

Item No.	Classification: Open	Date: 18 July 2006	MEETING NAME Executive
Report title:		Southwark Schools for the Future: Strategic Business Case for Investment in Secondary Mainstream and Special Schools under the BSF Programme, and Associated Investments in Academies and Primary Schools, including Primary Special Schools	
Ward(s) or groups affected:		All	
From:		Strategic Director of Children's Services and Director of Education	

RECOMMENDATIONS

Executive is asked to:

- 1 Approve the education vision for Southwark Schools for the Future, as summarised in paragraphs 24 and 25.
- 2 Approve the conclusions of the review of Special Educational Needs provision in Southwark, articulating a strategy for special schools and resourced units in Southwark, as outlined in Appendix B.
- 3 Approve the Building Schools for the Future (BSF) Strategic Business Case (SBC) Programme Options (as outlined in paragraph 36).
- 4 Note the significant funding that Partnerships for Schools (PfS) has indicated will be made available as a contribution to delivering these options (£188.4m).
- 5 Note the opportunity for the Council to contribute additional funds, subject to their availability, and the preferred programme option selected.
- 6 Approve the Local Education Partnership procurement option (as outlined in paragraphs 50 to 57), subject to a detailed risk assessment and financial, legal and structural appraisal.
- 7 Request that officers provide a further report in October 2006 covering the BSF Outline Business Case (OBC), including all siting issues; the assessment of the Local Education Partnership referenced in Recommendation 6; and a full financial and risk assessment of the project and financing options.
- 8 Note that formal agreement by Executive of the BSF OBC will need formal sign off from the Finance Director and commitment to the provision of any further Council resources to meet the agreed deliverables.

- 9 Approve funding of the project team through to completion of the Outline Business Case and the subsequent procurement process; and request the Finance Director to identify appropriate sources within existing budget provision to support these costs over the next three years up to a maximum of £6m, including contributions from schools and external sources.
- 10 Approve commencement of site appropriation from Peckham Partnerships sites 7a and 7d for the purposes of providing renewed special school provision.
- 11 Approve commencement of the initial statutory consultation required to implement the preferred BSF programme option, as summarised in paragraph 40.
- 12 Request officers to report back on the outcome of these consultations prior to publication of the related statutory notices.
- 13 Request officers to pursue negotiations with the Academies Unit and the potential sponsors of the Walworth Academy regarding the siting of the Walworth Academy on the existing school's upper school site or an alternative site of equivalent area.
- 14 Request that officers provide a further report on primary school investment (including primary special schools) in January 2007 at the latest.

BACKGROUND INFORMATION

- 15 On October 11th 2005, Executive approved the formation of a corporate project to plan, manage and procure education capital investment. To this end, the Southwark Schools for the Future project has been established under the leadership of the Chief Executive. The project can be divided into four programmes:
 - Building schools for the future: this includes St Saviour's and St Olave's, Notre Dame, St Thomas the Apostle, St Michael's, Sacred Heart, Walworth, Archbishop Michael Ramsey, Tuke, Highshore, Breedinghurst, Spa, pupil referral units and a new secondary school. The majority of the recommendations in this report concern this programme.
 - DfES Academies programme: this includes Geoffrey Chaucer and Joseph Lancaster, Aylwin, Waverley and Bacon's CTC..
 - Primary programme: this includes a first phase of investment in Michael Faraday, Eveline Lowe and Southwark Park (as approved by Executive October 11th 2005) and second wave of investment is currently under consideration (see paragraphs 43 to 46)
 - Children's centres programme: a first phase of investment in Children's Centres is nearing completion. A second phase of investment is currently being planned to deliver a children's centre in each neighbourhood.

Building schools for the future

- 13 16 Building Schools for the Future (BSF) is a national programme aimed at making all secondary schools in the country fit for 21st Century education. The programme was launched by the Prime Minister, Tony Blair, in Sacred Heart RC

School in Southwark. Although BSF is a Department for Education and Skills (DfES) project it is managed on behalf of the Department by Partnerships for Schools (PFS) which is responsible for evaluating proposals, making recommendations to DfES officials and managing the finances.

- 17 Southwark was originally identified as a pathfinder authority for BSF, in partnership with Greenwich and Lewisham. Following the dissolution of the partnership, Southwark was identified as a BSF 'wave 3' authority initially for two further mainstream schools and all the secondary special schools with the remainder of mainstream schools identified in waves 4-6. It should be noted that the finances to fund wave 3 have already been identified by the Treasury but finances for subsequent waves are subject to government spending reviews. In parallel, Southwark has also received funding for three schools (The Charter School, Kingsdale School and Waverley Girls School) under the BSF quick-win programme.
- 18 In order to proceed on the wave 3 BSF programme each authority is required to produce pupil place planning analysis, an education vision, a strategic business case and an outline business case, each of which needs to gain the approval of PFS and the DfES.
- 19 The main body of this report focuses on the Building Schools for the Future programme. It provides the opportunity formally to approve the pupil place planning analysis, education vision and strategic business case. It also provides the Council with an opportunity to decide which programme option should be used as the basis for further development prior to submission of the outline business case.

DfES Academies Programme

- 20 In Southwark, we have embraced the government's academies programme both as a catalyst for change in schools facing challenging circumstances and as a major source of investment in the secondary school estate. There are already two secondary schools that have received investment as part of this programme, The Academy @ Peckham (formerly Warwick Park) and the new City of London Academy in Bermondsey. Plans are well under way for three further schools to receive significant investment through this programme, Aylwin School, Geoffrey Chaucer School (including Joseph Lancaster Primary School) and the new boys school in East Dulwich (usually referred to as Waverley Boys). Waverley Girls is also due to become an Academy and will receive some further investment. In addition, Bacon's City Technology College is proposing to become an academy. These academies will be delivered directly by the DfES in a similar manner to the existing academies.
- 21 Originally, the academies programme was run entirely separately from the BSF programme. However, the government announced earlier this year that these two programmes would be brought together under the BSF umbrella and all future academies would be procured through this route. Two Southwark schools will be affected by this change, Archbishop Michael Ramsay and Walworth, and the implications of this are covered within this report.

Consultation

- 22 The work on BSF to date has involved widespread consultation with stakeholders both within the council and in schools. In particular, headteachers and governors were engaged in developing the education vision that forms the core of the SBC. Comments were also received from the Race Equality Education Forum on the key principles and priorities and these were incorporated into the final version. Potential sponsors of the academies included in BSF were also consulted with.
- 23 In developing their individual school visions, which are summarised in the SBC included in the closed report, all the schools within the main BSF programme engaged their stakeholders in shaping their priorities. In particular, all schools ensured that pupils were given a chance to say what they would like to see in a renewed school.

KEY ISSUES FOR CONSIDERATION

The Education Vision

- 24 The Education vision has been produced in collaboration with schools and other education and children's services stakeholders. The vision has been produced taking into account all existing policies and strategies, including Southwark 2016 and the Inclusion Strategy. The vision has been produced to provide a strategic basis for Southwark Schools for the Future (not just Building Schools for the Future) and is therefore a vision for learning from 0-19 years. The vision states that:
- Southwark will be a child centred community, where good quality education and children's services underpin localities of mixed communities, comprising families who choose to live, work and learn here;
 - Children and young people in Southwark will know that they are at the heart of London, benefiting from and contributing to a thriving and prosperous world city;
 - Children will aspire, learn and achieve in order to secure their futures; and
 - All children will succeed to their own level of excellence whatever their particular needs or background.
- 25 The vision and strategy articulates our ambitions, outcomes and strategy for change around six priorities. The six priorities and the key ambitions are outlined in the box below.

<ul style="list-style-type: none">• Priority One: No limits to a child's potential✓ Southwark students are independent, lifelong learners who have learning experiences that meet their individual needs.✓ All ages of Southwark students learn and achieve at an appropriate pace and to a high level.✓ Most Southwark students over 16 years choose to stay in education.• Priority Two: Responsive services✓ Most Southwark young people attend primary and secondary school in Southwark, including those requiring special assistance.✓ Few Southwark young people become disengaged with education.✓ Southwark students have fewer absences from school than at present.

- **Priority Three: Everyone's involved**
 - ✓ Families and the local community view their schools as the heart of their community and use their schools for many purposes, not just learning.
 - ✓ Southwark schools give students, families and local communities the best in children's services.
- **Priority Four: Proud to work in Southwark**
 - ✓ Southwark teachers are high achievers who enjoy teaching in Southwark and want to continue their career here.
 - ✓ Southwark is a sought-after teaching option and easily recruits excellent non-teaching staff, teachers and school leaders.
- **Priority Five: Equal life chances**
 - ✓ Southwark children and young people are healthy and happy and therefore enjoy and achieve.
 - ✓ Southwark young people make positive choices for their future.
- **Priority Six: Investment for innovation**
 - ✓ Southwark schools inspire creativity and innovation.
 - ✓ Southwark uses all resources wisely.

