

PRIMARY SCHOOL CAPITAL PROGRAMME - UPDATE

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Cabinet Portfolios	Finance, Property & Business Services / Education & Children's Services
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HEADLINE INFORMATION

	<p>Hillingdon Council is on track to deliver sufficient primary school places for local children over the short, medium and long term and this report updates Cabinet on the progress. In particular, Cabinet is asked to:</p> <ol style="list-style-type: none">1. Note the progress on phases 1, 1a and 2.2. Delegate approval to appoint consultants to take forward a phase 2 feasibility studies incorporating the EdVenture Concept.3. Delegate approval to appoint the necessary consultants and obtain the necessary reports and surveys to progress phase 3 new school feasibility study.4. Approval of the necessary capital release.
Contribution to our plans and strategies	Investment in primary schools to adequately address the impact of population increase within the Council on existing school places. This project also forms part of the Hillingdon Improvement Programme.
Financial Cost	This report seeks authorisation to appoint consultants including the provision of necessary surveys and reports for the Primary Schools Capital Programme at an estimated value of £402K along with the capital release.
Relevant Policy Overview Committee	Education and Children's Services
Ward(s) affected	All wards except: Barnhill, Eastcote, West Ruislip, Manor and Northwood although all wards will benefit from the primary schools programme.

RECOMMENDATIONS

That Cabinet:

1. Notes the progress made on phases 1a, 1 and 2 of the primary schools capital programme of works.
2. Delegates authority to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Director of Planning, Environment, Education and Community Services to make all necessary decisions on the award of design consultant contracts necessary to develop feasibility stage EdVenture Concept schemes, for Phase 2 projects outlined in this report.
3. Delegates authority to the Leader of the Council and Cabinet Member for Finance, Property and Business Services, in consultation with the Deputy Chief Executive and Director of Planning, Environment, Education and Community Services to take all the necessary steps and agree any surveys, reports and consultancy services, for projects outlined in this report, necessary for the preparation of Phase 3 feasibility studies.
4. To approve to release £402K of capital funds in order to progress the above recommendations*¹.

INTRODUCTION

Hillingdon Council is on track to deliver sufficient primary school places for local children over the short, medium and long term and this report updates Cabinet on the progress.

REASONS FOR RECOMMENDATIONS

Revised Forecast Information

Updated pupil forecasts have been produced since the last schools Cabinet report. Indications are that 26 additional forms of entry will be required, including the 6 forms of entry in Phase 1. The revised forecast does not affect the works currently being addressed within Phase 1. This is a reduction from the previous estimate of 32 forms of entry, as shown in table One below.

Table One – Pupil Forecast Forms of Entry

Potential Total Requirements	2012/13	2013/14	2014/15
Previous Forecast – Forms of Entry	30	34	32
Current Forecast – Forms of Entry	24	25	26
Variance	(6)	(9)	(6)

This forecast is based on new housing development and actual birth data up to September 2010 (the most recent period for which birth data is available).

* The Leader of the Council and Cabinet Member can refer to Cabinet their joint delegation to approve any capital release.

The lead-in time for expansions and new schools means that a large number of temporary expansions will be needed to meet demand in the interim. Currently within Phase 1a there are four temporary expansion projects, at Belmore, Glebe, Harlyn and Highfield, plus the new primary provision at Rosedale College.

New pupil forecasts are received once a quarter, so it is possible that the predicted requirements will continue to fluctuate.

Summary of Progress on Phases 1, 1a and 2

The Cabinet Report dated 20th January 2011 highlighted the need for 15 new forms of entry to be available by August 2011. These were split into:

- **Phase 1:** Permanent Expansion - requiring 6 forms of entry
- **Phase 1a:** Temporary Expansion phase - requiring 7 forms of entry.
- **Rosedale:** Temporary Expansion – 2 forms of entry

Phase 1:

This phase involves the conversion of existing buildings and the construction of new school buildings within 6 existing primary schools. The schools involved are: Whitehall, Colham Manor, Grange Park, Brookside, Cranford and William Byrd.

