

Committee: Cabinet

Date: 8 June 2015

Agenda item:

Wards: All borough

Subject: Secondary school expansion

Lead officer: Yvette Stanley

Lead member: Martin Whelton

Contact officer: Tom Procter

Recommendations:

- A. To note the significant increase in demand for secondary school places flowing from primary schools, with an immediate need for at least an addition 300 year 7 places (10 forms of entry) required by September 2018.
- B. To note the limited options available for expansion of existing schools, and the need for a new secondary school in the Wimbledon area to complement deliverable expansions to the east of the borough. Following Secretary of State approval this would be delivered through the Harris Wimbledon School and so responsibility for identifying a site rests with the Department for Education under the Free School programme, but the council can facilitate this process.
- C. For the council to enter into a pre-construction agreement with Willmott Dixon for the expansion of Harris Morden, Harris Merton and St. Mark's Academy under the SCAPE framework with clearly costed break-clauses at key stages to allow for the fact that:
 - (a) It is not clear all projects will progress to construction so any scheme may stop after design Stage C
 - (b) The timescales for implementing is not clear and the council may choose, after stage E, to instead follow a competitive tender route for construction if it is better value for money, especially if schemes are not implemented to similar timescales

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This report is presented to update Cabinet on the need for additional secondary school places up to September 2018, to meet the unprecedented increase in children following from primary school.
- 1.2. The report reviews the options available for the expansion of existing schools and recommends for approval the procurement process to commence design work on the expansion of Harris Morden, Harris Merton and St. Mark's schools, to ensure there is a robust cost estimate, and schools can be fully signed up to expansion, though it could be that only two of the three expansions would need to be implemented.
- 1.3. Under three separate school roll projection models, expansion of existing schools will not be sufficient to meet the need required by September 2018 and

the council's administration has been clear in its support for the Harris Wimbledon School, which now has 'pre-opening' approval from the Secretary of State.

- 1.4. As a Free School, the Department for Education and their agents the EFA (Education Funding Agency) are responsible for identifying a site for the school, though the council is able to facilitate this process. Council officers are working collaboratively with the EFA and Harris Federation to try to identify a solution and it is hoped that officers can report back on progress to Cabinet in the autumn term.

2 DETAILS

Review of demand and supply of secondary school places.

- 2.1. Since 2007 the council has experienced the largest increase in demand for primary school places in well over a generation, with over 4,000 additional primary school places needing to be provided to ensure sufficient provision.
- 2.2. Demand at the start of primary school is starting to plateau but the much larger cohort of pupils reaches the first year of secondary school in September 2015 and continues to rise substantially to September 2018.
- 2.3. While LB Merton currently has some surplus in its secondary schools, for September 2015, with 161 additional on-time admissions applications compared to last year, the council was only able to offer sufficient places on offer day by some schools agreeing to offer above their admission number by a total of 29 places. Due to the normal 'drop out' from offer day we expect a small surplus for September 2015 but from September 2016 expansion of provision will be required.
- 2.4. While there is some uncertainty on the exact level of demand over the next few years, we do know that there will be a dramatic rise to 2018/19 after which there is a two-three years plateau in demand in year 7. The immediate issue is therefore to ensure there are firm plans up to 2018/19 that are sufficiently flexible.
- 2.5. Both to keep the capital cost (and therefore revenue impact) to the council to the lowest level, and to ensure the budgets of these schools are not adversely affected, the strategy is to only expand when there is certainty of the need to provide permanent basic need places, while being aware of the need to forward plan to provide good quality school places.
- 2.6. We can be confident of the growing number of year 6 pupils in LB Merton primary schools needing to enter secondary education. As illustrated by the table below, after modelling for the usual pupil loss in the latter years of primary school, there will still be over 500 extra children in LB Merton primary schools to enter secondary school by 2018 compared to 2014. This is the equivalent of nearly three new 6FE secondary schools.