26 Within the context of Building Schools for the Future, the education vision was submitted by officers to Partnerships for Schools for evaluation. PfS then forwarded the vision to the DfES for ministerial comment and this was received in June 2006. The Minister's letter is attached at Appendix A and indicates that approval will be granted subject to some minor issues being addressed within the executive summary to the vision which forms the first section of the Strategic Business Case (SBC).

SEN Review and Estate Strategy

- 27 Following the approval of the Inclusion Strategy in November 2005 and under the auspices of the SSF programme, an extensive review of special school provision has been undertaken with the headteachers of the special schools. In summary, the review concluded that a continuum of provision can be developed to meet the needs of young people with special education needs by:
- i Slightly increasing the current number of Southwark special school places during a period of population growth, which will bring Southwark into line with the national average percentage of pupils in special schools by 2016 (approximately 1.2%).
 - ii Increasing the capability of Southwark mainstream schools particularly in the secondary sector to include pupils with SEN by expanding specialist resourced provision in mainstream schools, thus reducing the demand for special school placements.
 - iii Increasing the capability of Southwark special schools to include pupils otherwise placed out of borough in special schools (maintained and independent) thereby investing more of the available budget in Southwark schools.
 - iv Increasing alternative provision for KS4 pupils with behavioural needs in line with inner-London pupil referral unit averages, thus extending the range of provision and opportunities for this disadvantaged and vulnerable group of young people
- 28 More specifically, the review recommends that:
- i All seven special schools should be retained, with some changes to their designations and number of places. Overall this would result in a slight increase in the number of places (from 494 to 527).
 - ii There should be an increase in the total number of Pupil Referral Unit (PRU) places (151 to 170), configured differently into three rather than four PRUs.

Opportunities for shared governance arrangements through a federated approach should be explored so that Social Emotional and Behavioural Difficulties (SEBD) special schools and PRUs can develop a more co-ordinated way of working.

- iii There should be a significant increase in the amount of specially resourced provision in mainstream schools across a wide range of needs, particularly in the secondary sector, so that more pupils will have the opportunity to be included in mainstream settings (from 90 to 239).
 - iv There should be a reduced reliance on specialist placements out of borough, with Southwark moving from a net exporter among local authorities to a balanced position in relation to pupils with special needs (from 140 to 20).
 - v There should be a clear break between SEBD provision at KS3 and KS4. The expansion of programmes at KS3 would support pupils to return to mainstream education where possible. The establishment of a KS4 “College” combining alternative provision and a core curriculum would provide a wide range of educational and vocational opportunities for pupils who are not able to return to a mainstream setting. Mainstream schools would be able to access curriculum programmes at the KS4 “College” for pupils who are less engaged.
- 29 It should be noted that there is widespread support for the above changes amongst special school head teachers and governors which, if implemented, will not impact on any child that is currently placed within a special school setting. As part of the BSF programme, Southwark needs to initiate statutory consultation on the changes proposed to the secondary special schools. These are summarised below.

	Current Number of places		Proposed Number of Places	
	11-16	16-19 Form	11-16	16-19 Form
Special schools				
Tuke: Complex Learning Needs Special School	38	18	65	25
Highshore: Complex Learning Needs Special School	117	11	75	15
Spa: Autism/ Complex Learning Needs Special School	85	12	60	25
Bredinghurst: Behavioural, emotional and social difficulties Special School	58	-	70	-
	298	41	270	65

- 30 The implications of this review in terms of education buildings and sites have been fully explored on a master-planning basis, in order to identify the optimum value for money solution. These solutions have then been incorporated in Building Schools for the Future, and will be included in the further development of Phase 2 primary investment, following the response from the DfES regarding the primary capital programme (see paragraph 45). A full report on this review is included as Appendix B. The report also details staffing, revenue and transition arrangements related to the recommendations.

Pupil Place Planning

- 31 The October 11th report to Executive concluded that the pupil place planning analysis needed to be revised. To this end, the SSF project has developed a new methodology and used this methodology to assess both primary and secondary requirements up to 2016 and beyond. This new methodology is recognised by PfS as best practice and is being recommended for use in all other London boroughs. The outcome of the revised methodology suggests:
- For secondary age pupils, a new school will be required for the borough opening in 2012 with year 7 and then filling up year on year.
 - For primary age pupils, the overall impact is that additional places will be required in the borough, especially in Bermondsey, Rotherhithe and Walworth planning areas between 2010 and 2014. Although the overall number of places in other planning areas is sufficient, the provision is not necessarily most appropriately placed. In particular, the picture is complicated by some schools operating with a high number of surplus places and others being oversubscribed with the result that some parents seek to use the private sector to meet their needs, as highlighted by the recent survey in Dulwich.
- 32 In addition, and as part of the overall rationalisation of places across the borough, agreement has been reached with the DfES around a proposal to reduce both Walworth School and Kingsdale School numbers by 300 places each. Many of these places are not being filled at present but as population increases begin to take effect, there will be a demand for additional places and it is proposed that these be added in through the addition of 100 pupils at Archbishop Michael Ramsay and a further 300 pupils in Sacred Heart School or 150 additional pupils each in Sacred Heart School and St. Michael's School, both within the BSF maintained sector programme. (The final changes are dependent upon which investment option is selected for BSF as the scope for expansion at Sacred Heart is limited by its existing site, see paragraph 47). Agreement with PfS and DfES regarding these changes in admission, as part of BSF, requires fair access for the local community.
- 33 Executive is asked to approve the start of statutory consultation in respect of changes in pupil numbers at the respective schools commensurate with the programme option selected for development.

BSF Programme Options

- 34 The implication of the pupil planning work for secondary schools is that irrespective of the BSF programme, the council would need to secure an additional secondary school within the next ten years with the first intake arriving in six years time. Work on the BSF programme would suggest that a new secondary school within a tight urban environment will have a build cost in the region of £30m and a land cost in the region of £15m. The options for moving forward with the BSF programme need to be seen in this context.
- 35 The BSF national funding arrangement assumes a mix of 50% new build, 35% major refurbishment and 15% minor refurbishment. Consequently, no authority will receive sufficient money to rebuild all its schools but in order to properly evaluate options officers have investigated all scenarios for all schools. The current funding

allocation for Southwark, as confirmed by Partnerships for Schools (PfS), is £188.4m, of which £176.4m is allocated for build costs and the remainder for ICT investment.

- 36 Officers have developed five programme options, with differing degrees of transformation of the secondary schools involved and different associated costs. In arriving at these programme options, officers have investigated a range of possible solutions for each school included in the programme ranging from doing nothing through to complete rebuild for each school. The process of developing options has involved a combination of evaluating existing site constraints against national building standards and against likely educational outcomes. The process, one of the most thorough yet carried out in England, has enabled us to assess options taking account of likely costs, deliverability and likely educational benefit. Clearly schemes that are not deliverable have been excluded on that basis alone leaving us with a more limited matrix of options that measures scheme costs against the likely benefit. This five programme options are:
- Option A: 99% transformation – this option would deliver optimal education benefit, with all schools getting excellent or transformational options. This would require additional investment over the funding allocation from PfS.
 - Option B: 90% transformation – this option has been developed on the basis of a cost-benefit appraisal and offers best value for money on a per pupil basis. It would deliver a combination of transformational (9 schools), excellent (1 school) good options (2 schools) and satisfactory (1 school). This would require additional investment over the funding allocation from PfS.
 - Option C: 81% transformation – this option would still deliver transformational options for eight schools, but the remaining schools would receive a combination of good (2 schools), satisfactory (3 schools). This would require additional investment over the funding allocation from PfS.
 - Option D: 67% transformation – this option would only deliver transformational options for four schools, the remaining schools would receive a combination of good (4 schools), satisfactory (2 schools) and constrained options (2 schools). This would require additional investment over the funding allocation from PfS.
 - Option E: 63% transformation – this option would also deliver transformational options for four schools, of the remaining schools 4 would receive good options, 1 school a satisfactory and 3 schools would receive constrained options. This option would not require any additional investment.
- 37 A summary of the implications of each programme option for each school included in the BSF programme is included at Appendix C.
- 38 A significant amount of work has been done on each of these options to assess likely costs of schemes. The more transformational the option the greater additional investment that would be required over the funding allocation from PfS. The respective costs of each of the options are contained in the closed report.
- 39 Executive is asked to agree in principle a preferred option it wishes to pursue through to OBC stage on the understanding that further work will be carried out to seek to reduce the funding gap between the PfS allocation and the overall programme costs. Executive may wish to set an upper limit on the extent to which

it wishes to invest council resources in the programme. The full SBC document, including detailed cost build-up, is included as an Appendix to the Closed Report. All of the substantive issues and contents of the SBC are contained in this open report, except those deemed to be commercially sensitive, which are solely contained in the closed report.