Current Position:

- Cranford Park – foundations and steel frame are complete
- William Byrd – foundations and steel frame are complete
- Brookside – foundations complete
- Colham Manor – redesign work was carried out around the studio and library and a planning application has been submitted. Main works commencing onsite on 25 July 2011.
- Grange Park – engagement with school has taken place on the revised location of the nursery block and reconfiguration of space. A revised planning application is being prepared for submission at the end of July 2011. A separate planning application for a temporary accommodation unit has been submitted to enable additional pupil numbers to be admitted for September 2011.
- Whitehall School – engagement with the school has taken place in the form of design workshops and feasibility meetings to devise a scheme that is acceptable to the school and the Council. Officers are seeking an extension of time against the 3rd March 2011 adjudication from the Office of School Admissions (“OSA”) that required a planning submission by the 31st July 2011. Officers have conducted Informal discussions with the OSA about obtaining an extension of time by means of a letter from the Council, which has been issued on the 13 July 2011.

Phase 1A incorporating Rosedale :

This involves the construction of temporary classroom accommodation to enable a further 7 forms of entry. The schools involved include: Belmore, Glebe, Harlyn, Highfield, Pinkwell and two other schools, which were later assessed as unsuitable. (Pinkwell is also included but has been programmed for next year). For speed, Rosedale was then integrated into this phase rather than being a separate programme of works. The revised pupil forecast does not change the scope of works being progressed in this phase.

Current Position:

- Glebe, Belmore and Highfield – Classrooms are onsite being installed, with a projected completion at the end of July 2011
- Harlyn and Rosedale – Classrooms are onsite being installed, with a projected completion in August 2011.
- Planning consent has been obtained for all the projects.

Phase 2: Permanent Expansions

The Phase 2 feasibility study programme has been split into three strands so that schools in the same school place planning area are grouped. The Schools within the specific groups along with the target feasibility completion dates are as shown in Table 2 below:

Table Two – Phase 2 Feasibility Study Grouping

School	Group One – July 11	Group Two – September 11	Group Three – September 11
Harefield Junior School	√		
Harlyn Primary School *	√		
Glebe Primary School *		√	
Deansfield Primary School		√	
Ruislip Gardens Primary School		√	
Field End Primary School		√	
Hermitage Primary School	√		
Highfield Primary School *	√		
Ryefield Primary School		√	
Hillingdon Primary School			√
Charville Primary School			√
Rabbsfarm Primary School			√
Rosedale Primary School *	√		
Wood End Primary School		√	
Heathrow Primary School			√
Cherry Lane Primary School			√
West Drayton Primary School			√
Laurel Lane Primary School			√
Pinkwell Primary School *	Brought forward from group two	√	

* Phase 1a schools – Temporary Accommodation provided for September 2011

All the initial engagement visits with the schools in groups 1 and 2 have been carried out and group 3 is coordinated for July and early September. All feasibility studies and reports will be reviewed and completed by the middle of October 2011.

It is now possible to look at options for individual planning areas before the overall feasibility programme is completed. This is important when deciding whether to build a new school or expand existing ones.

As part of the feasibility study Pinkwell has been brought forward from group 1 into group 2. This is to enable an early feasibility study to be completed, which will review the available scope for expansion and it is expected to clarify that there is not a need for a further new build school site in this planning area.

Revised pupil forecasts mean that demand for permanent expansion has fallen from 32 FE to 26 FE. This will not affect the scope of the feasibility studies carried out in phase 2.

Hermitage Nursery:

Proposals for Hermitage Primary will include the provision of a nursery on the school site. The existing nursery is currently located off site, next to the Lancaster Centre. This is being prioritised so that the Lancaster Centre site can be released from use and recommended for disposal.

Phase 2 Temporary Provision:

The need for temporary provision is shown in Table 3 below and will be reviewed after the feasibility studies in phase 2 have been finished and pupil number forecasts have been further reviewed.

Whilst schools are generally willing to work with the Council to provide additional places, their responses indicate that they have concerns regarding year-on-year temporary expansion using temporary accommodation. The key to securing schools' cooperation is a commitment to progressing permanent accommodation solutions.

