



Cabinet
14 October 2019

**Report from the Strategic Directors
of Regeneration and Environment
and Children and Young People**

**Secondary School Expansion Programme – Update and
Approval of Capital Funding**

Wards Affected:	All
Key or Non-Key Decision:	Key
Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small>	Open
No. of Appendices:	0
Background Papers:	0
Contact Officer(s): (Name, Title, Contact Details)	Cheryl Andani, Capital Programme Manager, Property & Assets, Regeneration & Environment Email: Cheryl.andani@brent.gov.uk Tel: 020 8937 3227 Shirley Parks, Head of Forward Planning, Performance and Partnerships, Children & Young People Email: Shirley.parks@brent.gov.uk Tel: 0208 937 4529

1.0 Purpose of the Report

- 1.1 This report proposes and seeks approval to move forward with plans to meet the projected demand for secondary school places as set out in the School Place Planning Strategy 2019-2023.
- 1.2 It provides an analysis of demand based on the latest pupil projections from the Greater London Authority (GLA) (based on the January 2019 school census) and the outcomes of feasibility work undertaken on school expansion proposals. It recommends proposals that would comprise a Secondary Expansion Programme to meet secondary basic need and seeks approval for capital funding to be allocated to deliver that programme.

2.0 Recommendations

That Cabinet:

- 2.1 Approve the secondary school expansion programme as described in paragraph 3.15.
- 2.2 Allocate £35.1m of capital funding to deliver a phased secondary school expansion programme.
- 2.3 Note that further reports will be brought to Cabinet seeking approval of capital allocations to individual projects from the overall programme funding based on detailed project business cases.
- 2.4 Note that the Strategic Director of Regeneration & Environment will make decision/s to award one or more low/medium value services contracts for the consultant team required to deliver the secondary school expansion programme.

3.0 Detail

Demand for Mainstream Secondary School Places

- 3.1 In November 2018, Cabinet approved the Brent School Place Planning Strategy 2019-2023 that provided an assessment of school place demand based on the latest pupil projections. The Strategy identifies the need for an additional 13 secondary forms of entry (FE) by 2023/24 to meet forecast demand and provide for a 5% operating margin in Year 7 to ensure that there is sufficient capacity to manage in-year admissions and pupil mobility. This was based on GLA forecasts available at that time.
- 3.2 The latest GLA forecasts (2019) suggest that Year 7 intakes will be lower than previously forecast, but indicate sustained or increasing demand from 2020 onwards. As the GLA forecasts reflect historical patterns of pupil movement over the past three years, they assume that cross-border movement will follow a similar trajectory in the future. Neighbouring local authorities are also facing an increase in pupil demand, which presents a risk for Brent that fewer families are able to access an out of borough place in future.
- 3.3 Table 1 shows GLA 2019 forecasts for all year groups. These forecasts show significant in-year growth as cohorts move through the system. These forecasts will be included in an update to the School Place Planning Strategy 2019-23 when presented to Cabinet in the autumn.

Table 1: GLA 2019 Forecasts and Capacity

		Year 7	Year 8	Year 9	Year 10	Year 11
2019/2020	Capacity	3508	3478	3352	3316	3298
	Projections	3326	3227	3208	3189	3123
	surplus/deficit	182	251	144	127	175
		5%	7%	4%	4%	5%

2020/2021	Capacity	3508	3508	3478	3352	3316
	Projections	3387	3367	3277	3256	3239
	surplus/deficit	121	141	201	96	77
		3%	4%	6%	3%	2%
2021/2022	Capacity	3508	3508	3508	3478	3352
	Projections	3484	3454	3443	3349	3330
	surplus/deficit	24	54	65	129	22
		1%	2%	2%	4%	1%
2022/2023	Capacity	3508	3508	3508	3508	3478
	Projections	3556	3552	3527	3518	3423
	surplus/deficit	-48	-44	-19	-10	55
		-1%	-1%	-1%	0%	2%
2023/2024	Capacity	3508	3508	3508	3508	3508
	Projections	3637	3624	3623	3600	3594
	surplus/deficit	-129	-116	-115	-92	-86
		-4%	-3%	-3%	-3%	-2%
2024/2025	Capacity	3508	3508	3508	3508	3508
	Projections	3650	3702	3693	3693	3672
	surplus/deficit	-142	-194	-185	-185	-164
		-4%	-6%	-5%	-5%	-5%
2025/2026	Capacity	3508	3508	3508	3508	3508
	Projections	3646	3699	3756	3751	3755
	surplus/deficit	-138	-191	-248	-243	-247
		-4%	-5%	-7%	-7%	-7%
2026/2027	Capacity	3508	3508	3508	3508	3508
	Projections	3691	3694	3752	3813	3812
	surplus/deficit	-183	-186	-244	-305	-304
		-5%	-5%	-7%	-9%	-9%