BSF Secondary statutory consultations

- 40 In order to progress with the BSF Outline Business Case, initial statutory consultation needs to commence for the following proposals, as set out in the DfES circular 'Making Changes (Mainstream)' and Circular 15/99: Maintained Special schools:
- a. The closure of Archbishop Michael Ramsey from 31 August 2010 (promoted by the Council on behalf of the school governors), subject to the signing of a funding agreement for a new academy opening on 1 September 2010.
 - b. The closure of Walworth school (a community school) from 31 August 2011, subject to the signing of a funding agreement for a new academy opening on 1 September 2011.
 - c. The increases in the sizes of Sacred Heart or St Michael's schools (which are statutory changes the school governing body would need to promote).
 - d. establishing a split site Bredinghurst school co-located with split site secondary Pupil referral units from 1 September 2010; increasing the number of places at Bredinghurst school from 50 to 70; making Bredinghurst school a mixed school and removing its boarding places.
 - e. reducing the number of places at Highshore school from 120 to 90 and co-locating the school on the Archbishop Michael Ramsey school site from 1 September 2010.
 - f. increasing the number of places at Tuke school from 60 to 90 and moving Tuke school to a new site from 1 September 2010.
- 41 The initial statutory consultation process involves consultation with all the education stakeholders with an interest in the proposals, including, among others, all parents, governors and staff members at the schools affected, all Southwark headteachers and chairs of governors, elected members, the diocesan authorities, local MPs, trade unions, health and neighbouring local authorities. Public meetings would be held at all the schools affected. The outcome of this consultation would then be reported back to Executive, either recommending amending the proposals, or the publication of statutory notices, on which there would be a subsequent period of statutory consultation before final decisions are taken.
- 42 This consultation process is particularly important in the case of the special schools where parent representatives have already given support to the proposals but where engagement of the full parent group will be needed to ensure their needs and those of their children are fully reflected in any new arrangements.

Primary investment programme

- 43 The government has recently announced a primary capital investment programme to mirror the investment in secondary schools through BSF and the Academies

programme. It is anticipated that authorities will receive funding for investment in 50% of primary schools.

- 44 The DfES has recently invited local authorities to submit an Expression of Interest in becoming a pathfinder for this programme and, because of the work already carried out on the whole borough education vision, Southwark is in an excellent position to engage in this programme. An Expression of Interest has duly been submitted covering the three capital schemes that have already had Executive approval, namely, Eveline Lowe, Michael Faraday and Southwark Park. We are hopeful of getting additional DfES money for these projects.
- 45 The primary pupil place planning work suggests that there will be a need for a second phase of investment in primary schools to ensure that we have sufficient places in the right parts of the borough. There is also a need to update large parts of the estate to meet 21st Century standards in primary schools. An initial technical audit of all mainstream primary schools in Southwark (undertaken by HFA-Mace and HKR architects) indicates that:
- The total cost of tackling the core suitability, sufficiency and condition issues in Southwark's primary schools would be in the region of £175 million over a 10 year period.
 - There are several primary school sites in Southwark where mixed-use development schemes could bring additional capital into the system.
 - There is scope for reorganisation of the primary school estate to ensure that the pattern of primary school places better reflects the location of the population and to expand the best schools on good sites. Such a reorganisation would provide a better value for money solution to meeting the changes in pupil numbers, and would also ensure that more schools in Southwark are based on 2 forms of entry (60 pupils per year group), which is the optimum in terms of management and revenue. Such a reorganisation would also allow changes to be made to reflect parental preferences. Initial evaluation of the scope for such a re-organisation will be tested on two planning areas: Dulwich and Walworth. This will be carried out in parallel with feasibility analysis looking at establishing formal federations between high achieving and lower achieving schools within the same localities.
- 46 Executive are asked to note that an Expression of Interest in Primary BSF has been lodged and that officers provide a more detailed report on proposals for investment in the primary estate by January 2007 at the latest.

Site Implications

- 47 A renewal of the education estate can only be achieved without substantial impact on young people's attainment if a number of site issues are addressed in preparation for the OBC. The key issues are:
- A new site is required for the new school. Following earlier discussions with members, sites for new schools were proposed in the Unitary Development Plan (UDP) in the Elephant & Castle and Canada Water regeneration areas. However, these discussions predated the decision on the Aylesbury Estate and were based on the old method of place planning. Options within the Elephant & Castle have now been largely closed off. The significant increase

in the densities at Aylesbury suggests that additional pressure for places is emerging from this development whilst demand is also emerging from the Canada Water proposals. Consideration is needed regarding the location of the one new secondary school.

- The options appraisal process for the Sacred Heart School has identified that the site is very constrained, and that from an education perspective a new site is required to deliver transformation. Furthermore, the appraisal process also concluded that it would only be physically possible to increase Sacred Heart by 1FE on its existing site, and that any further expansion would also require a new site. Consideration needs to be given to the possibility of a new site option.
- The council currently plans for Walworth School to become an academy. It is located over two sites occupying in total around 2.3 hectares (ha) of land. Given the cost of land in the borough and the proposals for all other Southwark school sites, it is proposed to enter into discussions with the sponsor and the DfES Academies Unit to amend the expression of interest by proposing that the academy is consolidated on the existing upper school site, or land of equivalent area within the Aylesbury master plan area. Additionally, it is proposed that the school be granted access to play and sports facilities on Burgess Park during the construction phase and, ideally, on a shared basis once the Aylesbury development is completed. The vacated lower school site provides an important decant site to facilitate the remainder of the programme.
- Following completion of a detailed review of special school provision in Southwark, the most economical solution and the best solution in terms of education impact requires the use of two new additional vacant council owned sites. These sites are Peckham Partnerships Sites 7a and 7d. Both sites are currently designated for residential use but existing buildings are due for demolition and are either empty of residents or a programme exists for rehousing the last of the tenants. It is anticipated that three sites would subsequently be available for disposal in return.

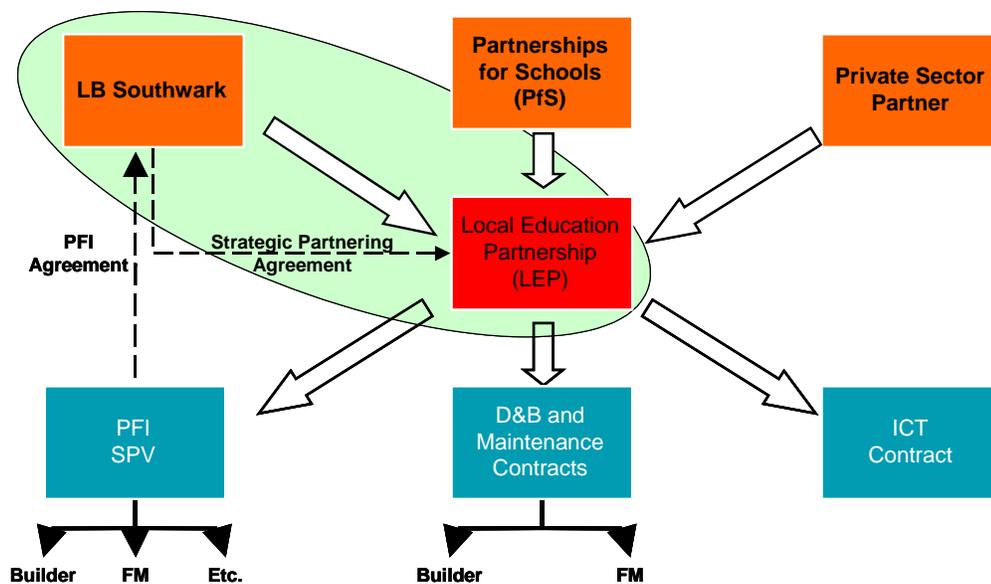
- 48 Executive is asked to instruct officers to enter into further discussions with the Academies Unit of the DfES and the potential sponsors of Walworth academy regarding the council's commitment to provision of land equivalent to the existing area of the upper school site only with a licence to use Burgess Park for play and sports facilities. Executive is further asked to work with officers on establishing their preferred site solutions as the OBC is prepared for agreement by full Executive.

Sustainability

- 49 All schemes included in BSF will meet BREEM (British Research Establishment Environmental Assessment Method) very good rating. In addition, contingency has been included in project costs to ensure that the designs can meet best practice sustainability as defined by the Council's UDP and developing environmental policy. In addition, the project will explore the possibility of establishing the new secondary school as an eco-school.

BSF Procurement

- 50 The DfES and PfS have developed a standard procurement route for BSF, which they call a Local Education Partnership (LEP). Broadly speaking the LEP is a strategic partnership with a 10-year lifespan (extendable by an additional 5 years). A standard LEP has three partners:
- A private sector partner, which will often be a consortium of specialist private companies, e.g. a constructor, a design group and an ICT provider.
 - The Local Authority.
 - Partnerships for Schools.
- 51 The LEP would have exclusive rights to the delivery of buildings and ICT for the secondary schools included in the programme. A range of other services and projects can be added to the LEP, with or without exclusivity. The greater the flow of work packages the more economically advantageous the strategic partnership would be. The Figure below provides an overview of the LEP structure and the relationship it would have with Southwark.