Table Three – Initial Assessed Temporary Expansion Options

School
Harefield Infants School
Hillside Primary School (Temp Bulge)
Bourne Primary School (Temp Bulge)
Cowley St Lawrence Primary School
Brookside Primary School
Rabbsfarm Primary School
Minet Primary School
William Byrd Primary School

Faith Schools - Dr Triplets and St Swithuns:

The Council is required to consult on expansion proposals and initial discussions have taken place with both diocesan boards. As a result, two schools have been identified as suitable for permanent expansion. Until Phase 2 feasibility studies have been completed for all candidate schools in an area, it will not be known whether or not the expansion of faith schools would be needed to meet demand for places. What would also need to be taken into account is the extent to which the expansion of any particular faith school would provide places for local residents. This will vary from school to school, depending upon its location and popularity. It is possible to seek agreement with diocesan boards to a proportion of "open" places.

Although not included within the Phase 2 feasibility programme of works a pre-planning assessment of both sites will be conducted in July 2011.

Phase 2 Construction Options

In the past the Council has used tradition methods of construction. However, new construction technologies are now being considered.

EdVenture Concept

The EdVenture concept is a flexible school design based on a permanent wide span external shell and core with an adjustable interior comprising modular units and panellised units that can be detached from the shell and easily rearranged and dismantled.

The indicative net construction cost for this system is £1,100sq/m, excluding site specific abnormal costs. A Council Officer has visited Liverpool City Council, which has four schemes at the planning stage, and the indicative net construction costs are slightly higher. Even at this level the net construction costs are at the lower end of the benchmark range expected for modern methods of construction.

There are cost and time benefits with this type of construction. A further benefit is the flexibility of the building to adapt to the changing needs of the school e.g. an ICT suite could easily be changed to learning resource centre.

The EdVenture Concept is a risk, as it has not been used in this country. It is based on European technology and has been used in Europe. EdVenture are looking to enter into "pilot" schemes with Local Authorities in England. There are four "pilot" projects being progressed with Liverpool City Council.

The EdVenture Concept is not appropriate for all locations, as there are some sites for which it will not be acceptable in urban design or planning terms. The feasibility studies in phase 2 will consider the appropriateness of the EdVenture system when looking at feasibility options. Based upon a **quotation of £62K** Council Officers are seeking approval for a single tender action to appoint EdVenture to conduct a feasibility study to determine the suitability of this approach on 2 sites.

Other Options

There are other systems available on the market, which incorporate the benefits of standardised design, flexibility and reduced construction time. They are also typically cheaper than traditional construction methods. The alternative options include:

- Modular/Volumetric
- Component systems
- Modern methods of construction

All of these options share the benefits above and are being considered as part of the feasibility studies, on a site specific basis.

Phase 2 Statutory Consultation

After the feasibility studies in phase 2 are carried out and specific sites are recommended for expansion, a report will be submitted to Cabinet containing a recommendation to commence the schools statutory consultation process. There will be dialogue with schools and other stakeholders during the feasibility study so that any accommodation issues will be identified at an early stage and options/proposals will be available at the start of the consultation process. Statutory consultation is a two-stage process and could span two school terms.

Phase 3 – New Schools

There is a particularly high demand for school places within certain parts of the Borough and this cannot be met simply by expanding existing schools. Therefore, new primary schools need to be built. Prior pupil forecasts showed a need to build four new primary schools including RAF Uxbridge. However, the recent lower forecasts now show a need for one new school, plus RAF Uxbridge.

The requirement for new schools will be reviewed as pupil forecasts change. Whilst the forecast methodology is generally robust and utilises the most up-to-date information cross-checked with other data sources, it should be noted that trends can and do change.

A site has been identified in close proximity to the area of high demand, so that the children will not have far to travel to school. There are no suitable brownfield sites available in the necessary location.

Phase 3 Identified Site for New Schools:

Lake Farm

The site identified for the new school is Lake Farm in Hayes. The specific site being considered is just under 5 hectares in total and is in the Green Belt. It is not part of Lake Farm Country Park designated as a nature conservation site, nor is it an area previously developed for leisure activities apart from a very small toddler play area which could be relocated. It is situated on the corner of Botwell Common Road and Botwell Lane.