- 3.4 Table 2 below indicates that 12 forms of entry (FE) at Year 7 are required by 2026 to meet forecast pupil demand and provide a 5% operating margin to manage unanticipated demand, including cohort growth as year groups move through the school system. A 5% operating margin is considered good planning by the Department for Education (DfE) and prudent given current uncertainty about the number of pupils who will in future access places out of borough.
- 3.5 Of the 10FE required by 2023/24, 6FE are expected to be provided by the DfE in the North Brent School.

Table 2: Additional Forms of Entry required to meet demand and provide a 5% operating margin

Year	Year 7 projected intake	Year 7 places available	Surplus/ Deficit of places	Surplus/ deficit %	Total FE required to ensure 5% operating margin
2019/20	3326	3508	182	5%	0
2020/21	3387	3508	121	3%	2
2021/22	3484	3508	24	1%	5
2022/23	3556	3508	-48	-1%	8
2023/24	3637	3508	-129	-4%	10
2024/25	3650	3508	-142	-4%	11
2025/26	3646	3508	-138	-4%	11
2026/27	3691	3508	-183	-5%	12

SEND demand

- 3.6 The School Place Planning Strategy 2019-23 identified a need for an additional 24 secondary special school places per year. This could be provided through a new school, satellite provisions run by existing special schools or SEN units/ARPs at mainstream schools. For the purposes of this report, SEND places are only included in considerations where secondary schools have indicated a willingness to establish Additionally Resourced Provision (ARP). As with mainstream places, the forecast demand for SEND places has increased with new information available in 2019.
- 3.7 Analysis of children of primary age attending special schools indicates that an ARP for up to 49 secondary school places could be required. The intention would be to provide an ARP, as part of the Secondary Expansion Programme, for children with Speech, Language and Communication Needs and Learning Difficulties. The ARP places would fill gradually year on year.

Developing proposals to meet additional demand

- 3.8 Additional mainstream secondary places can either be met by the provision of new Free Schools, through the permanent expansion of existing schools or through bulge classes. Given the requirement for significant capital investment and in the context of falling primary school place demand, consideration has been given to whether schools should permanently expand or whether planning for potential bulge classes could also be appropriate. This is described further in paragraph 4.2.
- 3.9 The North Brent School is expected to provide 6 of the 10FE required by 2023/24. The DfE has agreed that the school will open in September 2020, providing 4FE from the current Wembley High Technology College site, before moving to permanent accommodation on the Chancel House site in September 2022. The school plans to increase its intake to 6FE from September 2022. It is anticipated that a high percentage of pupils attending the school will live north of the North Circular. The Wembley Multi-Academy Trust is responsible for

determining the North Brent School's admissions arrangements. In response to community concerns about the impact of the school on other local schools in the Neasden area, an element of the school's admissions policy will be linked to distance from a child's home to Wembley High Technology College.

