of 2016. The details of the completion programme are being shared with schools.
8. Harrow's Technical Advisors MACE and T&T are currently reviewing all SEP1&2 final accounts. There is close liaison with the Finance Team on these matters with monthly cost schedules for each school project. The

current position is summarised in the Financial Implications section of this report below.

### **School Expansion Programme Phase 3**

9. Following procurement processes, Arcadis were appointed as Technical Advisers and Willmott Dixon as the single supplier from the SCAPE framework. The SCAPE framework is local authority owned and specialises in school construction. Under this framework the contractor is appointed using a National Engineering Contract (NEC) which is used widely by a number of local authorities.
10. The Children's Capital Project Team will ensure robust contract monitoring arrangements are established to hold all parties to account. This will include Procurement and Legal teams reviewing performance to ensure compliance. The contractor's performance against the contract will be reported to the Corporate Strategic Procurement Board.
11. Planning applications for three of the school expansion projects have been submitted with a view to Planning Committee decisions in February. The fourth project is on a slightly later timeline. Completion of these projects is planned for December 2016. Within the programmes, there will be appropriate accommodation for the additional intakes of pupils in September 2016. This may require provision of temporary accommodation for a few weeks. The current position about the anticipated costs of the Phase 3 programme is summarised in the Financial Implications section of this report below.

## **Brief updates**

### **Free School Programme**

12. Free schools are an important component of Harrow's school expansion programme. Delivery of these schools is the responsibility of the Education Funding Agency. The current position with open and announced free schools in Harrow is as follows:
  - St Jérôme Church of England Bilingual School will open at the former Wickes office building in Station Road, Harrow in September 2016.
  - Pinner High School will open at the former Heathfield School site in Pinner in September 2016.
  - Avanti House. The primary phase is located from September 2015 at the former Peterborough & St Margaret's School site in Stanmore. The secondary phase has been granted temporary use of the former Heathfield School site from September 2015 until a permanent building is secured for the school in Summer 2017.
  - The Jubilee Academy will be located at the former Heathfield School site for two terms from January 2016 to September 2016 during refurbishment at its Lowlands Road site.
  - Mariposa Primary School has written to parents who have applied for places at the school to inform them about its decision to request deferment of opening until September 2017 while a site for the school is secured.

- Harrow View School has deferred its opening until at least September 2017 to align with the completion of initial new housing and to finalise the location of the school at the Kodak development site.

### **Priority School Building Programme**

13. The Priority School Building Programme (PSBP) is managed and resourced by the Education Funding Agency (EFA). Some costs are being incurred by Harrow Council arising from delays to the delivery of the first phase (PSBP1) of the programme because of the need to ensure provision for additional children at the expanding schools.
14. PSBP1. Kier have been appointed by the EFA as their main contractor on Harrow's PSBP1 schools. Marlborough Primary School is due to be completed by April 2016 and work is progressing on site at Vaughan Primary School. Works have started on site at Priestmead Primary School and preconstruction design works are underway on the remaining Harrow PSBP1 projects with the view to completing all PSBP1 works by end of 2017.
15. PSBP2. This is a five year programme. Elmgrove Primary School is the only Harrow community school in the programme. The EFA has notified the school that the detailed feasibility study will commence between April 2016 and June 2016 to assess the most appropriate rebuild / refurbishment investment solution. The EFA expect on average a typical PSBP2 project to take around 6 months at the feasibility stage and another 8 months in procurement before works start on site.

### **Options appraisal work for future school projects**

16. Options appraisal work has been commissioned which will help to inform proposals for additional school places and ensure that the capital programme is kept updated to meet future costs. This work will enable plans and timescales to be developed for proposals to create new school places.
17. Arcadis have been commissioned to undertake scoping studies on school site options for primary, secondary and special educational need provision that can inform:
  - development of specific proposals;
  - Council's financial planning;
  - timing of any statutory decision-making processes.
 The outcomes of this initial work is expected to be available to officers by the end of February.

### **Potential for shared capital delivery**

18. The West London Alliance has been investigating options to establish a shared capital unit that would deliver schools and possibly other capital programmes for Harrow, Ealing and Hounslow Councils. The outline business case demonstrated that a Schools Capital Hub across the authorities has potential to generate efficiencies in the delivery of capital projects and is now being progressed to a full business case. This development is in line with the Council's commercialisation agenda. Establishing the Hub would be subject to a Cabinet decision.

## **Early Years and Special Educational Needs and Disability**

19. The Early Years Strategy and SEND Strategy identify the need to increase the number of SEND places. This work is at an early stage but options are being developed. There is provision within the Schools Capital Programme for SEND works and further details will be provided when available.