To develop on Green Belt land a case has to be made showing that there are no other non Green Belt available sites in the area on which to build a new school. A special circumstances argument would also need to be put forward justifying the need for a new school. The special circumstances argument is an assessment of the educational alternatives to a new school (the lack of space at neighbouring schools is relevant). It considers all potential development sites in the search areas so that it becomes clear that a Green Belt site is the only option. It appears that a special circumstances argument could be made for the Lake Farm site.

It should be emphasised that the Council will be able to demonstrate it has an exemplary record of investment in green spaces. There are numerous green flag parks and extensive investment in parks and open spaces.

The design of the school would need to minimise its impact on the openness of adjoining Green Belt land. This limits the size of the school to the smallest required to address the shortfall. There would also need to be extensive landscaping to integrate the school into the country park location.

The school would require a minimum of 3FE and a maximum of 5FE, depending on the results of the Rosedale feasibility study. The Green Belt requirements will determine the design and construction methods used.

The James report on "Review of Education Capital" dated April 2011 indicates a standardisation of design and specification, which may affect school space standards. The existing DfE guidance is reflected in the Hillingdon Schools specification. At this time it would be a risk to design the new schools to a standard below the current guidance. The standard required is, therefore, likely to be above the requirements for Free schools that are required to comply with for example the Education (Independent School Standards) Regulations 2010.

RAF Uxbridge

The construction of a new 2FE Primary School will form part of the Section 106 agreement currently being negotiated with developer. The location of the new school will be within the RAF Uxbridge site. Two options are being discussed; one where the developer builds the school to Council standards and the other where a sum of £8.6 million is given to the Council to build the school. The developer is only obliged to pay for a 2FE school, because the new development has a child density which only generates a need for a 2FE school.

If it is identified that a 3FE school is required the Council will be required to pay for the additional form of entry.

New schools – statutory consultation process

Legal advice confirms that if a new primary school is linked to a secondary school with academy status, the Council does not have to put the school out to competition. A new primary school can only be linked to a non-academy secondary school if they are geographically close to each other. The main implication of this would be a significant reduced lead in time for new school provision.

Special needs schools

There may be a need for an additional special needs school within the Borough. If this turns out to be the case, the USAF school at West Ruislip station could be a suitable location. Typically, as pupil numbers increase the number of pupils requiring special school or specialist resource provision will also increase.

Delivering the New Primary Schools Programme

There is an overarching strategy to deliver this project in accordance with the Council's wider objectives. Hillingdon has a school specification and area schedule that incorporates all statutory and regulatory standards that have to be complied with. This provides a list of requirements that any potential construction systems can be evaluated against.

The approach to the new build school programme is to use the internal design team to produce feasibility reports on potential sites. This requires initial expenditure on surveys, reports and specialist consultants. Where a modular construction system is used, it is likely that the provider will have their own design team to progress pre-construction design, Planning and Construction. There is still a requirement for an in-house design manager, as the Corporate Landlord design team will retain overall responsibility for design review and control, so as to ensure quality of design throughout the project.

A Prior Information Notice "PIN" has been issued, to identify suppliers and construction system options. This will allow more detailed construction costs to be identified and will enable visits to completed projects to obtain necessary feedback.

Following the completion of the PIN review exercise, a feasibility study and design development a formal OJEU tender process will be carried out to appoint a design and construction contractor, which will be the subject of a separate Cabinet report.

Phase 3 New School Concepts

The EdVenture construction system is explained in the section of this report that refers to phase 2. EdVenture will be one of the suppliers that may be invited to tender for the contract to build any new schools, depending on the results of initial feasibility work and in comparison with the value for money solutions that other such construction solutions may provide.

Modular/volumetric, component and modern methods of construction will also be considered within the feasibility study for the new schools.

Principles that will span phases 2 and 3

A consistent approach will be taken when planning school extensions and new schools. This is to ensure design quality and equitable treatment of schools and to enable the cost of different types of buildings to be compared so as to control programme costs. The suggested principles are as follows:

- Proposed accommodation schedules and designs for both internal and external spaces will be developed to comply with DfE guidance, including any statutory requirements, for permanent

solutions. In relation to existing buildings, improvements would generally be limited to addressing statutory requirements only.