TABLE 1 - ADDITIONAL YEAR 6 STUDENTS TO SUMMER 2018 COMPARED TO SUMMER 2014

	Actual/ forecast Yr 6	Extra to baseline Yr 6
<i>Baseline Year 6 in 2013/14 (i.e. Cohort now in 2014/15 year 7)</i>	1844	N/A
Actual Year 6 in 2014/15 (Cohort for 2015/16 year 7)	2007	163
Forecast Year 6 in 2015/16 (current yr 5 Cohort for 2016/17 year 7)	2066	222
Forecast Year 6 in 2016/17 (current yr 4 Cohort for 2017/18 year 7)	2104	260
Forecast Year 6 in 2017/18 (current yr 3 Cohort for 2018/19 year 7)	2355	511

2.7. However, due to the existing surplus places in our secondary schools and that for many years Merton has been a net ‘exporter’ of pupils in secondary school, the required increase will not be so dramatic.

2.8. Understanding the net decrease of pupils from year 6 (last year of primary school) to year 7 (first year of secondary school) is the key to forecasting year 7 places, and this is difficult to forecast precisely because it has changed substantially over the past 10 years and is likely to be even more volatile with the substantial increase in demand for year 7 places, and the uncertainty of the plans of neighbouring boroughs and the government’s Free School programme.

2.9. The GLA (Greater London Authority) demography team has recently published updated pupil roll forecasts based on 2014/15 pupil rolls and 2014-based population forecasts.

2.10. Table 2 below shows the year 7 increase required in forms of entry up to 2018/19 on the basis of the GLA’s two models and the council’s local ‘pupil retention model’:

TABLE 2 - YEAR 7 DEFICIT FORECAST (IN FEs after 60 place surplus allowance)

	LOW 80.1% retention Local ‘pupil retention’ model	MEDIUM GLA Standard model	HIGH GLA Alternate model
2016/17	2.5	3.0	3.2
2017/18	4.1	5.7	6.0
2018/19	11.0	13.6	14.3

2.11. With demand forecast to continue in year 7 at the 2018/19 level for at least another 5 years beyond this, it is necessary to plan up to 2018/19 on the basis of expansion for at least 10 forms of entry of expansion but with the flexibility to provide for up to 14 forms of entry by 2018/19 should it be required.

Delivery of additional secondary school places

- 2.12. The Children and Young People Overview and Scrutiny Committee report in October 2014 outlined in detail the consideration for expanding existing secondary schools, and reported that only the expansions of Harris Merton, Harris Morden, St. Mark's CE, and Ricards Lodge schools could be pursued.
- 2.13. Since this time, the governing body of Ricards Lodge has confirmed that they do not wish to consider expansion. Therefore the only planned expansion of existing secondary schools is a total of 6 forms of entry through 2 forms of entry at each of Harris Merton, Harris Morden, St. Mark's CE Academies, all to the east of the borough.
- 2.14. This means that, based on the forecasts above, without expansion of further provision, especially to the west of the borough, the council will not be fulfilling its statutory requirement to provide sufficient school places.
- 2.15. The council's administration has made its support clear for a new Harris Federation school to the west of the borough and on 9 March 2015 Harris Wimbledon was approved by the Secretary of State as a "pre-opening" Free School.
- 2.16. As a Free School, the Department for Education and their agents the EFA (Education Funding Agency) are responsible for identifying a site for the school, though the council is able to facilitate this process. Council officers are working collaboratively with the EFA and Harris Federation to try to identify a solution and it is hoped that officers can report back on progress to Cabinet in the autumn term.
- 2.17. Should expansion be required at the medium to higher end there may also need to be further challenge to the schools not currently signed up to expansion. There may also be pressure from residents to expand Wimbledon schools to meet parental preference.

