

PRIMARY SCHOOL CAPITAL PROGRAMME - UPDATE

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Cabinet Portfolios	Finance, Property & Business Services Education & Children's Services
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Papers with report	This report is linked to item 14 which is included within Part 2 of the Cabinet agenda.

HEADLINE INFORMATION

	<p>Cabinet receives regular update reports to progress the primary school capital programme. Members will be pleased to note that the Council is on track to deliver sufficient primary school places for local children over the short, medium and long term</p> <p>In this report, Cabinet is being asked to note the progress on Phase 1, 1a and 3 and also make decisions to:</p> <ol style="list-style-type: none">1. Progress with Phase 2 expansions to stage D;2. Delegate authority to Cabinet Members to award contracts for Phase 2A temporary units and;3. Approval additional capital release funds.
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 £2,443k capital release to progress provision of temporary primary provision for September 2012 and provides an update on the wider £128m primary school expansion programme
Relevant Policy Overview Committee	Education and Children's Services
Ward(s) affected	All wards will benefit from the primary schools programme.

RECOMMENDATIONS

That Cabinet:

- 1. Notes the progress made on phases 1a, 1, 2 and 3 of the primary schools capital programme of works;**
- 2. Instructs officers to progress with Phase 2 expansions detailed in this report to Stage D, within capital released approved at Cabinet on 26 May 2011;**
- 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 place a building contract for Phase 2A temporary units within granted capital release and;**
- 4. Agrees to release £2,443K of capital funds in order to progress recommendation 3 above*¹.**

INFORMATION

Phase 1 (Permanent Expansions)

Phase 1 of the Primary School Capital Programme comprises expansion projects at 6 schools. 4 school expansion projects are currently on-site:

- Brookside Primary
- Cranford Park Primary
- Colham Manor Primary
- William Byrd Primary

There has been some slippage moving forward the construction due to a 4 week delay in steel procurement at the outset. This does not present a critical operational issue for the schools, as the space will still be provided ahead of the start of the term it is needed for.

The remaining 2 schools - Grange Park Infant and Junior and Whitehall Infant and Junior - are currently being revisited at the planning application stage following further discussions with the schools involved. The aim is to commence on site with these projects in December 2011/ January 2012.

Phase 1A incorporating Rosedale (Temporary Expansion)

The primary schools within this phase are:

- Belmore
- Glebe
- Harlyn
- Highfield

*¹The Leader of the Council and Cabinet Member can refer to Cabinet their joint delegation to approve all capital release.

- Pinkwell
- Rosedale

Phase 1A of **Rosedale, Harlyn, Highfield, Glebe** and **Belmore** have all now been completed and the schools were fully operational for the start of the new September term.

Planning consent for the temporary classrooms has already been granted for both **Pinkwell** and **Rosedale**. The opening ceremony for **Rosedale** School took place on 6 September with very positive feedback from the school and governing body on programme delivery.

The second phase of the temporary school building will be completed at Rosedale Primary school in September 2012. A new double classroom unit will also be operational at Pinkwell School by September 2012. Planning consent for both schools has already been granted and the tendering exercise to obtain the classrooms will take place in January 2012.

Phase 2 (Permanent Expansions)

Phase 2 schools considered for permanent expansion were put into three categories (2.1, 2.2 and 2.3) in order of greatest geographical need as set out in **Table 2** below. Detailed feasibility reports assessing their viability for expansion were then completed.

Table 2: Phase 2 permanent expansion – geographical categories

Name of School	Form of Entry Required
Phase 2.1	
Harefield Infant School	0.5
Harefield Junior School	0.5
Harlyn Primary School	1
Hermitage Primary School	1
Highfield Primary School	1
Pinkwell Primary School	1
Rosedale Primary School	2
Phase 2.2	
Glebe Primary School	1
Field End Infant School	0.5
Field End Junior School	0.5
Ruislip Gardens Primary School	1
Wood End Primary School	1
Phase 2.3	
Cherry Lane Primary School	1
Heathrow Primary School	0.5
Hillingdon Primary School	1
Rabbsfarm Primary School	1
West Drayton Primary School	1
Total	15.5

The above 17 schools were consulted, surveyed and presented with design options for expansion. These were discussed and agreed with the schools, including formal acknowledgement of the schools' responses to the recommended design options from the feasibility studies undertaken.