- 52 There are major advantages for Southwark in following a strategic partnership model for procurement of its secondary estate:
- A one stop shop for all SSF programme activity, with primary schools and early years included as non-exclusive packages.
 - There is no need for repetitive, expensive procurements, thus reducing costs for all parties.
 - Access to resources and supply chain management skills from the private sector partner.
 - Cost, time and quality efficiencies can be realised during the project lifecycle.

- It is possible to use the procurement to deliver greater community benefits, for example, using local businesses and providing training and employment for local young people.
- 53 There are additional major advantages to following the standard PfS LEP model:
- The model is approved by PfS and experience from other authorities demonstrates that up to a year can be lost in potentially abortive negotiations. PfS will not accept methods of procurement currently employed by Southwark.
 - The LEP model is known and attractive to the market – the LEP standard documents have developed through experiences in other authorities, and are well known to prospective bidders. Partnerships for Schools have been successful at getting key public sector risks, for example vandalism, transferred to the private sector to a greater extent than before.
 - Developing alternative models would be time consuming, very costly and potentially more risky.
 - Apportionment of financial and programming risks – a project agreement will be signed off by Southwark through a strategic partnering board. This agreement incorporates the best of Latham and Egan (two Government reports on suggested best practice in the construction industry) in tying payments to milestones and utilising a Guaranteed Maximum Price (GMP) contract. At this point cost and programme risk passes to the contractor.
- 54 However, there are no operational LEPs in existence at present, therefore there are risks associated with this approach. These include:
- Ensuring the right choice of LEP private sector partner. We need to ensure any partner has a balanced blend of skills including a strong educational and ICT focus and is not just a construction partner.
 - The complexity of the arrangement which will require us to adopt a new and dynamic approach to ensure the success of the programme.
 - The programme timescales are tight and there are risks in negotiating financial close in line with them.
- 55 To help mitigate the risks, PfS have consulted widely with the construction industry and specialist procurement advisors as they have developed the LEP model. They have also taken on board lessons learned from similar public sector schemes such as the NHS LIFT model and the MOD Prime contracting model. Through appointing our own specialist advisors we are also taking action to mitigate risks.
- 56 After a qualitative and quantitative options analysis council officers have concluded that there is no viable alternative option that they can recommend to members, which would be acceptable to PfS/DfES for the Building Schools for the Future element of the programme. The options evaluated and a summary of the rationale for the selection of the LEP is provided in Appendix D.
- 57 Although the LEP is the recommended procurement route for the SSF programme, further detailed consultation and negotiation is required to develop the standard model so that it addresses Southwark's needs. In particular, a detailed risk assessment and financial, legal and structural appraisal is required.

Risk

- 58 Effective risk management is always critical for a project of this size. The SSF project has developed a detailed risk log for the project. Following assessment of these risks, the top 10 risks at this stage have been identified and agreed by the project board. It is important to note that a decision to proceed to Outline Business Case carries with it the political and financial risks of then not proceeding beyond that stage.
- 59 During the next stage of the project detailed risk assessment will be carried out, focusing on quantifying risk where possible. This will include a detailed appraisal of the risks associated with the Local Education Partnership. This will ensure that Southwark is able to manage the risks during the procurement and delivery phases of the project. The intention will be to allocate contingency subject to contractual risk transfer through the Local Education Partnership.

Community Impact

- 60 The BSF programme will have the most profound impact on the communities of Southwark. At present a significant number of Southwark residents attend the schools that are covered under BSF. Whilst these schools offer a high standard of education and are amongst the highest performing schools in the borough, they recognise that their provision would be substantially enhanced through this investment programme. Of particular note is the investment in ICT that will be included as part of the programme and which will facilitate access to the curriculum in a manner that has not existed in the past. All the schools in the programme are signing up to improved educational outcomes, which will make a significant contribution to meeting the Council's Community Strategy ambitions.
- 61 The schools within the programme have an intake which reflects the borough's ethnic mix. In this respect, it is intended that the proposal will benefit all groups equally. The proposal to add places in key parts of the borough will enable more pupils to access high quality educational provision and will enable Southwark to offer a high quality place to every Southwark resident who desires it.
- 62 As all the schools within the programme are voluntary aided, the council will need to ensure that any expansion to the number of places at any school are accessible to Southwark residents through, for example, negotiating community places.
- 63 The programme is being designed in an integrated fashion to ensure that the wider aspects of the Every Child Matters agenda are addressed, particularly around Extended Schools. The schools covered in this programme will be able to offer a wide range of additional services to children, their families and the local community and access to the resources is conditional on these aspirations being expressed in school visions.
- 64 The development of the OBC will need to undergo a thorough Equalities Impact Assessment prior to being presented to the Executive in October.

Resource Implications

- 65 Southwark will need to allocate resources in order secure the £188.4m investment from BSF. It is anticipated that the project development and management cost over the 4 financial years 2005-06 to 2008-09 will amount to £6million to cover costs associated with a core project team, external advisors and scheme development costs. It is anticipated that upon realisation of the assets, a significant portion of these costs could be capitalised.
- 66 Although, this represents a significant investment by LBS it should be noted that:
- a standard LEP will reduce overall costs by utilising standard PfS documentation; and
 - the management 'on cost' will reduce if LBS fully exploits the opportunities offered by the LEP to deliver/manage a range of other projects and services over the lifetime of the LEP.
- 67 There are a number of options available to members for securing additional funding to contribute to these project costs, including:
- capitalisation, where possible, of development costs as work in progress;
 - increased revenue contribution from the Council;
 - contribution from schools through school balances or Dedicated Schools Grant;
 - contribution from Academies Unit for the two academies included in the programme;
 - novatable costs – development costs incurred by the Council which, with the agreement of the PSP, are transferred into the LEP.
- 68 Members are asked to approve project development and management funding through to completion of the Outline Business Case and the subsequent procurement process; and request the Finance Director to identify appropriate sources within existing budget provision to support these costs, including contributions from schools and external resources.

Subject to decisions around the programme options for secondary schools the Council's capital costs for this project will be presented as part of the OBC report. The precise costs will need to be worked up during the preparation of the OBC and the council will only enter into a binding commitment in respect of provision of capital finances once the OBC is approved in October 2006.

Supplementary Advice from Other Officers

Head of Property

- 69 This report proposes additions to the Education estate to facilitate the redevelopment of Special Schools. Two sites are identified as being suitable new locations for these facilities; Peckham Partnership Phase 7a (Longhope Close, SE15), and Peckham Partnership Phase 7d, (Sumner Road, SE15). Currently both sites are included in the 2006/07 disposal programme, with a combined value estimated at £8 million.

- 70 Should Executive approve the recommendations of this report, any receipt from the sale of the sites would be foregone, at least for the life of the new buildings. There would be a corresponding reduction in receipts to the Capital Programme expected from land sales in 2006/07. However the proposals will release 4 sites for disposal, and work will commence immediately in preparing these for sale.
- 71 Since sites 7a and 7d have been designated for residential development, the Educational uses now proposed would cause a loss in the number of new dwellings provided in the borough in private and affordable tenure. It may be possible to offset some of the reduction in capital receipts obtained and new housing provided by bringing forward mixed-use schemes for the two sites.
- 72 An assessment should be made to establish whether all the land is required at both sites and to determine whether any can still be developed for residential purposes. The report seeks approval to the appropriation of the land from the Housing Resource Account to the General Fund Account for the purpose of the educational use now recommended.
- 73 Head of Property has been closely involved in the investigation of the further proposals discussed in Paragraph 42 (“Site Implications”) above, and will continue to work with the Education Department to identify viable site options for the new school, Sacred Heart School and, in the context of the Aylesbury Masterplan, Walworth School.

Comments of the Borough Solicitor and secretary

- 74 Under the School Standards and Framework Act 1998, proposals for the establishment, alterations to or discontinuance of schools are subject to statutory procedures. For community, foundation or voluntary schools the procedure is set out in DfES School Organisational Statutory Guidance. The procedure in the case of special schools maintained by the LEA is set out in DfES Circular 15/99 and in the Proposers Guidance. The first stage of the statutory process is the initial consultation referred to in paragraphs 32 and 33 of the report.
- 75 Recommendation 6 requests the Executive approval to the use of the Local Education Partnership (LEP) procurement option. Appendix D of this report sets out the procurement options that could be used to deliver this project. The Borough Solicitor’s initial view, taking into account the benefits outlined in following the LEP model (which are detailed in paragraphs 52 and 53) is that this would be the preferred option to achieve those deliverables. However in view of the risks outlined which could be associated with the use of the LEP model, the Borough Solicitor supports the recommendation that the approval of this option is subject to a detailed risk assessment and financial, legal and structural appraisal. A representative of the Borough Solicitor’s office has been working with the SSF team since inception of this project, and will assist with the legal appraisal. External legal advisors are also in the process of being appointed, who will also be able to assist in this full analysis.

