

<b>Item No.</b> 13.	<b>Classification:</b> Open	<b>Date:</b> 20 November 2012	<b>Meeting Name:</b> Cabinet
<b>Report title:</b>		Moving Towards A Primary Investment Strategy	
<b>Ward(s) or groups affected:</b>		All	
<b>Cabinet Member:</b>		Councillor Dora Dixon-Fyle, Children's Services	

## **FOREWORD – COUNCILLOR DORA DIXON-FYLE, CABINET MEMBER FOR CHILDREN'S SERVICES**

The council is committed to ensuring that every child and young person can thrive and achieve their full potential. Through continued investment in the borough's schools, pupils are achieving new heights, with attainment at or above the national average across all key stages, and continuing to improve.

The council has also guaranteed that every child has access to a quality local primary place, with parents able to choose from a community of outstanding schools. This ambition is achieved through supporting schools to be outstanding and wherever possible by expanding popular and successful schools.

Southwark is facing unprecedented demand for primary school places. Over the past two academic years, the borough has experienced shortfalls in reception year places – and this is predicted to increase over the coming years. As a result, a substantial investment programme is required to ensure that there are sufficient quality places available in both the short and medium term.

This report sets out the steps undertaken and planned to develop this investment programme. It has been developed in collaboration with schools and sets out a robust plan for ensuring that Southwark's schools can continue to thrive and provide an excellent education for all the borough's children. I commend this report to cabinet.

## **RECOMMENDATIONS**

1. That Cabinet note the forecast demand for primary places and associated need for the creation of additional capacity within Southwark's primary estate.
2. That Cabinet note the financial implications of the necessary expansion.
3. That Cabinet note that the Cabinet Member for Children's Services shall confirm those schools to be subject to further development of permanent expansion proposals and a co-ordinated fabric investment programme following the conclusion of further feasibility assessments.
4. That Cabinet note that the Strategic Director of Children's and Adults Services will approve a programme of temporary expansion for 2013 by December 2012.

## **BACKGROUND INFORMATION**

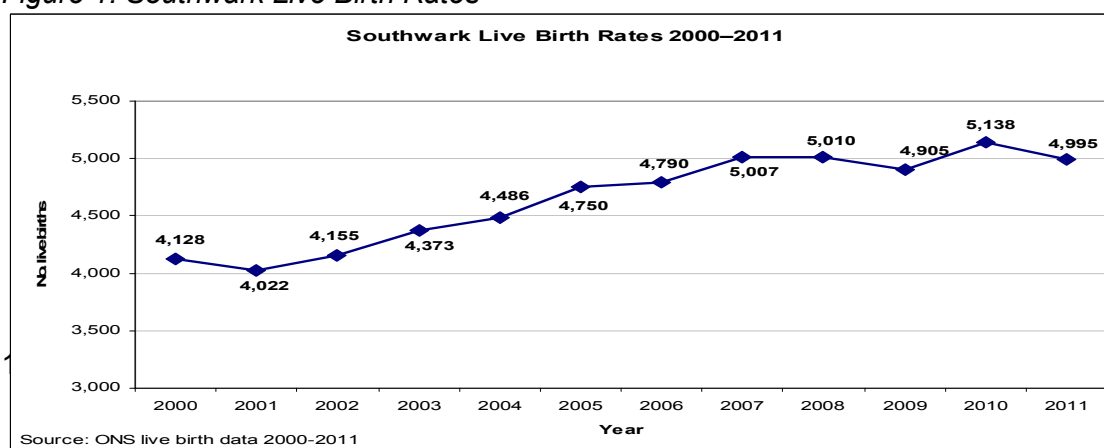
5. The Education Act 1996 places a statutory duty upon the Local Authority to ensure that there are sufficient school places available within their school system.
6. The council's primary places strategy, the Primary Strategy for Change, was adopted by Council Assembly in June 2008. Developed by a steering group of primary headteachers, it set a policy framework for investment decisions through the primary capital programme. This programme has enabled the council to secure sufficient primary places over recent years. The strategy has been recently updated to reflect the growing demand for primary places, the diversification of the schools' community, which now includes academies and free schools, and reduced capital funding levels.
7. In March 2009, in response to growing demand for primary places, the council agreed to use temporary classes to complement permanent expansions, in order to enable the council to respond flexibly to changing demographics. At the time, it was predicted that the increase in demand would be temporary.
8. Over the past two academic years Southwark has been experiencing a significant shortfall in permanently available places to meet demand.
9. This is considered to have been as a result of a combination of factors – increasing birth rates; the recession's impact on the job and housing markets resulting in more families staying within the borough when their children reach school age and fewer applying for a place in the independent sector; improving schools resulting in more parents seeking a place at their local school; increased residential capacity.
10. This demand for reception places has been met through a combination of permanent expansions (for example Michael Faraday and Phoenix primary schools) and other schools temporarily expanding one year group – a 'bulge class'. In September 2012 300 reception places were created across 12 schools through temporary expansion.
11. It is anticipated that this pressure on available places will continue and action is required to ensure that sufficient places are created in local schools to meet demand, in line with the council's place planning strategy.