Members will recall in the 28th July 2011 Cabinet report, the Education “principles” that would guide such building and expansion projects. These principles were integrated into the recommendations from the feasibility studies. Additional principles, included:

- Works which included extensions to the existing buildings would seek to avoid consequential improvement costs (10% of the construction contract sum) by using unheated extensions where appropriate’
- Provision of facilities exceeding current DfE standards may be proposed to facilitate school support, however any such variations will be subjected to a cost/benefit appraisal and referred to members for approval and;
- The use of a value added criteria to identify how hygiene rooms can be more effectively positioned in extensions or new builds.

Table 3 below details recommended design options for each of the 17 schools under consideration. The costings associated with this are included in a Part II report on this agenda, so they do not prejudice future procurement exercises. Design options are:

1. **Traditional** – Constructed entirely on site using traditional methods
2. **Component System Build** – Sections of a building are built external and delivered to site as a kit
3. **Volumetric** – The whole building is constructed externally and delivered to site in parts

Table 3: Phase 2 permanent expansion – feasibility study recommendations

Name of School	Form of Entry Required	Year Required	Recommended Design Option	Recommended Construction Method
Harefield Infant School	0.5	2013	Extension of 2 existing classrooms	Traditional
Harefield Junior School	0.5	2013	Extension to existing school to include 2 new classrooms.	Traditional
Harlyn Primary School	1	2013	Standalone Block and major refurbishment	Volumetric
Glebe Primary School	1	2013	New build school; full demolition of old	Component System Build
Ruislip Gardens Primary School	1	2013/4	Standalone Block and major refurbishment	Volumetric
Field End Infants School	0.5	2013	Standalone Block	Component System Build

Name of School	Form of Entry Required	Year Required	Recommended Design Option	Recommended Construction Method
Field End Junior School	0.5	2013	Standalone Block and major refurbishment	Component System Build
Hermitage Primary School	1	2013	Standalone Block	Volumetric
Highfield Primary School	1	2013	Standalone Block and major refurbishment	Component System Build
Hillingdon Primary School	1	2013	Standalone Block and major refurbishment	Component system Build
Rabbsfarm Primary School	1	2013	Standalone Block and major refurbishment	Volumetric
Rosedale Primary School	2	2013	New Primary School	Traditional
Wood End Primary School	1	2013	Standalone Block and major refurbishment	Volumetric
Heathrow Primary School	0.5	2013	Standalone Block and major refurbishment	Volumetric
Cherry Lane Primary School	1	2013/4	Standalone Block and major refurbishment	Volumetric
West Drayton Primary School	1	2013/4	Standalone Block and major refurbishment	Component System Build
Pinkwell Primary School	1	2013	Standalone Block and major refurbishment	Volumetric
Total Phase 2 Permanent Options	15.5			

A key recommendation within this report is for Cabinet to agree to progress the recommended design options listed above on each of these schemes to Stage D within funding previously approved by Cabinet on 26 May 2011. Meetings have been arranged with the schools selected for expansion to provide an update on the Cabinet decision and to discuss the construction programme and how this interfaces with the consultation exercise.

Members should note that of the original 21 schools assessed as part of this phase both **Deanesfield** and **Laurel Lane** have been placed on a reserve list as they have been deemed not suitable at this stage. However, owing to the fluidity of the pupil place figures, it is possible that these or other schools may be approached again should additional places be required. For example, discussions are being undertaken with **Ryefield** and **Charville** over possible future expansion requirements that are still being clarified.

Once approval is given to proceed with expanding the recommended schools, a report will be submitted to the Cabinet Member for Education and Children's Services containing a

recommendation to commence the schools statutory consultation process. A detailed programme is being developed that will encompass the building programme and statutory consultation timetable to identify the critical path for the Phase 2 programme.

Phase 2 (temporary provisions for September 2012)

Whilst longer-term permanent expansion plans outlined above are moved forward, Cabinet approval is also sought to proceed with interim arrangements and the procurement and construction of temporary classrooms on school sites identified below (see **Table 4**) at cost of £2,600k. It is proposed that refurbished units will be used for temporary classrooms to minimise costs.

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

Table 4 – temporary provision for September 2012

School	Completion Date	Bulge Year	Estimated Cost (£'000)	Additional Construction Comments
Harefield Junior School (Could be contained within existing accommodation)	Sep 12	1		No further action to be taken at present
Pinkwell School (1 Classroom only)	Sep 12	1		New planning permission required
Hermitage School	Sep 12	1		Potential use of music room
Oak Farm Infant School	Sep 12	1	325	Repositioning
Oak Farm Junior School	Sep 12	1	325	Repositioning
Charville School	Sep 12	1	325	None
Cranford Park (bulge year)	Sep 12	1		No action to be taken at the moment.
Rabbsfarm Primary School	Sep 12	1	650	2 x double units
Cherry Lane School	Sep 12	1		Can accommodate within existing space
Rosedale Primary School	Sep 12	1		None
Bourne Primary School	Sep 12	1	325	None
Minet Infant School	Sep 12	1	325	Tight site; may need some repositioning
Minet Junior School	Sep 12	1	325	Tight site; may need some repositioning
Total Phase 2 Temporary Provision		13	2,600	
Previously Released			157	
Release Requested			2,443	