- Additional accommodation would usually be in a standalone building. This would keep to a minimum the need for alteration and upgrading of existing buildings. New buildings would have independent services to avoid connections to existing services that may well be in need of upgrading.
- Subject to the above, accommodation would be grouped into year groups, wherever feasible and cost-effective to do so.
- Expansion work would not address defects in existing buildings or services, unless these are directly affected by the building programme and/or where there is a legal requirement on the Council in terms of health and safety. Options for the expansion of existing schools would include the replacement of temporary accommodation, especially where this is logistically necessary in order to develop the site and/or where such buildings are life-expired.
- Expansion projects would include increased nursery provision so that the nursery intake matches the reception intake, unless this is not feasible due to site constraints or where there is already sufficient private and voluntary sector provision in the local area. Where feasible, the early years accommodation would be in the form of a foundation stage unit.
- No dedicated accommodation for extended services would be included in extensions or new schools, unless there is a demonstrated need in the local area, with funding stream. Where such provision already exists at a particular school (e.g. an on-site day nursery), this use would be retained. In this context, “extended services” refers to formalised use by an external organisation, rather than use by the school itself for extended services. Accommodation would be designed to facilitate dual use of space (e.g. additional storage), where feasible and cost-effective to do so.
- Where schools have on-site facilities for cooking school meals, this would be expanded to cope with the increased roll. Where such provision does not currently exist, any new accommodation would only include a servery for transported-in meals. However, it might be necessary to provide additional capacity for cooking meals to meet local area requirement for transported-in meals.
- Existing dedicated dining spaces will be maintained. In accordance with DfE guidance, this will be taken into account in assessing the overall volume of hall space required. Hall spaces in new schools would be multi-purpose and dining furniture storage spaces would be provided to facilitate this i.e. no dedicated dining halls will be provided.
- Schools may have brought hitherto “surplus” accommodation into use for extended services, in order to operate smaller class sizes for part of the school day, or to create other facilities that are over and above DfE guidance for “mainstream” school activity. It is not proposed that additional accommodation is provided that allows these uses to continue.
- If schools wish the extension project to include additional spaces and/or other work, this could be considered, subject to governing body agreement to meeting all of the direct and indirect costs involved and subject to feasibility.
- Rising pupil numbers will result in an increased need for specialist resource provision (SRPs). Feasibly work for extensions and new schools will look at the option of providing SRP accommodation.

Section 106 Money

There is an amount of section 106 funding that could potentially be used to help fund the schools programme. New section 106 contributions could also be allocated towards the schools expansions programme. Council Officers will continue to review the opportunity of further new S106 contributions.

The current forecast for section 106 Education contributions equates to £6,352K of which £4,012K is currently held by the Council. The £6,522K section 106 contributions are shown in the Financial Implications section of this report.

With respect to community and landscape contributions there are unallocated section 106 monies as follows:

- £12.4K towards landscaping in the environment of Lake Farm. (no time limit)
- £140K towards community facilities in the wider Yiewsley area. £77K to be spent by September 2014 and £63K to be spent by March 2016. It is required to be spent in the “ Yiewsley Locality.”

Phase 3 New Schools Feasibility Surveys, Reports and Consultants

For feasibility studies of potential sites to be taken forward, various surveys and reports are required. Specialist external consultants required are likely to include the following:

- EdVenture Concept Feasibility
- Green Belt Planning Consultants
- Structural Engineers
- Mechanical and Electrical Engineers
- Drainage Engineers
- Arboriculturist and ecology for external areas
- BREEAM Assessor and consultancy

Early budget estimates of fees are £340K, as shown in table four below.

Table 4 Phase 3 – Summary of Feasibility Budget Costs.

Phase 3		£(K)
EdVenture Site Feasibility assessment and report	School Primary Capital Funding plus other Capital resources (to be released)	100
New schools feasibility surveys, reports and consultant fees	School Primary Capital Funding plus other Capital resources (to be released)	180
Corporate Landlord Design Fees	School Primary Capital Funding plus other Capital resources (to be released)	45
Corporate Construction Fees	School Primary Capital Funding plus other Capital resources (to be released)	15
Total		£340K

Secondary Schools Requirements

Currently, there is sufficient capacity in both north and south of the borough and it is not expected that further capacity will be needed until 2018 (possibly up to 10 forms of entry required between 2018 and 2021). Forecasts for the sector are currently being updated. However, given lead-in times for provision and the need to develop an overall estates strategy that also addresses building condition issues, it is recommended that initial planning takes place at an early stage.