## **KEY ISSUES FOR CONSIDERATION**

### **Pupil place planning**

12. Southwark's pupil place planning is largely based on Greater London Authority (GLA) population projections which are themselves informed by:
  - Current school rolls
  - Birth rates
  - Underlying population projections
  - Migration
  - New housing
13. Birth rates in Southwark are following an upward trend as shown in Figure 1.

Figure 1: Southwark Live Birth Rates



- Parental recognition of new schools
  - Changing patterns of families remaining in borough
  - A 5% planning margin
15. The 5% planning margin is added to ensure that in a time of rapid growth the forecasts are not underestimating demand and also to ensure that there will be sufficient places to respond to parental choice.
16. The combined data shows an ongoing trend for additional reception children in Southwark requiring a school place. This pressure on places is being experienced and anticipated across London and regular liaison meetings are held between Southwark officers and those in neighbouring boroughs to cross refer data and inform pupil place planning.
17. Figure 2 shows the anticipated demand for pupil places against available places.

Figure 2: Reception capacity and anticipated place demand



18. As Figure 2 shows a significant shortfall in available places is anticipated in 2013/14 and on into future years which is initially consistent with the shortfall experienced in 2012/13.
19. To assist in the planning of a response to pupil place demand the data is prepared for both the borough as a whole and also for individual community

councils. This breakdown into smaller planning areas enables a pattern of need to be determined and the necessary response mapped more effectively onto local schools.

20. Table 1 shows the predicted shortfall in permanent places by planning area over the coming academic years.

**Table 1: Shortfall by planning area**

	<b>September 2013</b>	<b>September 2014</b>	<b>September 2015</b>	<b>September 2016</b>
North West (Borough, Bankside and Walworth)	0 FE	0 FE	0 FE	0 to 1.5 FE
North East (Bermondsey and Rotherhithe)	2.5 to 4 FE	3 to 4.5 FE	5 to 6.5 FE	6.5 to 8FE
Central West (Camberwell)	1 to 2 FE	1.5 to 2.5 FE	2 to 3 FE	3 to 4 FE
Central East (Peckham and Nunhead)	1.5 to 2.5 FE	1 to 2.5 FE	2 to 3.5 FE	3 to 4.5 FE
South (Dulwich)	2 to 2.5 FE	1.5 to 2.5 FE	2 to 2.5 FE	2.5 to 3 FE
<b>Total</b>	<b>7 to 11 FE</b>	<b>6.5 to 12 FE</b>	<b>11 to 15.5 FE</b>	<b>15 to 21 FE</b>

Notes: FE is an abbreviation of Forms of Entry. One form of entry is equivalent to 30 additional places in a year group or 210 places across a school.

The higher figure in the range incorporates the 5% planning margin.

21. The planning data shows a significant differential between anticipated demand across planning areas and as such any response needs to match this pattern of demand.
22. In consideration of the pupil place planning data it is proposed that a target of 12FE of permanent expansions should be progressed at this time in order to meet demand up to and including September 2015 subject to further review annually.

### **Primary estate review**

23. In April 2012, 4 Futures, Southwark's Local Education Partnership, were commissioned to carry out an inspection of the entire primary estate and linked educational buildings to assess existing capacity and the viability and cost of expansion. Alongside this they also carried out detailed condition and measured surveys.
24. The outputs of this study have been reviewed and have resulted in 22 schools and education sites being longlisted for further consideration for permanent expansion. The longlisted schools are shown in Table 2.

**Table 2: Longlist of schools under consideration for permanent expansion**

<b>School</b>	<b>Planning Area</b>
Albion Primary School	Bermondsey and Rotherhithe
Galleywall site	Bermondsey and Rotherhithe
Grange Primary School	Bermondsey and Rotherhithe
Phoenix Primary School	Bermondsey and Rotherhithe
Redriff Primary School	Bermondsey and Rotherhithe
Charles Dickens Primary School	Borough, Bankside and Walworth
Cobourg Primary School	Borough, Bankside and Walworth
Keyworth Primary School	Borough, Bankside and Walworth
Robert Browning Primary School	Borough, Bankside and Walworth
Surrey Square Primary School	Borough, Bankside and Walworth
Bessemer Grange Primary School	Camberwell
Comber Grove School	Camberwell
Crawford Primary School	Camberwell
Oliver Goldsmith Primary School	Camberwell
Bellenden Primary School	Peckham, Nunhead, Peckham Rye
Camelot Primary School	Peckham, Nunhead, Peckham Rye
John Donne Primary School	Peckham, Nunhead, Peckham Rye
Old Bellenden site	Peckham, Nunhead, Peckham Rye
Rye Oak School	Peckham, Nunhead, Peckham Rye
St James the Great Roman Catholic Primary School	Peckham, Nunhead, Peckham Rye
Dulwich Hamlet Junior School	Dulwich
Dulwich Village Church of England Infants' School	Dulwich
Langbourne Primary School	Dulwich