- 3.10 The School Place Planning Strategy 2019-2023 sets an expectation that all Brent schools are rated as Good or Outstanding by Ofsted, with an increased proportion of schools rated Outstanding. School expansion proposals are informed by the quality of school provision, with the aim of improving school effectiveness through targeted investment.
- 3.11 Following an invitation to all secondary schools, 7 schools expressed an interest in expanding mainstream places in May 2018, 5 of which were rated Good and 2 rated as Outstanding by Ofsted. Two schools expressed interest in developing Additionally Resourced Provision.
- 3.12 To progress assessment of the school proposals, the Council commissioned feasibility studies to obtain comparable data as well as information on the amount of accommodation likely to be needed and the estimated cost of providing it. Schools have been engaged in this feasibility work and have provided their views on the amount and type of accommodation required for expansion.
- 3.13 As stated in the School Place Planning Strategy 2019-23, the Local Authority will consider expanding faith schools only where there is local Brent demand. While demand for secondary places is forecast to grow, there is no evidence of increased demand for Catholic places. The Diocese and the Catholic schools have demonstrated willingness to expand provision, even if this means that the Catholic schools serve an increasingly non-Catholic population. Officers however are of the view that expansions of non-denominational schools would offer parents greater choice. It is not proposed therefore to take forward expansions of Catholic schools.
- 3.14 Expressions of interest were received from 4 non-denominational schools. Of these, one has subsequently withdrawn its interest in permanent expansion but has offered to provide temporary bulge classes if required. Feasibility work was not undertaken at this school or the school that already has accommodation that could be used for a proposed one form of entry expansion (permanent or temporary). These options are being reserved in case required to meet unanticipated future or changing need (see paragraph 3.16). Feasibility studies were undertaken for the two remaining schools.
- 3.15 It is proposed the two non-denominational schools for which feasibility studies were completed are expanded by 2FE each through a phased programme. One of the schools has also confirmed that it would be willing to open an ARP to support increasing demand for SEND places as identified by the local authority. Both schools draw pupils from their local area as well as from further afield. The schools are not named in this report as the Governing Boards of both schools, whilst in agreement to the proposals, did not want this to be made public until there is Cabinet support for the programme and an agreed

communications strategy is in place to support the schools through engagement with the public.

- 3.16 There is always a degree of uncertainty about long-term forecasts. For example, forecasts are based on historical patterns of growth and migration and do not take account of future factors which may impact on populations, such as the United Kingdom's exiting of the European Union. It is therefore proposed that if further capacity is required beyond 10FE (6FE at North Brent School and 4FE in the proposed expansions), this is provided in one or both of the schools that have indicated that they could provide a bulge class or a 1FE expansion without requiring additional accommodation.

Approach to capital investment

- 3.17 With regards to capital investment, given the specialist accommodation required, there is little difference in the capital cost of developing temporary accommodation compared to permanent accommodation at secondary schools where places are required over several years.
- 3.18 In order to develop a detailed project business case, a more detailed analysis of accommodation requirements will be required with each school. This could result in a reduction in the overall amount of accommodation required. Of the two schools proposed for expansion, one had initially advised of lower accommodation requirements than recommended in the BB103 guidance on which feasibility work has been based; the other had indicated the opposite. This suggests that schools are managing their use of accommodation with a flexible approach to all teaching spaces to meet curriculum needs. Officers have assessed areas of risk where it is thought that the feasibility study may not sufficiently address the requirements for each school and have included indicative capital sums for these areas. Further work would be completed with each school before individual project investment decisions are made.
- 3.19 As a principle, any investment would only be to cover the cost of meeting basic need. The local authority would not propose to address existing building area shortfalls unless doing so were directly to enable expansion, neither would it address condition, suitability or accessibility in the school unless this work was required to deliver the expansion or addressed through expansion works. As all secondary schools in Brent are either voluntary aided schools or academies, the authority does not have responsibility to address existing accommodation deficits or condition issues.
- 3.20 Neither school proposed for expansion has expressed a desire to deliver the expansion project directly using the council's funding. Historically the council has opposed such arrangements, preferring to manage its own risks and financial liabilities and to have greater control over meeting its statutory duty. There does not appear any reason to deviate from this principle at this stage.

Timescales

- 3.21 The projects will be phased with the first completed within the 2022/23 academic year. While the forecasts indicate that permanent expansions are required to meet increasing Year 7 demand and forecast cohort growth in the longer term, the expansions could initially provide spare capacity into the system. As spare capacity tends not to be evenly distributed across the school estate, careful consideration would need to be given to the timing of the places being offered, so that the expansions do not cause any instability in the system.
- 3.22 Table 3 provides an indicative decision making and delivery programme with key decision points shown separately.