Comments of the Director of Finance

- 76 The key financial issues are addressed within the body of the report.
- 77 The Building Schools for the Future programme offers Southwark a unique opportunity to obtain access to a significant DfES funding through the offices of Partnership for Schools (PfS). This could amount to approximately £180m, subject to the agreement by the DfES to Strategic and Outline Business Cases submitted by the Council. While this is a substantial contribution to an extensive programme of building and refurbishment, additional funding will be required from Southwark to support the management of the project and procurement and development of the Local Education Partnership (LEP).
- 78 Accounting regulations and guidance from the DCLG require that initial development and procurement costs of capital projects and PFI schemes are charged to the Council revenue account. The revenue costs of this work is estimated at up to £6m over the next three years; this cost will need strict control. The report therefore recommends that the Finance Director works with others to identify the source of this funding from within existing revenue budgets and from other sources, not least Education and Schools budget provision, diocesan boards and other external sources. This will require close cooperation and support from the Director for Children's Services.
- 79 Subject to the availability of funds, there may be an opportunity to capitalise these costs once the build and refurbishment programme is complete, although the issue of asset ownership and liability for any costs of Council debt (particularly for diocesan schools) will require further understanding. Any shortfall in meeting this requirement will impact directly on Council Tax or on the savings and efficiencies targets set for departments.
- 80 The Strategic Business case offers a number of options that matches PfS funding to the delivery of the Education Vision. Full attainment of the vision will require additional investment from Southwark, subject to resources being available to bridge any gap between the funding made available by PfS and the cost of delivery. While advanced estimates are available of the cost of each option included within this report, these must be considered provisional at this stage. Further and more detailed risk assessment and analysis will be carried out prior to submission of the Outline Business Case in October 2006.
- 81 The risk assessments will be performed in the context of the delivery of the option finally agreed through the new LEP arrangements that are preferred by PfS. While the Council is supportive of this approach, work will continue with PfS and others to clarify the way in which this delivery vehicle will operate and how it may be managed. There is special concern to mitigate considerable financial risks as the programme of this size is implemented in a very ambitious timeframe, including those risks created by inflationary pressures, insurance and programme management.

Comments of the Head of Procurement

- 82 The procurement team have been involved in appraising the various procurement routes for the SSF project and believe that the LEP offers the best available mechanism to deliver the education vision outlined in the SBC. Over the long term, the LEP could potentially provide a more flexible and less costly procurement route for Southwark which could be utilised to deliver a wide range of services to the council as a whole. The procurement team sees this as an opportunity to drive innovation in procurement and service delivery in a variety of projects.

- 83 However, to ensure that the procurement route delivers the best possible commercial outcome a number of factors need to be considered and these are outlined in the following paragraphs.
- 84 The commercial strength of the LEP is built on exclusivity as it offers the PSP a significant weight of spend and the opportunity for a sustained commercial relationship. Clearly this enables the PSP to achieve process synergies and leveraged economies of scale as identified in this report. However, this will only be achieved if there is strategic alignment between Southwark and the PSP. As the market for LEP/PSP is immature a comprehensive soft market testing phase with procurement involvement is required. There is a potential risk that without strategic convergence between Southwark and the PSP many of the LEP benefits will be diluted or at worst lost entirely.
- 85 The size and breadth of the capital programme at Southwark over the next few years will put significant resource pressure on the supply market in the borough. To ensure that the market has the capacity and willingness to positively engage with Southwark on the wider programme, a co-ordinated approach to procurement is essential. The inherent risks in a disjointed approach may result in the market not having sufficient capacity to meet target deadlines and costs. Furthermore, the level of capital investment in the Greater London area may compound this. Assistance from the procurement team in this area is advisable. Additionally the project team should consider how best to share the learning from recent capital programmes within the Council and other LGA LEP's. Southwark is building a significant base of experience in this area and it would be relatively easy to ensure this is retained and shared amongst officers.
- 86 It is envisaged that to procure the LEP the new competitive dialogue procedure will need to be utilised. Whilst this procedure offers a high degree of commercial flexibility it is untested and carries with it some degree of risk e.g. supplier commercial confidentiality considerations stifling innovation and the opportunity to negotiate fully. In order to mitigate this, the engagement of a procurement resource must be considered.
- 87 In order to ensure a robust evaluation, the LEP procurement process must ensure that the sample schemes presented during the bid process are truly representative of the final programme. Relatively the exclusive elements of the programme should be achievable. However, if Southwark are seeking to maximise the wider benefits of the LEP (e.g. other associated non-education schemes and potential facilities management provisions) there needs to be a mechanism in the process for evaluating these. This represents a significant challenge as the potential of the LEP will not be known until the process is concluded. To answer this, the inclusion of additional bid elements might be considered in conjunction with the procurement plans of other departments in the Council, helping ensure a fully integrated approach.
- 88 As with all long term partnerships, Southwark must ensure that it retains a meaningful level of control and influence over the lifetime of the programme. If this is not achieved there is a risk that the continued delivery of best value is jeopardised. This has particular relevance in the SSF programme as its impact

extends over a significant period of time. Commitments from PfS and other external bodies may offer some comfort but cannot on their own ensure that best value is delivered. The project should consider what processes can be employed to manage this e.g. a relationship review process supplemented by the relevant legal and commercial input.

Reason for Lateness

- 89 The Building Schools for the Future project is a highly complex project requiring widespread consultation to a very tight timescale. There is much uncertainty over the operation of the Local Education Partnership and the council's financial commitment is potentially large. In order to provide sufficient time for all parties to give adequate consideration to the implications of such a complex project and to allow time for last minute requirements from Partnerships for Schools in the SBC, the deadlines for comments had to be extended.

Reason for Urgency

- 90 The BSF timetable is extremely tight and the council has agreed with PfS a timetable for submission of the Strategic Business Case which is the latest allowable within the wave 3 guidelines. This is July 2006. Failure to meet this timetable will result in the council placing its place within wave 3 in jeopardy and would undermine our request to have an accelerated wave 3 incorporating all schools. Either of these outcomes would have a considerable impact on the amount of funding provided to the council for the project. For this reason, the decision must be taken in time for the SBC to be submitted to DfES with appropriate approvals by the end of July 2006.

Appendices

- A. Letter from DfES regarding Education Vision for BSF
- B. Review of SEN Provision in Southwark
- C. Southwark BSF Programme Options: Implications for Schools
- D. Summary of BSF procurement options appraisal

Audit trail

Lead Officer	Mike Smith	Assistant Director of Education
Report Author	Mike Smith	Assistant Director of Education
Version	Draft Final	
Dated	11 July 2006	
CONSULTATION WITH OTHER OFFICERS/DIRECTORATES		
Officer Title	Comments sought	Comments included
Head of Property	Yes	Yes

Borough Solicitor and Secretary	Yes	Yes
Director of Finance	Yes	Yes
Head of Procurement	Yes	Yes
Lead Member for Children's Services and Education	Yes	Yes
Lead Member for Resources	Yes	Yes
Date final report sent to Constitutional Support Services	11 July 2006	

Appendix A: Letter from DfES regarding Education Vision for BSF

department for

education and skills

creating opportunity, releasing potential, achieving excellence

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14 June 2006

Dear Alison

Building Schools for the Future – Southwark’s Education Vision

Thank you for coming to the Department on 12 May 2006 to present Southwark's Education Vision for Building Schools for the Future (BSF). It was very useful to hear more about your project and how it aims to transform schools for the benefit of both pupils and the wider community.

As you know, Ministers need to ensure that local authorities' Education Visions for BSF investment are delivering the appropriate level of transformation and improvement in standards, in order to maximise the potential impact of this unprecedented level of investment in our schools.

It is in this context that Ministers have been considering Southwark's proposals for BSF, as they will be considering all proposals from local authorities benefiting from BSF investment.

I am delighted to tell you that Ministers have now approved Southwark's plans as set out in your Education Vision. I would like to take this opportunity to thank you for working with us and Partnerships for Schools (PfS) in developing your vision.

Your Education Vision was reviewed by DfES officials concerned with a number of policy areas who considered that the issues of Academies, ICT, Extended Schools, Curriculum and Teaching/Learning, School Organisation and Specialist Schools were all well developed.

Areas of particular strength that were praised by officials were Extended Schools and ICT. At the meeting on 12 May we also identified examples of good practice in the work you have been doing on 14-19 provision, the development of your SEN strategy, your

pupil place planning and the links with regeneration in the borough. We hope that you will be willing to share your experience and practice in these areas with other BSF authorities.

Although we are happy to approve your vision, there are some aspects that require continued development. In order to build upon the progress you have made to date and ensure that your project realises the ambitions that we all share for improved pupil achievement, you will need to focus on the following:

- details of your plans for SEN provision, PRUs and Alternative Provision, with a clear distinction between PRUs and special schools;
- details of your plans for developing collaborative 14-19 provision, including the 14-19 forum and building for vocational courses;
- ensuring that your plans take full account of the National Agreement and practical issues around workforce remodelling;
- showing how the authority is meeting the vision, produced with London Challenge, for improving education in the borough and its link to higher results and standards.

We do not consider these issues, or any of the other points highlighted by officials in their review of the vision, warrant delaying the implementation of your proposals. The authority was felt to have made significant progress between submitting the Education Vision and the meeting to review that vision. That progress will need to be reflected in your Executive Summary and Strategic Business Case (SBC), along with your plans for addressing these key areas in future.