25. These longlisted schools/sites were considered, at a high level, to have capacity to expand either within their existing accommodation or following a cost effective investment in their accommodation or in new accommodation. Further, the schools were open to exploring the possibility of expansion.
26. It is considered that in theory the anticipated demand in places could be met through the provision of additional places at those schools listed above. However it is likely that through a more detailed feasibility assessment at each school that some may drop away as a result of functional or financial viability, waning support for the developed proposals or lack of alignment with the council's place planning strategy.
27. In most planning areas the number of potential places that could be delivered at longlisted schools (or other schools not currently longlisted) is greater than those required in the short and medium term. However, in the Dulwich area alternatives are limited should the schools on the longlist not be viable. As such alternative options are being actively explored including consideration of location and provider.

## **Free schools**

28. In September 2012, Southwark Free School opened in temporary accommodation in a tenant's hall on the Ledbury Estate in central Southwark. This opening is in advance of their anticipated permanent establishment as a 2FE primary school in new accommodation to be constructed in Rotherhithe New Road. These proposals are currently the subject of a planning application.
29. Should this application be successful the earliest likely date of opening in permanent accommodation is September 2014. Following the determination of the planning application Southwark Free School will be factored into assumptions in regard to available places.
30. The Education Act 2011 has removed substantial powers from Local Authorities to address place planning through the establishment of new schools; the presumption is that most new schools will be either Academies or Free Schools (or in some limited circumstances voluntary aided). Should a new school be the route determined to deliver additional places close working will be required with Free School proposers, the Department for Education, Academy groups, Diocesan Authorities and local schools to identify the appropriate governance.

## **Meeting the expansion need**

31. Further work is now underway with the longlisted schools to produce a more robust and deliverable costed expansion proposal for each in order that the most cost effective, supported and deliverable projects that best respond to local demand can be progressed. This work is due to complete in January 2013. This should enable a fully costed programme of investment to be developed to start to deliver permanent expansions from September 2014.
32. It is unlikely that at most of the above schools it will be possible to have completed all necessary works to support a permanent expansion by September 2014. As such it will be necessary for schools to expand in temporary arrangements ahead of their permanent expansion to meet the 2013 demand. Further this will need to be supplemented by ongoing temporary expansions (bulge classes) at other schools not identified as permanent expansions to be agreed by the Strategic Director of Children's and Adults Services.
33. In total over 7 FE of additional reception places will be sought to be created in September 2013.
34. The Cabinet Member for Children's Services shall approve those schools to expand following the consideration of further feasibility work and an associated Equality Impact Assessment. An update to Cabinet will subsequently be given.
35. The decision as to which schools to expand will be guided by the council's place planning strategy. Its planning principles include the need to ensure that investment supports fairness, quality, inclusiveness, value for money and flexibility. These decisions will also need to be informed by the schools' capability to expand while continuing to deliver high quality education, more precise consideration of the location of schools and their ability to meet local demand and affordability.

## **Condition**

36. Alongside the expansion outcomes of the study there are ongoing condition liabilities across the estate. Generally the primary estate is in good condition following planned investment and renewal by Southwark, the Diocese and individual schools. However with the nature and age of the stock ongoing investment is required to ensure that buildings continue to be safe, warm and dry.
37. Overall £23m of investment has been identified though the condition surveys as being required in the primary estate over the next 10 years with an average investment of £3.5m shown over the first five years. The condition survey outputs are now to be reviewed and an investment programme developed balancing priority of investment and economic phasing and bundling of works. This programme is due to be developed in early 2013 in line with the expansion investment programme in order that both are funded as part of a co-ordinated investment programme.
38. An assumption at this time of up to £12m of investment in building fabric issues outside of the expansion programme over the next three years is considered to be sufficient for financial planning purposes ahead of the development of a robust programme.

## **Community impact statement**

39. The content of this report relates to primary aged children and their parents and carers only, and is borough wide. It is anticipated that it will have a positive impact on the community as it seeks to ensure that all parents can more fully exercise their choice of primary school. The programme seeks to achieve this by investing in existing schools within Southwark's primary estate, and providing additional capacity where there is greatest demand for reception places.
40. As each investment decision is taken forward a detailed impact assessment will be undertaken to ensure there is no adverse impact on the community and these will be included in future reports for decision as appropriate.