Table 3: Indicative Timeline for delivery

Milestone	Start	Finish	Key decision point
Cabinet		14 October 2019	Yes
Procurement of Consultants (award contract if Cabinet approval obtained)	October 2019	November 2019	
RIBA Stage 1	November 2019	March 2020	
Statutory Consultation on expansion (led by Academies)	February 2020	March 2020	
Cabinet Report seeking Project Business Case Approval (for first scheme)		June 2020	Yes
Contractor procurement	June 2020	August 2020	
Academies confirmation of approval to expand received		August 2020	
Award contract		August 2020	Yes
Contractor Design Development (RIBA Stage 2 and Part of 3)	August 2020	September 2020	
Contractor Design Development (RIBA Stage 3) and Preparation of Planning Submission	October 2020	November 2020	
Further Statutory Consultation as required	October 2020	November 2020	
Planning Approval and Contractor Design Development (RIBA Stage 4)	November 2020	March 2021	
Contract close (trigger stage 2 of works contract)	April 2021	April 2021	Yes
Construction works	May 2021	August 2022	

- 3.23 The indicative programme assumes overlapping processes with risk managed at key decision points. The demand for school places will remain under review during the initiating, start up and delivery stages of the project. A decision to change the project and/or programme to reflect new information received could occur at any point up to a works contract being awarded. There are four natural decision making points within the programme which are shown above. These decision points occur at the end of key stages and/or when new information about the project delivery will become available. Based on this indicative programme, there is just over a year after Cabinet approval of the programme before a final decision to proceed would have to be made. During this period,

the council will be incurring capital costs as professional fees will be incurred between November 2019-June 2020. Should a decision be made to stop the programme these would become abortive costs for which no revenue budget allowance has been made. A report would be brought back to Cabinet with a full assessment of financial and other risk if required.

- 3.24 The recommended procurement strategy is for a two-stage design and build contract procurement using the DfE Contractor Framework. This draws on past experience from the schools capital portfolio and other capital programmes across the council, as well as reflecting on the cost challenges experienced in the primary school expansion programme. The indicative programme reflects use of this framework.
- 3.25 Cabinet approval will be sought to agree capital allocations to individual projects and to procure and subsequently to award one or more high value works contracts. It is expected that consultant team appointment/s will also be made from an existing framework. As these appointments are expected to be low/medium value, decisions to procure and award contracts will be made by the Strategic Director of Regeneration & Environment.

4.0 Alternative Options Considered

- 4.1 An alternative option would be to build a 4FE expansion at one school. This option is not preferred as it would place all risk of delivering the additional school places required on one site, rather than spread the risk across through 2FE expansions at two schools. This option has a similar cost estimate.
- 4.2 The other alternative is the use of temporary bulge classes rather than permanent expansion. Temporary bulge classes are logistically difficult to achieve in secondary schools where a range of additional accommodation is required to meet curriculum requirements. They can be as expensive to provide as permanent accommodation. Consideration will be given to the use of temporary bulge classes where schools have sufficient accommodation to support this. These are being kept in reserve to help manage the risk of unanticipated demand, caused for example a reduction in cross-border movement.

5.0 Financial Implications

- 5.1 This report includes provision of additional mainstream and SEND secondary school places and approval to allocate capital funding is sought for both. There are two sources of grant funding available for mainstream and SEND school places.
- 5.2 The estimated cost of the mainstream school places is £31.3m and the SEND school places is £3.8m, making a combined estimated cost for the Secondary School Expansion Programme of £35.1m.
- 5.3 Capital investment is sought for the whole secondary school programme at £35.1m, noting that the Director of Finance will approve the allocation of capital from this total to individual projects within the programme on production of

further detailed information. It is anticipated that this is a maximum total forecast cost, which could be reduced as the programme develops.