Phase 3 (New Schools)

Lake Farm

Officers are working to progress the proposed new school at Lake Farm. Surveys are being carried out on the site. This information will be combined with the Hillingdon schools brief and sent out to those organisations who have already expressed an interest during the initial procurement process. Once the responses have been returned, they will be analysed and drawn together into a feasibility report that will comment on the sites themselves, and the viability of the different construction options and priced tenders.

It is scheduled to take this decision to Cabinet in early in 2012. This would enable the new school to be ready for a September 2014 intake, assuming there are no delays associated with planning issues.

RAF Uxbridge

The RAF Uxbridge developer VSM is working closely with the Council to share technical knowledge concerning the site. VSM have confirmed they are willing to transfer the school land to the Council early in the development programme.

The current draft of the s106 planning agreement indicates that the Council will be able to choose to start building the school as soon as it gets the land. VSM will make regular payments over the course of the rest of the development programme.

The feasibility exercise as described for Lake Farm (above) will be carried out simultaneously for RAF Uxbridge. Cabinet will receive an update on this in early 2012, along with Lake Farm above and be given the necessary information to make informed choices about the way forward on both sites.

Associated school capital projects

Special needs schools

An exercise is being done to see whether it is viable to use the USAF school at West Ruislip as a special needs school. A cost benefit analysis will be done and presented to the Cabinet Member in due course.

Faith Schools

It is the view of officers that permanent expansion of a local faith school will not be needed in light of the above school expansions. Based on current forecasts, provision of 2fe at Rosedale College and 3fe at Lake Farm would meet projected needs in the central Hayes area. In addition, the preferred scheme put forward by the Archdiocese of Westminster has been assessed as likely to be significantly more expensive than other options.

In the Uxbridge area, pending new provision at the RAF Uxbridge site, there will be a need to seek the agreement of at least one faith school to temporarily expand in order to have sufficient places in the interim (i.e. in addition to Whitehall and Hermitage admitting additional children). It is likely that the Diocesan Board would seek provision of permanent accommodation. A

classroom size permanent extension to the existing building may not cost more than a temporary building on another site.

Hermitage Nursery

Cabinet agreed on 28th July 2011 to delegate authority to the Leader of the Council and Cabinet Member for Financial, Property and Business Services to take all the necessary steps to facilitate the relocation of Hermitage Nursery onto the Hermitage School site, and agree the procurement of relevant surveys, a temporary unit to house the nursery and associated ancillary works.

It is currently scheduled and approved to be relocated to the Hermitage Primary school site in February 2012. The old nursery site will be disposed of in 2012/13. Cabinet also agreed to release £300k of capital funds to progress the above relocation.

EdVenture Concept

Cabinet will recall the EdVenture concept, which is a new way of building a flexible school design. It is 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 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. There are also other building regulation and play space matters to be looked into further. Once the Edventure report has been produced and considered, Cabinet will be updated with the results of the analysis.

Financial Implications

Phase 1 (Permanent Expansion)

Phase 1 projects have been subject to a number of changes between tender and contract award, leading to a current outturn of £21,072k and a pressure of £1,029k against approved budget. Project officers are producing a Cabinet Member Report to detail contract variations accounting for this pressure, however there may be scope to reduce the overspend once revised designs for Whitehall and Grange Park are agreed.

Phase 1A incorporating Rosedale (Temporary Expansion)

Officers are currently in the process of settling and agreeing the final accounts to this phase of works. This final figure will include discounts agreed in the previous cabinet report of May 2011, which is a consequence of the single tender action use of Terrapin as supplier and contractor. Phase 1A projects are expected to be delivered within approved budgets, with a forecast outturn including works at Pinkwell and Rosedale in 2012/13 of £3,391k.

Phase 2 (Permanent Expansions)

Current estimates indicate that the required number of forms of entry for this phase can be provided at a cost of £78,228k, however this will be reviewed following a value engineering exercise and specific Member approval will be sought for projects at each school.

Phase 3 (New Schools)

Cabinet have approved a budget of £340k to develop Lake Farm and RAF Uxbridge projects, which officers currently expect to be spent in full. The total cost of providing two 3FE schools is estimated to be approximately £19m.