Alternative options considered / risk management

However robust the data on which forecasts are based, it is, impossible to have certainty on future demand. This means that plans will be adapted in response to changes in demand. The risk that there will not be sufficient places to meet demand has to be balanced against the risk of over-provision.

Not to proceed with the school expansion works will result in a severe shortfall of school places and a breach of the Council's statutory duty.

Financial Implication

Phase 2 & Phase 3 Development

In February 2011 Council approved a PSCP budget for 2011/12 of £28,617k, to be funded from a combination of DfE grant, Section 106 contributions and Council Resources. This report recommends design feasibility for EdVenture Concept schemes within Phase 2 and preparation for Phase 3 feasibility studies totalling £402k, which are to be funded from the un-released £5,291k of this budget. As external funding in the current year is fully committed to on-going Phase 1, 1A and 2 projects, this will represent a call on Council Resources.

Programme Overview

Table 4 sets out the latest PSCP expenditure and funding forecast, following the latest revisions to demand forecasts and updated indications of construction costs.

Forecast expenditure on Phases 2, 2A and 3 is linked to a number of assumptions and forecasts which will be further refined as the programme progresses, the key variables are:

- Pupil number forecasts; which will be further refreshed in August/September 2011
- Construction methods and costs; which will be clarified and further refined as feasibility works are completed in the coming months
- External funding; which will be updated to reflect DfE announcements and progress in lobbying for greater support

Table 5:

	2010/11	2011/12	2012/13	2013/14	2014/15	Total	Permanent FE	Temporary Units	Target Date
Minor Works	559	295	-	-	-	854	-	-	Sept 2010
Phase 1	1,080	16,806	3,049	137	-	21,072	6	-	Sept 2012
Phase 1A	10	3,014	-	-	-	3,024	-	7	Sept 2011
Phase 2¹	-	2,577	42,860	7,216	515	53,169	15	(2)	Sept 2013
Phase 2A	-	-	3,250	-	-	3,250	-	10	Sept 2012
Phase 3^{1/2}	-	170	316	7,780	1,459	9,725	5	-	Sept 2014
Total Expenditure	1,649	22,862	49,475	15,133	1,974	91,094	26	15	
DfE Grant	1,649	18,103	11,560	11,560	1,974	44,846			
Section 106 Council Borrowing	-	2,253	2,599	1,500	-	6,352			
Total Financing	1,649	22,862	49,475	15,133	1,974	91,094			

¹ Forecasts for 2011/12 and 2012/13 include cost of works recommended in this report

² Expenditure on RAF Uxbridge has been excluded from Phase 3 as this will either be directly incurred by the developer or substantially funded from S106 contributions. In addition no provision has been made for a new Special Needs School in current Phase 3 forecasts

Current estimates included in Table 5 indicate that Council Resources of approximately £40m are required to meet demand for school places. Whilst current revenue provision for PSCP borrowing of £3m per annum is expected to be sufficient to service borrowing of approximately £40m, it should be noted that an increase in demand of one permanent form of entry would equate to approximately £3.5m of additional expenditure and without an increase in additional external funding would be wholly funded from Council Borrowing.

Comments of Policy Overview Committee(s)

None at this stage

EFFECT ON RESIDENTS, SERVICE USERS AND COMMUNITIES

Completion of both the temporary and permanent phases of the programme will result in additional school places needed for local children, which the Council has a statutory duty to provide.

CORPORATE IMPLICATIONS

1. Corporate Landlord

The Corporate Landlord has authored this report.

2. Corporate Finance

Corporate Finance has reviewed this Primary School Places (PCP) update report and notes the implication of the latest pupil number projections for the PCP programme and the Council's Capital programme in general. The phasing of the programme and the revenue resources required to support it will be incorporated into the MTF process.