Please note that this letter only endorses your Education Vision as it relates to BSF and not for any other purposes.

I wish you every success in developing and implementing your project, and look forward to receiving your Executive Summary and SBC shortly.

Yours sincerely

Dana Woodmansey
BSF Manager
Schools Capital

Appendix B: Review of SEN Provision in Southwark

Introduction

Inclusion Strategy

- 1.1 The Inclusion Strategy for Southwark was agreed by the Executive of the Council in November 2005 following a period of consultation earlier in the year. The strategy was positively received, and officers were authorised to implement the action plan. A major strand of the Inclusion Strategy is: 'To develop a continuum of high quality provision that meets the needs of Southwark pupils, wherever possible within Southwark schools' (Priority 2). Consultation on the Inclusion Strategy showed that parents and carers of children with special needs whose children access a mainstream primary education in Southwark schools are keen for there to be a similar option within the secondary sector. This proposal is the first stage in moving forward on Priority 2 of the Southwark Inclusion Strategy Action Plan.
- 1.2 This continuum will be developed across mainstream and special schools, thereby increasing the capacity within Southwark schools to educate Southwark children and young people who are currently educated out of the borough. The ultimate aim is for pupils with the most complex needs to be educated in our special schools, with sufficient specialist provision and expertise in our mainstream schools to educate effectively the vast majority of pupils with special needs.
- 1.3 This is an ambitious plan, which will take ten years before it is fully realised, but will significantly increase the life chances of young people with special needs in the borough. The pressure on special and mainstream schools is growing through factors such as the increase in autism and the medical advances which enable children with the most severe and complex needs to survive for longer. Schools require specialist accommodation fit for purpose to maximise the opportunities for these pupils.

Southwark Schools for the Future

- 1.4 The implementation of the Inclusion Strategy has coincided with Southwark's involvement in Wave 3 of the national Building Schools for the Future (BSF) programme. This has provided the opportunity to secure capital funding for the development of schools within the secondary sector, including special schools and pupil referral units. A Southwark Schools for the Future team has been established to work with partners to determine the most appropriate pattern of provision across the primary and secondary sectors.
- 1.5 As well as maximising the potential of BSF for secondary schools and anticipating BSF for primary schools, the planning undertaken by the SSF team will enable the Council to know how best to take advantage of future capital development opportunities, including its own capital programme.

Vision

- 1.6 The vision of how Children's Services will meet the needs of young people requiring specialist provision is described in detail in the Inclusion Strategy and the Action Plan. The vision for inclusion in Southwark is entirely consistent with the six key educational priorities that underpin the SEN vision for Southwark Schools for the Future which is attached as Annex 1.

Process to date

- 1.7 An extensive review of current specialist provision and an analysis of future demand has been undertaken by external consultants working in partnership with Council officers and headteachers of mainstream and special schools and pupil referral units. Visits have been made to every special school and pupil referral unit, and to secondary mainstream schools which already host a resourced unit or might be interested in developing specialist provision. Liaison has taken place with school governing bodies via headteachers, and some additional meetings have taken place with key governors.
- 1.8 This work has enabled the authority to agree with the DfES the overall number of specialist provision places required in special and mainstream schools and pupil referral units by 2016. The work has been required to secure the funding for the authority to refurbish or extend existing provision and to build new special schools and pupil referral units where necessary.
- 1.9 Architects have visited every existing site to assess the potential for development against the anticipated demand and national guidance on space requirements. Five meetings have been held with all special school and PRU headteachers to review the analysis of demand and consider options for the most appropriate pattern of provision.
- 1.10 Mainstream headteachers and chairs of governors have been kept informed of and involved in the development through forum meetings. There have been discussions at the newly established Parents' Council and with colleagues from Health and Social Care to ensure that the full Children's Services perspective has been fully considered. Trade Union representatives have been given a preliminary briefing and the opportunity to discuss the overall direction of travel. Stage One and Stage Two Equality Impact Assessments have already been undertaken on the overall Inclusion Strategy, and additional assessments will be extended to include the preferred estate proposal as part of the statutory consultation period.
- 1.11 This work represents the analysis, options appraisal and preliminary consultation stage. There will be significantly wider statutory consultation at the formal stage, through a planned programme, once the overall approach has been agreed by the Executive.

Proposals

Context

- 2.1 The proposals are separated into primary and secondary phases because of the current focus in BSF on secondary schools. Existing and proposed academies are included in the proposals, even though they have not up until this point been part of the BSF programme, so that the overall approach to specialist SEN provision is given. The way in which special needs will be met in special schools and PRUs in the future is described through two main categories of need: complex learning needs (CLN) and behaviour, emotional and social difficulties (BESD). In addition, the needs of pupils with specific learning difficulties, language and communication needs, autistic spectrum disorder, sensory impairment, physical and medical needs have been fully considered as part of a proposed spectrum of support. The proposals should be read with reference to the more detailed vision described in Annex 1 and to the proposed estate strategy set out in the main body of the committee report.

Summary of Strategy

- 2.2 Southwark's approach will be to develop a continuum of specialist provision across mainstream schools, special schools and pupil referral units. This will be achieved by:
- slightly increasing the current number of Southwark special school places during a period of population growth, which will bring Southwark into line with the national average percentage of pupils in special schools by 2016 (approximately 1.2%).
 - increasing the capability of Southwark mainstream schools, particularly in the secondary sector, to include pupils with SEN by expanding specialist resourced provision in mainstream schools, thus reducing the demand for special school placements.
 - increasing the capability of Southwark special schools to include pupils otherwise placed out of borough in special schools (maintained and independent), thereby investing more of the available budget in Southwark schools.
 - increasing alternative provision for KS4 pupils with behavioural needs in line with Inner-London pupil referral unit averages, thus extending the range of provision and opportunities for this disadvantaged and vulnerable group of young people.
- 2.3 The impact of the strategy will be as follows:
- The current pattern of seven special schools will be retained, with some changes to their designations and number of places. Overall, there is a slight increase in the number of places (494 to 527).

- There will be an increase in the total number of PRU places (151 to 170), configured differently into three rather than four PRUs. Opportunities for shared governance arrangements through a federated approach are being explored so that SEBD special schools and pupil referral units can develop a more co-ordinated way of working.
 - There will be a significant increase in the amount of specially resourced provision in mainstream schools across a wide range of needs, particularly in the secondary sector, so that more pupils will have the opportunity to be included in mainstream settings (90 to 239).
 - There will be a reduced reliance on specialist placements out of borough, and Southwark will move from being a net exporter among local authorities to a balanced position in relation to pupils with special needs (140 to 20).
 - There will be a clear break between Behaviour and Emotional Support provision at KS3 and KS4. The expansion of programmes at KS3 will support pupils to return to mainstream education where possible. The establishment of a KS4 “College”, combining alternative provision and a core curriculum, will provide a wide range of educational and vocational opportunities for pupils who are not able to return to a mainstream setting. Mainstream schools will be able to access curriculum programmes at the KS4 “College” for pupils who are less engaged.
- 2.4 As part of this strategy to support greater inclusion, Southwark will be introducing new SEN funding arrangements in mainstream schools to support earlier intervention with less bureaucracy. This will gradually bring the percentage of pupils with statements into line with national averages by 2016.

Basis of analysis

- 2.5 Various sources of data were used to build up a complete picture of current and future patterns of demand. These included:
- statistical returns to DfES (January PLASC and SEN 2 figures).
 - list of statements maintained by Southwark from SEN database.
 - returns from individual special schools and PRUs giving further details on types and levels of need.
 - information from neighbouring authorities on future plans and on in-borough/out-borough patterns of placements.
 - Inner London and national comparative figures.
- 2.6 The approach was to focus on making sufficient provision for Southwark pupils by analysing the current numbers and types of placements, in and out of borough, and the needs of individual pupils. An element of growth was added to the current demand to take account of predicted increases in both severity of need and the overall Southwark population.
- 2.7 In arriving at the total number of specialist provision places required by 2016, the following assumptions were made:

- It should be possible to provide in-borough for all Southwark pupils placed in other authorities' specialist provision (currently a total of approximately 80 pupils) and that, in future, the inflow of other local authority pupils will balance the outflow of Southwark pupils in terms of special school placements.
- It should be possible to provide in-borough for the needs of at least two-thirds of pupils currently placed in independent special schools (currently a total of about 60 pupils), either in Southwark special schools or in specialist resourced provisions to be established in mainstream schools.
- Some pupils currently in special schools could in the future be placed in mainstream schools if appropriate resourced provision were developed. (Currently, 55 pupils have been identified by special school headteachers.)

2.8 Throughout the analysis and development of options for a future pattern of provision, pupil needs were grouped into two main categories: complex learning needs (CLN) and behaviour, emotional and social difficulties (BESD). CLN includes moderate and severe learning difficulties (MLD/SLD), profound and multiple learning difficulties (PMLD), medical needs and autism. The national expectation is that special schools for pupils with learning difficulties will become more generic, e.g. the current distinction between MLD and SLD schools will not be necessary, but pupils with BESD should still be provided for separately.