- 5.4 There are two sources of grant funding available for mainstream and SEND school places; Basic Need Capital Grant and Special Provision Capital Grant. Both are provided by Central Government for the provision of school places.
- 5.5 For the period 2011-2020 the Council has been allocated a total of £164.1m Basic Need Capital. After taking account of actual spend to date and current commitments, there is a balance available to allocate of £27.9m.
- 5.6 The local authority was allocated a total of £2.8m from the Special Provision Capital Grant specifically for the provision of SEND school places. £1.1m of this funding has been spent and/or committed. The remaining £1.7m is available to be allocated to this programme.
- 5.7 A total of £29.6m of secured capital grant funding is available. Based on the total estimated cost for this programme this leaves a funding gap of £5.5m.
- 5.8 In addition to work to reduce the estimated cost, officers have looked at potential additional sources of capital funding. In addition to the secured £29.6m, a further £11.8m may become available through other identified sources. These are capital contributions from council development projects where a portion of the capital receipt must be allocated for education purposes; those sums were previously allocated to school projects but have not yet been secured. Also from a commercial settlement on a live school expansion project. The council may also be allocated additional Basic Need capital from 2021 onwards but this is not confirmed. In the event that costs cannot be reduced and/or additional funding secured, the council would need to fund up to £5.5m.
- 5.9 It is proposed that all remaining unallocated capital grant is used to fund this programme. It is already known that there will be a requirement for further capital expenditure to provide SEND school places as detailed in the School Place Planning Strategy 2019-23 approved in November 2018. A feasibility study is currently underway for an additional SEND project. Proposals will be brought to Cabinet in the new year which will include proposed funding arrangements. Should requirements in the mainstream primary or secondary sectors change and require capital expenditure this would also create a funding pressure.
- 5.10 The revenue costs associated with the operation and maintenance of the expanded school buildings once completed will be the responsibility of each school, as will the additional staff and running costs. Mainstream schools are funded from the Schools Block of the DSG via the funding formula, which allocates funds on the basis of the prior year's pupil numbers so there is a time lag and the Schools Forum may recommend top slicing the block to allocate more funding to support expanding schools. New in-borough SEND places will be funded from the High Needs Block of the DSG, but at lower cost than the likely alternative independent out of borough provisions.

- 5.11 One school has indicated that it may wish to contribute up to £0.75m to the capital project in order to deliver some additional post-16 accommodation. This sum has not been included in the estimated programme cost, so the council's capital investment is easily identified and because the detailed work to ascertain the amount of accommodation required has not yet been completed.

6.0 Legal Implications

- 6.1 The legal implications associated with the council's statutory duty to ensure that there are sufficient school places available to meet the needs of the local population were set out in the School Place Planning Strategy 2019-23.
- 6.2 The existing secondary schools proposed for expansion are self-governing Academies. The Council would need to enter into agreements with each school in order to obtain a licence to build. This development agreement would also recognise the council's project management role and the school's right to review key stages of the works. It is proposed that the Council also enters into a Memorandum of Understanding to cover the period of collaboration before the construction works begin setting out expectations from both parties in respect of the design and decision making processes.
- 6.3 Schools will be required to follow statutory processes in order to obtain approval to expand from the Regional Schools Commissioner acting on behalf of the Secretary of State for Education and alter admissions arrangements. The progression of the Council's programme will be dependent on this approval being obtained.
- 6.4 This programme will require the procurement of low, medium and high services and works contracts. All procurement will be conducted in accordance with Contract Standing Orders. It is described elsewhere in this report that the consultant team procurement will begin in advance of Cabinet approval using delegated powers with an officer decision to award contract/s being made only if Cabinet approves capital funding for this programme. Approval to procure and subsequently award one or more high value works contracts will be sought from Cabinet.

7.0 Equality Implications

- 7.1 The proposals set out in this report aim to ensure that there are sufficient and suitable school places for all Brent children and that their diverse and special educational needs are met.
- 7.2 The equality implications associated with the School Place Planning Strategy 2019-23 were set out in the report to Cabinet to approve the same (November 2018). This report considers more specifically the demographics around the demand for secondary school places and the options for meeting that demand.

8.0 Consultation with Ward Members and Stakeholders

- 8.1 No consultation has taken place to date with Ward Members. It is envisaged that this would happen before proposals for development were made.
- 8.2 Stakeholders at schools and at the Diocese of Westminster Education Service have been consulted and engaged in this process as outlined above. All schools have been advised that officers propose 2FE expansions of two of the seven schools that expressed interest in expansion.

9.0 Human Resources/Property Implications

- 8.1 The services in this report are currently provided by external providers and there are no direct impacts on council staff. Schools will need to recruit additional staff in due course as pupil numbers increase.

Report sign off:

Amar Dave

Strategic Director, Regeneration and Environment

Gail Tolley

Strategic Director, Children and Young People