



London Borough of Merton

Report and Recommendations arising from the Scrutiny
Review on the provision of secondary school places

Children and Young People Overview & Scrutiny Panel

September 2013

Task Group Members

Councillor Peter Walker (Co-Chair)
Councillor James Holmes (Co-Chair)
Councillor Agatha Akiygyina
Councillor Oonagh Moulton
Councillor Karin Forbes
Councillor Iain Dysart
Alison Jerrard (co-optee)

Scrutiny Support
Rebecca Redman, Scrutiny Officer

For further information relating to the review, please contact:

Scrutiny Team
Chief Executive's Department
London Borough of Merton
Merton Civic Centre
London Road
Morden
Surrey SM4 5DX
Tel: 020 8545 3864
E-mail: scrutiny@merton.gov.uk

Acknowledgements

The task group would like to thank all the officers and external witnesses who have taken the time to provide written and verbal information and discussed ideas with us.

All contributors are listed in Appendix 1 of this report.

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Foreword by the Co-Chairmen of the Task Group

Councillor Peter Walker and Councillor James Holmes
Co-Chairmen, Provision of Secondary School Places Task Group

It is now just over a year since this task group was set up by the Children and Young People Overview and Scrutiny Panel. Our task was to look at the options the Council could consider in light of the known increase in demand for secondary school places. This increase is a result of the 39% increase in recent years, of children entering our primary schools.

The report demonstrates that we have comprehensively examined the options the Council faces if we are to meet the future needs of children in Merton for secondary school places.

We believe that by expanding some of our existing schools we can meet the initial surge in numbers up to 2015/16. However, it is clear that by 2018 there will need to be extra school building on another site or sites.

We have set out our recommendations for the Council to consider. We recognise that much will depend on Government grants in the coming years. We are also aware of the need for access to capital funding for new building and the knock on effect this will have on the Council's revenue budget.

We would like to draw attention to the consensus that we achieved, across all four party groups, in putting together these recommendations. I can honestly say that not once did we have to resort to voting on any of the key issues that we considered. For this reason, we want to thank all members of the Task Group and our respective Co-chairs, for the serious and considered way in which they undertook this task. I am happy to commend this report for consideration by the Scrutiny Panel.

Executive Summary

The task group was set up in order to undertake a review of the provision of secondary school places in Merton. The Task Group aimed to support the Authority to meet the increased demand for secondary school places in the borough by exploring the projected demand, the financial resources required and potential income streams, the views of Secondary School Head Teachers, Youth Parliament and good practice in neighbouring local authorities.

Acknowledging that this is an area that does not have a simple solution, particularly in terms of land/site availability and resources required, the Task Group sought to identify a number of potential solutions and areas for further exploration in an attempt to move forward with preparations to cater for the projected demand for secondary school places.

The recommendations are listed in full overleaf.

List of Task Group Recommendations:

Recommendations	Responsible Making Body	Decision
Recommendation 1		
That building extra classes be considered by Cabinet alongside proposals for a new school.	Cabinet	
Recommendation 2		
That Cabinet consider how demand for secondary school provision might best be met across borough boundaries with view to developing existing or new partnerships to facilitate a sub-regional approach to the provision of secondary school places and enable split site provision.	Cabinet	
Recommendation 3		
That Cabinet explore the specific needs of those interested in attending Faith Schools in the borough and how this may support the council to meet demand.	Cabinet	
Recommendation 4		
That Cabinet explore the possibility of discussing with outstanding Head Teachers how they might assist actively in managing multiple school sites to ensure school standards continuously improve	Cabinet	
Recommendation 5		
That Cabinet consider the opportunities presented for additional income by placing additional facilities on sites that are funded, run privately or by the local authority.	Cabinet	
Recommendation 6		
That a specialist commercial agency be engaged to examine available assets with a view to including them in a financial model which could possibly provide an income stream to repay any borrowing to meet demand and provide secondary school places.	Cabinet	