## **Financial implications of expansion programme**

41. Based on the outputs of the review and subject to the further detailed studies on the longlisted schools, and the progression of Southwark Free School's proposals, the delivery of 12FE of permanent places is anticipated to cost between £40-65m over the next three financial years or approximately £3.5-5.5m per additional form of entry provided.
42. In addition up to £12m should be set aside to meet potential condition liabilities and a further £2m for the delivery of the 2013 temporary expansions meaning that total anticipated lower estimate of funding required for the three year programme is £54m with the higher boundary at £79m.
43. Funding for any programme would need to be made up of existing Department for Education grant for new places, future anticipated grant, Southwark's own general funding, S106 payments and Southwark's Community Infrastructure Levy (CIL).
44. Some funding is also anticipated to come from schools and Diocesan Authorities.

45. Delivering an expansion programme is contingent on grant from the Department for Education. It is likely that following the feasibility review a year on year increase in available grant will be required to deliver the necessary investment.

### **Consultation**

46. Consultation with stakeholders is ongoing. A meeting with all primary Headteachers was held in September 2012 to discuss the proposed programme and its development and delivery and a meeting with representatives of the Roman Catholic and Anglican Diocese was held on the 12 November 2012.
47. Discussions are continuing with the Department for Education to confirm reasonable future funding assumptions and confirm their support for the overall investment strategy outlined in this paper – the delivery of the additional required places through the expansion of existing schools supplemented by some new provision.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

#### **Director of Legal Services**

48. Cabinet is advised to accept the recommendations outlined in the report.
49. The legal basis for the recommendations is found under the Education Act 1996. Section 14 places a duty on local authorities to ensure that there are sufficient primary and secondary schools in their area. Cabinet is advised that the Local Authority must ensure there are enough school places to meet needs as well as working to secure diversity of provision. The Local Authority is also bound by the duty to take into account parental preference in so far as to do so avoids unreasonable public expenditure.
50. Cabinet is advised that the Education Act 2011 has restricted the legal power for local authorities to establish community schools to address the issue of increased demand for primary places. Therefore Cabinet is advised that the Local Authority may look to existing provision to expand or to free schools and academies to meet demand.
51. Cabinet will note that the Cabinet Member will have regard to the outcomes of an Equality Impact Assessment in considering the decision under Recommendation 3, and to the public sector equality duty under Section 149, Equality Act 2010.

#### **Strategic Director of Finance and Corporate Services (F&CS/CR/07/11/12)**

52. This report is recommending Cabinet to note the investment strategy required to create additional capacity within Southwark's primary estate to address the projected growing pressure on school places.
53. The report indicates a total budget requirement between £54m and £79m to fund the lower and higher estimates of the investment proposals respectively.
54. It is noted that funding for any investment proposals would be based on existing Department for Education (DfE) grant for new places, anticipated future grant from DfE and other sources of funding including Southwark's own funding, S106



payments and Southwark's Community Infrastructure Levy (CIL) will also be required, as reflected in paragraph 43.

55. However, it is understood that some of this expected funding has yet to be confirmed and discussions are also continuing with the Department for Education to confirm future funding assumptions.
56. It is expected, that a further report to Cabinet following the detailed feasibility work should provide more details on the fully costed programme of investment required together with details of funding options to meet the capital and revenue implications of the proposed investment.
57. Investment proposals of this magnitude presents significant risks to the council and it is essential to progress on these investment proposals within confirmed and agreed budgets and officers should ensure that a robust monitoring process is in place to ensure projects are completed within available resources.

## BACKGROUND DOCUMENTS

Background Documents	Held At	Contact
Primary Strategy for Change	<a href="http://moderngov.southwarksites.com/documents/s1106/Primary%20strategy%20for%20change.pdf">http://moderngov.southwarksites.com/documents/s1106/Primary%20strategy%20for%20change.pdf</a>	Merril Haeusler, 020 7525 3755 160 Tooley Street London SE1 2QH

## AUDIT TRAIL

<b>Cabinet Member</b>	Councillor Dora Dixon-Fyle, Children's Services	
<b>Lead Officer</b>	Romi Bowen, Strategic Director of Children's and Adults' Services	
<b>Report Author</b>	Sam Fowler, Project Director, Chief Executive's Department	
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<b>Dated</b>	8 November 2012	
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<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Head of Procurement	No	No
Director of Legal Services	Yes	Yes
Strategic Director of Finance and Corporate Services	Yes	Yes
Head of Home Ownership and Tenant Management Initiatives	No	No
<b>Cabinet Member</b>	Yes	Yes
<b>Date final report sent to Constitutional Team</b>	8 November 2012	