## **Performance Issues**

20. 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 31<sup>st</sup> August 2015, 93% of Harrow's primary and secondary schools are judged 'good' or 'outstanding', compared to 89% in London and 84% nationally (Source: Ofsted Data View).
21. 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.
22. 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.
23. 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**

24. 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. Phase 3 of the School Expansion Programme will have an impact on carbon emissions that will need to be carefully considered in this context.
25. 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.
26. 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**

27. Risk included on Directorate risk register? Yes.  
Separate risk register in place? Yes.
28. 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.
29. 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 Department for Education 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**

30. 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.
31. 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.
32. 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

33. 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

34. The budget for the school expansion programme through to 2018-19 is £124.944m. There have been significant pressures identified primarily in Phase 2 (SEP2) of the programme. They include items omitted/excluded from the Agreed Maximum Price (AMP) schedules, delays leading to additional costs including Plan B options for works not completed by September 2015 and a number of external unforeseen factors such as UK Power.

#### SEP1 and SEP2

35. The latest forecast, as at the first week of January 2016, has been provided by the cost consultants for the construction costs only. In addition to this, an estimate has been made of the costs of the capital team recharges and all other costs including cost consultant fees, planning & building control fees, moving and storage costs and FF&E payments to the schools to furnish the new classrooms.
36. These costs indicate an overall SEP2 pressure of approximately £2.9m. There is a contingency of £1.365m and a further £524k of s106 funding identified but not yet drawn down. After these are applied, this would leave a SEP1&2 overspend of approximately £1m. It is anticipated that any overspend can be offset by the uncommitted SEP4 budgets of £4.615m but there still remains a risk to the overall programme.
37. The forecasts continue to be monitored and updated as all of the projects are live and the accounts need clarifying and agreeing with the contractors. Work is being undertaken with Legal Services regarding the stance that can be taken with the contractors regarding some contractual matters.

#### SEP3

38. In September 2015 Cabinet agreed a virement from the currently uncommitted SEP4 programme to cover the anticipated costs of SEP3. It is anticipated that the majority of this budget will be slipped to 2016-17. However, the latest forecasts provided by Willmott Dixon and Arcadis suggest that the costs of the initial three school expansion projects could be in excess of the budget allocated to these three schemes by approximately £1.8m.

39. There is an overall SEP3 contingency for 5 schemes totalling £1.48m which would partially mitigate this pressure. However, it should be noted that the designs on which these forecasts are based are subject to planning approval and any further works or redesigns required to meet any additional planning conditions could put further financial pressure on this programme. Weald Rise Primary School, also part of SEP3, is being rebuilt as part of the Priority School Building Programme. However the expansion of the school is in addition to the works being provided by the EFA. Therefore the Council has committed to a top up fee in order to deliver the expansion element of this programme, totalling £2.189m.
40. Finally, the Stag Lane schools are not included in the current forecast as they are still at the design and school sign-off stage. There is a budget allocated to this scheme and if the above forecasts come to fruition and the Stag Lane schools are predicted to be over budget then this would be a further risk to this element of the programme.

#### **SEP4**

41. There is an uncommitted SEP4 budget of £4.615m. If all of the free schools come on line then it is not anticipated that this funding would be needed. Therefore this could be used to offset the predicted overspend of £1m on SEP2 and any potential pressures on SEP3 currently identified at £300k.

#### **Virement**

42. Two virements have been requested within the 'Revenue and Capital Monitor for Quarter 3 as at December 2015' report also on this agenda. This is to vire the remaining SEP2 contingency of £1.365m to the SEP1, SEP2, Secondary & SEN expansion lines within the programme for which this contingency was intended and to vire £1m from the currently uncommitted SEP4 line within the programme to SEP2 schemes.

### **Equalities implications / Public Sector Equality Duty**

43. 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.
44. 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.
45. 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**

46. 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
47. 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: 15 January 2016		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 15 January 2016		

<b>Ward Councillors notified:</b>	<b>NO, as it impacts on all Wards</b>
<b>EqIA carried out:</b>	<b>YES</b> Undertaken on the School Expansion Programme during Phase 2
<b>EqIA cleared by:</b>	Corporate Equalities 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](mailto:johanna.morgan@harrow.gov.uk)

**Background Papers:** None.

**Call-In Waived by the  
Chairman of Overview  
and Scrutiny Committee**

**NOT APPLICABLE**

*[Call-in does not apply as the  
recommendation is for noting only]*