

**REPORT FOR: OVERVIEW AND
SCRUTINY COMMITTEE**

Date of Meeting: 19 April 2016

Subject: School Expansion Programme

Responsible Officer: Chris Spencer, Corporate Director
People Services

**Scrutiny Lead
Member area:** Councillor Lynda Seymour, Policy
Lead Member Children and Families
Councillor Janet Mote, Performance
Lead Member Children and Families

Exempt: No

Wards affected: All Wards

Enclosures: Annexe A – Summary of School
Expansions, Improvements and
Investment

Section 1 – Summary and Recommendations

This report sets out how the school expansion programme has equipped schools to accommodate the additional children requiring places in Harrow schools and the opportunities taken to improve the school estate.

Recommendations:

The Overview and Scrutiny Committee is requested to note the report.

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 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.
3. In recent years Cabinet has agreed its strategies to increase provision across primary, secondary and special schools to meet pupil growth. The strategies are implemented through:
 - the expansion of existing schools;
 - new places created through the Government's free school programme. Harrow's community of schools has made successful applications to open new free schools in Harrow that create new provision to help meet the demand for school places.
4. This report outlines progress on the planned programme implementation of Harrow's school expansion programme to create additional school places through the expansion of existing schools.

School Expansion Programme Delivery

5. 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

6. 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

7. 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.
8. Most of the SEP1&2 projects in the current programme are now reaching Project Completion except for Whitchurch Primary School where resolution of an issue regarding Extension 3 is being sought between Harrow Council and Keepmoat. The remaining extensions at Whitchurch and the SEP1&2 projects have been handed over and the schools have or will be shortly taking occupation of their new classrooms and external areas.
9. The Children's Capital Project Team are working to resolve a number of building issues which have come to light during the 12 months defects liability period and are liaising with Keepmoat on these issues to seek an urgent resolution. Keepmoat will continue to have direct liability for building defects during the defects liability period and beyond should the defect be found to be a major issue.
10. The Children's Capital Project Team are in constant communication with all schools in the SEP1&2 programme and are working with all parties on matters as they arise.
11. Harrow's Technical Advisors MACE and T&T are currently reviewing the SEP1&2 final accounts. There is close work 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

12. 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.
13. The Children's Capital Project Team have established robust contract monitoring arrangements 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.

14. Planning applications for three of the school expansion projects were approved by Planning Committee in February 2016. The fourth project is on a slightly later timeline. However, the completion of these projects is still planned to be by Summer 2017. 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.

Free School Programme

15. Free schools are an important component of Harrow's school expansion programme. Delivery of these schools is the responsibility of the Education Funding Agency. On current projections it is anticipated that delivery of the primary free schools announced to be opened in Harrow will meet the need for primary school places in Harrow without the need for further expansions of existing primary schools.
16. Two secondary free schools are making a significant contribution to meeting the demand for high school places in Harrow. Avanti House School opened in 2012 and Pinner High School opens in September 2016.

Investment in schools through the School Expansion Programme

17. Harrow Council's current School Expansion Programme represents a generational investment of some £125m into the existing schools in Harrow for the benefit of its residents. Substantial investment has also been attracted into Harrow through successful applications to centrally funded government programmes that contribute to new school places in Harrow.
 - Seven free schools have been announced to open in Harrow, four of which will have been established by September 2016. Three of these free schools are the result of successful applications by Harrow's schools to add to the community of school places in Harrow.
 - Seven schools are being completely rebuilt as expanded schools under the first phase of the Priority School Building Programme, and there will be significant rebuild projects under the second phase of the programme at two further schools in Harrow.
18. Whilst the priority for the funding in Harrow Council's School Expansion Programme is on creating additional school places, the Council in partnership with schools has taken the opportunity to transform and improve significantly wherever possible the learning environments and school sites.
19. The approach the Council has adopted has the following features:
 - to consider all school sites in accordance with government accommodation guidance but to develop individual site specific solutions;

- to provide permanent accommodation for permanent expansions and replacing time served temporary accommodation with permanent build. This improves the internal environment by enabling classrooms and spaces to be reconfigured ensuring that year groups are located together and circulation improved. Externally, the footprint is consolidated which in turn improves the outdoor and playground spaces;
- to address issues adversely impacting on the efficient operation of schools and issues of poor condition in the existing buildings through the design solutions and by bringing together funding sources to supplement the basic need funding;
- improving catering facilities to provide meals in accordance with the Key Stage 1 Meal Entitlement;
- Providing specialist spaces for the additionally resourced SEN provision.

Financial Implications

Revenue

20. 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

21. 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. Harrow is now seeking to conclude the final accounts and disputes on additional works claimed by Keepmoat.

SEP1 and SEP2

22. In February 2016 Cabinet approved a virement of £1m from the currently uncommitted primary SEP4 phase of the capital programme to SEP1 and SEP2 schemes where the cost consultants have identified additional pressures on the programme.
23. The latest forecasts indicate that the programmes can be contained within the existing budget but there still remains a risk to the overall programme.
24. The forecasts continue to be monitored and updated as all of the project 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 and contract management consultants have been engaged to support the Council in this process.

SEP3

25. In September 2015 Cabinet agreed a virement from the currently uncommitted primary SEP4 programme to cover the anticipated costs of SEP3. 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.
26. 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 for two of these schemes, the Stag Lane schools and the Welldon Park junior site project, 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.
27. Weald Rise Primary School, also part of SEP3, is being rebuilt as part of the Priority School Building Programme. As the expansion of the school is in addition to the works being provided by the EFA the Council has committed to a top up fee in order to deliver the expansion element of this programme, totalling £2.189m.
28. 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

29. There is an uncommitted primary SEP4 budget of £3.615m. It is anticipated that phase 4 of the primary school programme will be delivered by free schools. 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 any overspend on SEP2 and any potential pressures on SEP3. However, if any one of the free schools does not come online then there is a risk that the Council would need to use this funding to expand one of its own schools.

Performance Issues

30. 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 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).
31. 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. In the white paper 'Educational Excellence Everywhere' published on 17 March 2016, the Government states its intention to legislate to change local authorities' powers and duties. In future, local authority education duties would be focused on three areas:

- a. Ensuring every child has a school place;
- b. Ensuring the needs of vulnerable pupils are met;
- c. Acting as champions for all parents and families.

32. 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.
33. 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 Impact

34. 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.
35. 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.
36. For many of the projects in the school expansion programme, planning applications are required and part of the application is 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

37. Risk included on Directorate risk register? Yes
Separate risk register in place? Yes
38. 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.

39. 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.

Equalities implications

40. Was an Equality Impact Assessment carried out? Yes
41. 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.
42. 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**

43. 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

44. The Council's strategy to deliver its vision between now and 2020 is to:
- Build a Better Harrow
 - Be More Business-like and Business Friendly
 - Protect the Most Vulnerable and Support Families
45. The recommendation supports these priorities and strategy 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: 8 April 2016		
Name: Sarah Wilson	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 8 April 2016		

Ward Councillors notified:	NO, as it impacts on all Wards
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Section 4 - Contact Details and Background Papers

Contact: Johanna Morgan, Education Lead School Organisation,
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Background Papers: None