Overall budget

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. Current forecast outturn against this budget in 2011/12 is £20,017k, which can be fully funded from external resources deferring any revenue impact from the use of Council Resources into 2013/14. As noted above, there is a net pressure of £912k on live PSCP projects which will ultimately be funded from additional prudential borrowing. This variance consists of a £1,029k pressure on Phase 1 and £117k under spend on Phase 1A.

Recommendation 2 seeks authority to proceed to stage D with the schools named above within existing capital release of £2,252 granted at July Cabinet. There are no additional financial implications arising from this recommendation, however members should be aware that any costs incurred on feasibility for schemes which are not expected to proceed in future would become a pressure on revenue budgets.

Recommendations 3 and 4 seek delegated authority to procure and grant capital release for mobile units to meet demand for places in September 2011 at a cost of £2,600k. This investment is primarily intended to address 'bulge' requirements and ensure sufficient places are available in advance of permanent expansions being completed. This expenditure is expected to take place during 2012/13 and be funded by a combination of Council Resources, DfE grant and Section 106 contributions as detailed below.

Programme Overview

Table 5 summarises the latest forecast outturn on all PSCP projects to meet anticipated demand for 26.5 additional forms of entry by September 2014, including the revised expenditure forecasts for Phases 2 and 2A detailed in this report. There remains a significant risk of further movement in forecast outturn as a result of changing pupil number forecasts, in addition to other key risks around procuring construction contracts and continuing levels of DfE funding.

Table 5:

	2010/11	2011/12	2012/13	2013/14	2014/15	Total	Permanent FE	Temp. Units	Target Date
Minor Works	559	295				854			Sept 2010
Phase 1	1,080	14,158	5,591	243		21,072	6.0		Sept 2012
Phase 1A	10	2,596	785			3,391		7.0	Sept 2011
Phase 2¹		2,439	54,101	21,203	785	78,528	14.5	(2.0)	Sept 2013
Phase 2A		157	2,443			2,600		8.0	Sept 2012
Phase 3²		340	616	12,814	5,355	19,125	6.0		Sept 2014
Phase 3A				1,300	1,300	2,600		8.0	Sept 2013/4
Total Expenditure	1,649	19,985	63,536	35,559	7,440	128,170	26.5	21.0	
DfE Grant	1,649	17,373	12,290	11,560	1,973	44,845			
Section 106 Council Borrowing	0	2,612	2,971	7,262	2,408	15,253			
Total Financing	1,649	19,985	63,536	35,559	7,440	128,170			

¹ Phase 2 includes £300k for Hermitage Nursery

² Forecast cost for Phase 3 includes the partially Section 106 funded RAF Uxbridge project

Confirmation of grant funding for 2012/13 onwards is yet to be confirmed by the DfE, with indications that allocations will be published in December/January. Financing forecasts for this programme assume levels of grant funding continuing at a comparable level to 2011/12 as announced by the department in July 2011.

Current estimates included in Table 5 indicate that Council Resources of approximately £68m are required to meet demand for school places. On-going revenue financing costs associated with this level of debt (consisting on MRP charges and external interest costs) are expected to be approximately £4.5m, which exceeds the £3m already set aside in revenue budgets to fund this programme. This increased borrowing requirement arises from Phase 2 feasibility studies indicating costs of approximately £5,400k per form of entry, rather than the £3,500k average on Phase 1 projects. Although value engineering options may reduce overall costs, there is still likely to be an additional call on Council Resources unless additional external funding or alternative options for delivery of school places are identified.

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

Corporate Landlord

The Corporate Landlord has authored this report.

Corporate Finance

Corporate Finance has reviewed this updated report on progress within the Primary School Places programme and notes the latest cost projections. The implications for both capital and revenue budgets will be incorporated into the MTF process and with the capital spend

occurring predominantly in 2012/13, the associated revenue financing cost will impact revenue budgets from 2013/14 onwards.

The reduction in projected pupil numbers reported to Cabinet in July 2011 resulted in the projected whole programme cost reducing from £140m to £100m. Following feasibility on phase 2 developments, total costs are now projected to rise to £128m, which in the absence of additional external funding, will see the unsupported borrowing element increase from £40m to £68m with a corresponding increase in associated revenue costs that will require additional resources over and above £3m already set aside within the MTFF.

However, this is based on the assumption that DfE funding will be maintained at levels similar to 2011/12. It is hoped that following The James Review and the recent consultation exercise on school capital, there will be a greater alignment of capital resources to where there are distinct school places pressure. Officers will continue to lobby for direct funding of school places provision rather than relying on setting aside revenue resources to undertake Prudential Borrowing.

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.

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

Cabinet Report – 28th July 2011