Procurement of secondary school expansion projects

- 2.18. To ensure that places are only provided when they are definitely needed it is proposed to start design work at each of Harris Merton, Harris Morden and St. Mark's schools, limited to RIBA stage C (outline design including agreeing building layout and size) before referring back to Cabinet Members.
- 2.19. Officers have reviewed the most appropriate means to procure the three secondary school expansion projects. To do this it is necessary to consider both the design and build element. Projects can be procured either through design consultants undertaking the detailed design for a contractor to then price and build, or by passing the design (either detailed or fully) to the contractor, known as "design and build" (D&B). Under D&B the role of the client side team is significantly reduced and cost savings can be made since it can encourage the most cost effective design possible. It also has the advantage of passing risk to the contractor, though this can be cost prohibitive for some projects, especially adaptations, where the contractor will adversely price this risk.
- 2.20. Following the high level feasibility studies it is clear that the secondary school projects should be more simple buildings than required on tight sites for primary

schools and design and build is the most appropriate approach. Three procurement options were shortlisted under this approach:

1. D&B modular buildings through Government Procurement Service framework
2. SCAPE D& B framework
3. D&B competitive tender

- 2.21. The SCAPE framework operates with a single contractor (Willmott Dixon) for projects over £2 million. The aim is that long-term relationships will produce efficiencies in building design and therefore lower cost. Value for money can be demonstrated as Willmott Dixon's cost as a management contractor were tendered and they are required to go out to tender for the packages of construction work. In addition, the client appoints a Quantity Surveyor to monitor costs to ensure they meet targets and there is high level monitoring from the Framework manager.
- 2.22. Following an option appraisal considered by the Children, School and Families Capital and Procurement Review Group and the Corporate Procurement Group, it is recommended that the SCAPE framework should be utilised. This was for the following reasons:
- The council had an excellent experience with Willmott Dixon for the Cranmer scheme, which was delivered to the target cost
 - Other councils have shown that Willmott Dixon can deliver buildings for a low price due to the opportunity to standardise buildings
 - It will ensure a consistent approach across schools even though projects may progress to different timescales
 - The council will have the greatest cost certainty at an early stage for projects
 - It provides the ability to progress projects quickly after the go-ahead is given
 - The council has not received sufficient interest from contractors under the GPS framework
- 2.23. Willmott Dixon has undertaken feasibility studies based on the initial designs and have provided a fully costed proposal based on the SCAPE tendered rates and supply chain tender estimates, with costs transparently shown should the council withdraw any scheme after design stage C, design stage E, or just prior to construction.
- 2.24. Officers commissioned a Quantity Surveyor to consider a cost per square metre analysis for secondary school expansion, which considered BCIS cost data and cost models to highlight a potential construction cost.
- 2.25. The estimated costs for Harris Merton and St. Marks's are in line with benchmarking costs and these are recommended to follow through the normal SCAPE framework process. However, Harris Morden is more expensive as a cost per square metre, as it is a small project that could be more cost effectively undertaken by a medium sized contractor, as per recent council schemes at Perseid, Hafeild and the final phase of Singlegate Primary School. The procurement will also need to be in line with requirements for a PFI school.

- 2.26. This has been discussed with Willmott Dixon and it is therefore recommended that Harris Morden is still undertaken through the SCAPE framework to RIBA stage E only, and then goes to competitive tender for the following reasons
- The council will have the benefit of a uniform approach to all secondary school expansions at an early stage, and therefore a joint approach to considering economies in design
 - The Willmott Dixon architect is disciplined to consider practical cost effective design solutions not always undertaken by traditional architects appointed directly by the client.
 - A joint approach will save a one-off procurement of design consultants for a single project, which is unnecessary when the design fees from Willmott Dixon are comparable with the general market costs
- 2.27. Officers therefore recommend the SCAPE framework as the most appropriate approach to these expansions, and will report back to Cabinet when the design work has been completed.

3 ALTERNATIVE OPTIONS

- 3.1. An options appraisal has been undertaken, as outlined in the main body of the paper.