The reduction outlined in the number of forms of entry reduces the total cost of the programme from approximately £140m to £100m (£91m shown in Table 5 plus RAF Uxbridge S106 contribution) thus eliminating the need for further revenue provision to support extra borrowing. The Council already has in

place a financing strategy to fund this amount based on current external funding assumptions. This is detailed in Table 5 and uses a combination of grant funding, third party contributions and Prudential borrowing which is supported by £3m of revenue resources already allocated within the MTF. However, volatility over pupil number projections clearly represents a financial risk potentially leading to either the under or over supply of school places; hence the flexibility that is incorporated into the programme's strategy is considered to be a financially prudent approach. Completion of phase 2 feasibility studies is expected in October 2011 and this, coupled with Quarter 3 pupil number projections, will enable further refinements to the planning of the programme then.

Assumptions made with regard to the availability of DfE grants for future years are based on funding announcements made for the current year. The James review has identified Primary Places pressures as a particular concern, especially within London, and has recommended that DfE capital is targeted to areas of school place needs rather than wider general improvement schemes such as the Building Schools for the Future programme. To date, Central Government has made no further announcements on the targeting of any such capital however the Council will continue to lobby for direct funding of school places rather than relying on setting aside revenue resources to undertake Prudential borrowing. In the absence of additional grants, the bulk of borrowing will be required in 2012/13 with the associated revenue financing costs being incurred from 2013/14.

Capital release of £402k is requested to allow design and feasibility works for phase 2 and 3 to progress. Given the scarcity of DfE funding, Corporate Finance welcomes feasibility studies exploring alternative and new construction methods that could reduce costs per sq/m and also allow future flexibilities for the schools concerned, coupled with the set of principles to span phase 2 and 3 outlined within this report that should help constrain costs of the programme in its entirety. However, it should be noted that feasibility studies for particular designs or schools that are not subsequently implemented may not be capitalisable and hence would require additional one-off revenue resources.

3. Legal

Section 13 of the Education Act 1996 establishes the high-level functions of a local authority in securing education for its area, which it should undertake with a view to promoting high standards and the fulfilment of educational potential for every child and with a view to ensuring fair access to educational opportunity. Section 14 of this Act places local authorities under a general duty to secure sufficient schools for providing primary and secondary education in their area and to have particular regard to securing special educational provision.

The Education and Inspections Act 2006 places new duties on local authorities to promote diversity and increase parental choice in planning and securing the provision of school places. The Act also places an explicit duty on local authorities for the first time to respond formally to parents seeking changes to the provision of schools in their area, including new schools.

The proposals set out in this report will help the Council to meet its statutory duties and they are categorised under various Phases. With regard to Phase 2, the Council will need to carry out a statutory consultation exercise if it wishes to permanently extend existing schools, which will have to meet the strict requirements set out in the case of *R v London Borough of Brent ex parte Gunning*.

As far as the proposals to build new primary schools are concerned, the Department for Children, Schools and Families has published a Guide for Local Authorities on Establishing a New Maintained Mainstream School. The Guide contains both statutory and non-statutory guidance on the process which must be followed for opening a new school.

There are also specific statutory requirements for the establishment of any new maintained schools, whether they are to be brand new schools or replacement of existing schools. These requirements do

not apply to proposals to re-build a school on its existing site or to transfer an existing school to a new site within 2 miles of the existing site.

The general rule is that if a new maintained school is required, a competition must take place; the Department for Education has advised that this takes approximately 18 months to complete. There are, however, two exemptions to this rule upon which the Council may seek to rely.

Firstly, the Council may wish to explore the possibility of establishing a link with any school in the borough which has already acquired Academy status. The Council could then use the existing Academy sponsor as a vehicle for making an application for a funding agreement and if this was approved, an Academy Trust could assume responsibility for building a new school which would have Academy status.

Secondly, A Free School can be set up by a suitable proposer in circumstances where there is demand for one from parents. Although the Free School would not be controlled by the Council, the Council could nevertheless support the proposer in its application to the Secretary of State for Education to establish such a school.

Both of the above exemptions would be in line with the Government's proposals, as reflected in the new Education Bill, to have Academies and Free Schools operating throughout the country".

BACKGROUND PAPERS

Nil