Overall pattern of provision

2.9 The current and future patterns in terms of overall numbers are given in the table below.

Complex learning needs	Existing total places	Future total places
Primary special schools	120	157
Secondary special schools	281	265
CLN total	401	422

Behaviour emotional and social difficulties		
Primary special school	35	35
Primary PRU	18	24
<i>Primary subtotal</i>	<i>53</i>	<i>59</i>
Secondary special school	58	70
Secondary PRU	136	146
<i>Secondary subtotal</i>	<i>194</i>	<i>216</i>
BESD total	247	275
Mainstream specially resourced provision		
Primary schools	82	84
Secondary schools	8	155
SRP total	90	239
Overall		
Mainstream resourced provision	90	239
PRUs	154	170
Special schools	494	527
Total	738	936

Further details on the primary and secondary phases are illustrated in the following tables. Primary: Tables 1P – 6P; Secondary: 1S – 6S

Explanation of abbreviations used in the tables:

- MLD Moderate Learning Difficulties
- SLD Severe Learning Difficulties
- EBD Emotional and Behavioural Difficulties
- HI Hearing Impairment
- SLCN Speech, Language and Communication Needs
- SpLD Specific Learning Difficulties
- ASD Autistic Spectrum Disorder
- PD Physical Difficulties
- PLASC Pupil Level Annual School Census – The letters A, B, C and D denote the four main categories of special educational need in the PLASC

2.10 Primary specialist provision

Existing pattern

Table 1P

Special schools	Type	Age range	2006/07 places
Haymerle	MLD	5-11	74
Cherry Gardens	SLD	3-11	46
Beormund	EBD	5-11	35
Total			155

Table 2P

PRU	Age range	2006/07 places
Summerhouse	5-11	18

Table 3P

Type of mainstream resourced provision	Age range	2005/06 roll
HI	5-11	11
SLCN	5-11	24
SpLD	5-11	8
ASD	5-11	32
PD	5-11	7
Total		82

Future pattern

Table 4P

Proposed Special Schools	Age range	Type of SEN (PLASC category)	Number of places
CLN primary special school (1) with PMLD specialism	3-11	A. CLN/PMLD	85
CLN primary special school (2) with ASD specialism	5-11	A/C. CLN/ASD	72
<i>Sub-total CLN</i>			157
BESD special school KS1/2	5-11	B. BESD	35
Total			192

Table 5P

Proposed PRU	Age range	Type of SEN	Number of places
KS1/2 PRU (to be confederated with	5-11	B. BESD	24

special school)			
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Table 6P

Proposed primary mainstream resourced provision	Type of SEN (PLASC category)	Number of places
Primary school	D. HI	12
Primary school	C. SLCN	24
Primary school	A. SpLD	8
Primary school(s)	C. ASD	32
Primary school	D. PD	8
Primary resourced provision	Total	84

2.11 Secondary specialist provision

Current pattern

Table 1S

Special schools	Type	Age range	2006/07 places
Highshore	MLD	11-17	128
Tuke	SLD	11-19	56
Spa	ASD	11-19	97
Bredinghurst	EBD	11-16	58
Total			339

Table 2S

PRU	Age range	2006/07 places
Porlock Hall	11-16	40
Willowbank	11-16	64
ESC	14-16	32
Total		136

Table 3S

Type of mainstream resourced provision	Age range	2005/06 roll
HI	11-16	2
SpLD	11-16	8
Total		10

Future pattern

Table 4S

Proposed Special Schools	Age range	Type of SEN (PLASC category)	Number of places

CLN secondary special school (1)	11-19	A. CLN	90
CLN secondary special school (2) with PMLD specialism	11-19	A. CLN/PMLD	90
CLN secondary special school (3) with ASD specialism	11-19	A/C. CLN/ASD	85
<i>Subtotal CLN</i>			265
BESD special school i) KS3	11-14	B. BESD	42
ii) KS4	14-16	B. BESD	28
Total			335

Table 5S

Proposed PRUs	Age range	Type of SEN	Number of places
KS3 PRU (to be confederated with KS3 section of BESD special school)	11-14	B. BESD	48
KS4 PRU (to be confederated with KS4 section of BESD special school)	14-16	B. BESD	98
Total			146

Table 6S

Resourced provision secondary:		
City of London Academy	D. HI	15
Academy at Peckham	A. SpLD	15
School1	A/C. SLCN + other SENs	25
School 2	A/C. ASD + other SENs	25
School 3	A/C. ASD + other SENs	25
School 4	A/C. ASD + other SENs	25
School 5	A/D. PD + other SENs	25
Total secondary resourced provision		155

Revenue Funding

Local context

- 3.1 The strategy behind the reorganisation of the special educational provision provides the opportunity to reinvest in local provision and address issues to take forward the Every Child Matters agenda. Interviews and discussions with young people and their families confirm that if there were a choice they would prefer to be educated at a local mainstream school with the necessary specialist resources or at a local special school rather than to travel out of the borough and possibly have to board.
- 3.2 The development of a continuum of specialist resources across Southwark mainstream and special schools will result, through training and outreach support, in an enhanced pool of expertise and skills to provide an appropriate curriculum and support for pupils with complex learning needs (CLN), behaviour,

emotional and social difficulties (BESD), autistic spectrum disorder (ASD) and profound and multiple learning difficulties (PMLD). In addition, there will be increased local educational opportunities for pupils with sensory needs, specific learning difficulties and medical/physical needs. This continuum will provide high-quality local choices for children and their families.

Funding rationale

- 3.3 The additional specialist provision in Southwark's mainstream schools and special schools will be cost neutral and managed through the reconfiguration of existing SEN resources. The resource will be re-directed from several main areas:
- i Reduction in costly out of borough special school placements.
 - ii Reduction in transport costs to and from out of borough placements.
 - iii Income from traded BESD places on KS4 programme.
 - iv Basic increase in pupil numbers in Southwark schools.
- 3.4 The current expenditure on independent schools and maintained special school placements out of the borough, including transport costs, is a total of approximately £4.2m. The average unit cost per pupil is £29,500. The range of school fees, including transport costs is from £163,000 per pupil per year to £5,000 per pupil per year. Further analysis shows that 60% of placements are above £20,000 per pupil, which is the maximum cost of a Southwark special school placement, including transport, for a pupil with very complex needs. There are ten cases where the transport costs exceed the cost of the placement.
- 3.5 Current developments within neighbouring authorities are providing additional momentum for Southwark to develop more specialist placements within the borough. The out of borough placements at the lower end of the price range are located in other authorities' maintained special schools for children with less complex needs. These places will become increasingly less available as neighbouring authorities' special schools begin to cater for children with more complex needs. In parallel to a reduction in lower cost placements out of borough, Southwark will require more costly placements for children with increasingly complex needs. It is therefore cost effective to develop in-borough places for as many Southwark children with special needs as possible in both special schools and within mainstream resourced provision. The alternative scenario would be that we lose access to less expensive places and then would be forced to use an increased number of the costly independent special school places.
- 3.6 With particular regard to young people attending provision for BESD, the average cost per pupil attending an out of borough provision is £34,000 per year compared with an average cost within the borough of £16,000 per pupil. Of the ten most costly out of borough placements (above £58,000 per year), 50% are for BESD placements. By introducing a full continuum of behavioural support with a focus on prevention, there is a very real opportunity to not only reduce expenditure on out of borough placements, but to impact on anti-social behaviour and criminal activity and the associated costs that are engendered by behaviours of this type.

- 3.7 It is therefore anticipated that the total future specialist support that will be available within the borough will cater for 936 pupils (an overall increase of 198 places). The current average cost of a Southwark special school placement including transport and escort costs is £20,000 per pupil; a resourced unit placement including transport and escort costs is £10,000 per pupil as compared with the average cost of an out of borough placement at nearly £30,000.
- 3.8 In addition, a number of children and young people are in placements where the funding is jointly provided by education, social care and health (five pupils are currently joint funded). The annual budget for these places is £780,000, at a per pupil cost exceeding £150,000 per year. As the range of specialist provisions increases in the borough, there may be the possibility to put together social care, health and education packages closer to home to meet the needs of small numbers of very needy children and young people.
- 3.9 It is important to acknowledge that there will always be a small number of children and young people whose life circumstances and levels of need are so complex that they will continue to require an out of borough school. The numbers involved are low and it is not cost effective for any one local authority to develop its own provision. In these situations we will seek to ensure that any placements used are of excellent quality and that the situation for each young person is closely monitored to ensure that they can return home and to local provision whenever possible. Based on an analysis of the current pupil cohort educated in very specialist independent out of borough schools, in the future Southwark could educate at least two-thirds of a similar group leaving an ongoing requirement for around twenty out of borough placements at any one time – three to four new pupils per academic year. It is likely that these placements would be at the higher end of the cost range, and based on current expenditure would require a financial commitment of £1 million per year. This would in the long term release in excess of £3 million for investment in local provision.
- 3.10 It is therefore anticipated that with carefully staged planning the current expenditure on pupils with SEN will be sufficient to develop a reconfigured pattern of specialist support as described in the overall proposal. A more detailed and staged funding strategy will be developed over the next few months and will be a key part of the statutory consultation process.