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1. No consultation has been undertaken at this stage
- 4.2. Extensive consultation will need to be undertaken later in 2015, both on the new school and the expansion strategy generally.

5 TIMETABLE

- 5.1. With regard to expansion of existing secondary schools, design work needs to commence now to prevent loss of support from the three schools currently signed up to expansion.

School will need to start providing additional places in September 2016, but the building schemes will not need to be completed until September 2017 or later.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

The approved capital programme for secondary school expansion up to 2018/19 is as follows.

Children, Schools and Families	Updated Budget 14/15	Updated Budget 15/16	Updated Budget 16/17	Updated Budget 17/18	Updated Budget 18/19
Scheme 1 Phased Extra 4fe	20,000	180,000	2,800,000	0	3,677,560
Scheme 2 Phased Extra 4fe	20,000	180,000	2,800,000	0	2,270,120
Scheme 3 Phased Extra 4fe reduced to 2fe	20,000	180,000	2,800,000	0	0
Scheme 5 Phased Extra 2fe	0	0	95,000	1,500,000	1,527,640
Scheme 6 Phased Extra 2fe	20,000	30,000	1,900,000	3,000,000	2,000,000
Scheme 4 New School Extra 6fe	20,000	100,000	4,980,000	7,000,000	4,478,950
Secondary School Expansions	100,000	670,000	15,375,000	11,500,000	13,954,270

- 6.1. In addition, the indicative programme 2019-24 includes £10.008 million in 2020/21 and 2021/22 as a second phase for the new school.
- 6.2. The programme therefore allows for 20 forms of entry, which is slightly above the high forecast to 2018/19, and it is hoped that the DfE will fund the new school, though this cannot be certain
- 6.3. The estimated cost to undertake the three schemes at Harris Morden, Harris Merton and St. Mark's CE (providing 6FE collectively) would be as follows:

	RIBA stages A-C	Total RIBA stages A-E (including production of tender documentation)	Total All stages as per cost plans and billing schedule	New build construction cost per sq/m based on 2015 prices	Total estimated project cost including all fees and contingency	Cost per pupil place
	Appraisal, Design brief and concept design					
Harris Merton	£89,520	£295,480	£385,000	£2,058	£4,478,703	£14,929
Harris Morden	£51,586	£169,000	£220,586	£2,370	£2,617,803	£8,726
St Marks	£118,029	£391,000	£509,029	£3,156	£5,829,741	£19,432
Total	£259,135	£855,480	£1,114,615		£12,926,247	

Note: DfE cost per pupil rate for most recent 2017/18 allocations is £18,340

- 6.4. As a whole, all the schemes are within the latest cost per school places allocation from the DfE so should be self-funding if the funding mechanism remains, though there may be a time lag in receiving the DfE funding.

7 LEGAL AND STATUTORY IMPLICATIONS

- 7.1. The council has a duty under section 14 of the Education Act 1996 to secure that sufficient schools for providing primary and secondary education are available for its area. The Act provides that schools available for an area shall not be regarded as sufficient unless they are sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education. The local authority must exercise its functions under section 14 with a view to securing, diversity in the provision of schools, and increasing opportunities for parental choice.
- 7.2. Legal Services have confirmed that we can legitimately access the Scape Framework as we are identifiable from the OJEU notice in accordance with the Public Contracts Regulations.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

- 8.1. No specific implications.

9 CRIME AND DISORDER IMPLICATIONS

9.1. No specific implications

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

The main issues in the management of risk is whether each project is definitely needed to provide sufficient secondary school places, time to ensure the council meets its statutory and moral obligation, cost, and maintaining support from schools to expand despite uncertainty. This has been considered in concluding that the SCAPE Framework offers the most appropriate solution.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

None

12 BACKGROUND PAPERS

12.1. CYP Overview and Scrutiny Committee on 15 October 2014 – “Secondary places strategy, in particular secondary school provision”