Staffing Strategy

- 4.1 It is not anticipated that the reconfiguration of specialist provision in Southwark will result in the loss of existing posts; in order to fulfil the proposed developments some redefinition of roles will be required. The only new school where there is a proposed decrease in the pupil roll is Highshore: from 128 pupils to 90 pupils, but this reduction is offset by increases across other special schools and within the mainstream sector. In addition, it is proposed that Highshore be co-located on the site of a mainstream academy, which will give rise to an additional need for staff to support pupils who will have the opportunity to be included in some mainstream activities at the co-located academy.

- 4.2 A key part of the Inclusion Strategy is the development of the resourced specialist units within the mainstream secondary schools. Each of the proposed new units will require a team of specialist staff, which will give rise to a range of new employment opportunities.
- 4.3 The importance of a well-planned training strategy to support the reconfiguration proposals will not be underestimated. It will not be assumed that special school staff necessarily have the appropriate skills automatically to become outreach workers, nor that school staff are able immediately to work well with pupils who experience a range of more complex learning needs. It is also the case that all of the special schools will experience a growth in the complexity of their pupils' needs and some will experience a significant shift in the types of need for which they cater. For example, there will be an increase in the number of pupils on the Autism Spectrum at Haymerle School, and Cherry Garden School, as it develops nursery provision, will receive an increasing number of very young children with extremely complex medical, physical and learning needs.
- 4.4 A strength of the work to date on this proposal has been the emphasis placed upon collaboration between the Council, schools and pupil referral units; the staffing strategy, supported by a well-planned training and development programme, will be approached as a partnership. Preparation will begin well in advance of any changes becoming operational for either pupils or staff so that transition from one way of working to another can take place as seamlessly as possible.
- 4.5 A detailed staffing strategy supported by a costed training and development programme will form part of the statutory consultation during the Autumn Term.

Transition and Implementation

- 5.1 It is acknowledged that moving from one way of working to another is complex and in the case of this proposal, which does not fully come to completion until 2012, must be based on a carefully staged approach.
- 5.2 The implementation of the building programme and development of the new sites will be based on clear principles that have been agreed with the key stakeholders. It will be designed to minimise disruption and, wherever possible, to avoid the need to decant children from one school to another or into temporary accommodation. A clear plan will be drawn up identifying the transition process. For example, it may be possible to phase in the implementation of some mainstream resourced provisions prior to the start of the building works.
- 5.3 In relation to pupils who are already settled in out of borough schools, it is not planned to return them to Southwark provision unless their parents/carers state a preference for a more local placement and a thorough multi-agency case review suggests that such a move is in the best interests of the child. It will be more likely to consider the movement of pupils back into the borough at natural transition points (e.g. secondary transfer). Where possible, the views of the child will also be taken into account. Any changes to a child's school place that involves a move back to Southwark will be carefully planned and managed to

minimise any emotional stress or unnecessary disruption caused to their education. All decisions will be made on a case by case basis.

- 5.4 The management of revenue funding during the transition phase will need to be carefully planned, as the new developments have some dependency on the release of funding from out of borough placements. Resourced units in mainstream schools will need to be phased in over a period of time, keeping pace with demand for local placements. The confidence of parents/carers in the new Southwark provision will be a key element in assuring a smooth transitional period. An extended Parent Partnership team is currently being developed following the appointment of a new team leader. This team will play a key role in gaining the support of parent groups as the overall programme is implemented.

Consultation

- 6.1 In addition to the statutory consultation process which covers the overall Southwark Schools for the Future programme, ongoing consultation will take place with parents/carers and children through arrangements that already exist in the borough:
- Parent Partnership Service
 - Parents' Council
 - Community and voluntary groups
 - Pupil participation project
 - Pupil Voice surveys
 - Focus groups of children with SEN
- 6.2 The views of children and their families will be gathered and used to inform and improve the implementation of the programme.
- 6.3 A strong emphasis will continue to be placed on the need for collaboration with headteachers and school/PRU staff, governing bodies, parents/carers and pupils, professionals across Children's Services and the Community/Voluntary Sector and Trade Union representatives.
- 6.4 This proposal represents a long-term commitment to the children and families of Southwark, one which really demonstrates our belief in the value of inclusive, high quality education for all. The sustained efforts of all stakeholders will be required to see it through to fruition.

Appendix C: Southwark BSF Programme Options: Implications for Schools

	Option A 99 % Transformation	Option B 90 % Transformation	Option C 81 % Transformation	Option D 67 % Transformation	Option E 63 % Transformation
Transformation	Sacred Heart	St Michaels	New school	New school	New school
	St Michaels	New school	Walworth	Walworth	Walworth
	Notre Dame	Walworth	AMR	AMR	AMR
	New school	AMR	Highshore	Spa	Spa
	Walworth	Highshore	Bredinghurst		
	AMR	Bredinghurst	Tuke		
	Highshore	Tuke	Spa		
	Bredinghurst	Spa			
	Tuke				
	Spa				
Excellent	St Saviours & St Olaves	St Saviours & St Olaves			
	St Thomas				
Good		Sacred Heart	Sacred Heart	Sacred Heart	Sacred Heart
		St Thomas	St Thomas	Highshore	Highshore
				Bredinghurst	Bredinghurst
				Tuke	Tuke
Satisfactory		Notre Dame	St Saviours & St Olaves	St Saviours & St Olaves	
			St Michaels	St Michaels	
			Notre Dame		
Constrained				St Thomas	St Saviours & St Olaves
				Notre Dame	St Michaels
					Notre Dame
					St Thomas

Appendix D: Summary of BSF procurement options appraisal

Procurement Option	Option overview and considerations for LBS
Option 0 – Do nothing, reject or defer BSF funding	<ul style="list-style-type: none"> ▪ Option would miss opportunity of BSF investment, and therefore is not a viable option.
Option 1 – Traditional procurement via existing routes	<ul style="list-style-type: none"> ▪ This option will not meet approval by PfS and hence jeopardise access to the funding ▪ The Council has a very poor track record delivering large and complex capital projects (e.g. Charter school) ▪ All risks reside with the Council ▪ Requires significant investment in procurement and a robust 'client function' which will incur ongoing costs ▪ The council will incur significant procurement costs
Option 2 – Procure via a series of strategic frameworks	<ul style="list-style-type: none"> ▪ Potentially acceptable to PfS although not favoured (E.g. Manchester) ▪ Requires significant investment in procurement and a robust 'client function' which will incur ongoing costs ▪ Will not provide an integrated procurement solution for the council thus over the lifetime significant savings will not be realised ▪ Minimal risk transfer from LBS ▪ Requirement to demonstrate value and potentially 're-procure' in 2011 due to OJEU requirements
Option 3 - Incorporation with existing/planned regeneration contracts	<ul style="list-style-type: none"> ▪ Potentially acceptable to PfS, although not favoured ▪ Major change to existing regeneration procurement strategy and focus ▪ Compliance with OJEU will be an issue ▪ Lack of education & ICT focus ▪ Not an integrated schools solution ▪ Complex legal structure and procurement process ▪ High Risk for LBS
Option 4 - Option 3 Accept BSF and procure a Strategic Partner	<ul style="list-style-type: none"> ▪ Preferred by PfS and will safeguard access to £176m of BSF funding ▪ Significant risk transfer from LBS ▪ Requires commitment and investment by LBS to procure, support available from PfS. ▪ Standard documentation & structure. Scope will require definition
Sub Option 4.1 – Standard LEP	<ul style="list-style-type: none"> ▪ LBS procure a standard LEP. Structure as PfS, contracting with private sector partners to meet programme milestones ▪ Risks to LBS are quantifiable ▪ LBS required to make an equity stake in the JV of 10% of the working capital. ▪ The Southwark LEP could deliver of a 'pipeline' of corporate projects and services to deliver enhanced value, ongoing equity from LBS may be required. ▪ Gains full approval & support from PfS to secure funding
Sub Option 4.2 – New Commercial Model (Variant LEP)	<ul style="list-style-type: none"> ▪ LBS develops a new capital structure to deliver SSF. ▪ Assumes the model could deliver similar outputs to the LEP ▪ Not favoured by PfS, major increases in procurement time and costs ▪ Bespoke commercial documents and structure required ▪ Major risks for LBS
Option 4.3 – Regeneration model	<ul style="list-style-type: none"> ▪ LBS procure a single regeneration and education partner with responsibility for the delivery of regen' & education infrastructure at a whole authority level. ▪ New partner will deliver larger infrastructure projects in one or a number of geographical areas but address education at a cross authority level (mixed message). ▪ Significant additional risk to LBS. ▪ Unlikely to be approved by PfS ▪ Regeneration partner will provide an integrated solution, particularly on ICT and education solution.