Report of the Provision of Secondary School Places Task Group

1. Introduction

Purpose

- 1.1 At the Scrutiny Topic Selection Evening in May 2012, those members interested or involved in the Children and Young People Overview and Scrutiny Panel discussed possible topics for review that had been suggested by members of the community, councillors and officers.
- 1.2 The Council's Children and Young People Overview and Scrutiny Panel, at its meeting on 3rd July 2012, agreed to establish a task group review to look at the provision of secondary school places. At this meeting the following members were appointed to the task group:
- Councillor Peter Walker (Co-Chair)
Councillor James Holmes (Co-Chair)
Councillor Agatha Akiygyina
Councillor Oonagh Moulton
Councillor Karin Forbes
Councillor Iain Dysart
Alison Jerrard (co-optee)
- 1.3 The terms of reference for the review were agreed as follows:
- Review the planning assumptions relating to the projected increased demand;
 - Examine the public policy factors which impact on the provision of school places;
 - Examine options available to the council and their funding implications;
 - Identify strategies employed by other councils with similar challenges; and
 - Report on findings and recommendations

Aim of the Review

- 1.4 The Task Group noted that the Cabinet had taken the decision to seek a site for one new school to meet secondary school places demand, with the rest of the demand for school places being met through expansion at their meeting in February 2012. Officers were asked, at this meeting, to also address the need for significant expansion required in the special school sector and ensure value for money. Practical options that would provide good quality education facilities but take into consideration the considerable financial constraints on the council.
- 1.5 Members acknowledged that Merton Council faced a major logistical and financial challenge over the coming years to meet significant additional demand for secondary school places arising from the increase in school age population currently being experienced within the primary sector and that any strategy would also need to consider the issues the council might face in commissioning new school provision. The aim of this review was to support the Council to meet this demand and the associated issues identified.

What the Task Group Did:

- 1.6 The Task Group held six meetings at which a wide range of evidence was considered including:
- Detailed officer reports supplemented by verbal evidence;
 - Best practice from neighbouring Local Authorities;
 - Government legislation and guidance (national, regional and local policy);
 - Reports/presentations from Secondary Heads Representative;
 - Site visits to other schools;
 - Consultation with Secondary Head Teachers, Youth Parliament and School Governors; and
 - Research reports/Briefing papers
- 1.7 This report sets out the task group's findings, conclusions and recommendations. The task group's recommendations run throughout the report and are set out in full at the front of this document.

2. Policy and Legislative Framework - Secondary School Provision

- 2.1 The council has a duty under section 14 of the Education Act 1996 to ensure that sufficient schools for providing primary and secondary education are available for its area. It must respond to any parental representations on the exercise of this duty.
- 2.2 Where a maintained school is to be permanently expanded, the council must first follow the statutory process for "prescribed alterations" to schools. This applies to permanent expansions (in place for three years or more) which increase school capacity by more than 25% or 200 pupils (mainstream schools) or 10% or 20 pupils for special schools.
- 2.3 For a prescribed alteration there must be a consultation on proposals, publication of formal notice of proposals, and a decision by the council whether to approve the proposals after consideration of public representations. In deciding whether or not to approve proposals, the council must have regard to statutory guidance. One of the factors to be taken into account is the need for school places and there is a presumption in favour of proposals to expand successful and popular schools to meet parental preference. The decision maker must also consider the effect on standards, including on other schools in the area and whether capital funds are available for the proposal to be implemented.
- 2.4 The council can propose a permanent increase in capacity for any type of maintained school, including foundation or voluntary schools, but must follow the statutory procedure. The governors of the school being proposed for expansion, and local diocesan authorities, are able to appeal to the Schools Adjudicator if they disagree with the decision of the local authority. The adjudicator is required to have regard to the same statutory guidance as the local authority in considering the decision.
- 2.5 The council is responsible for implementing proposals relating to community schools. For proposals at foundation or voluntary controlled schools, the proposals need to set out whether the council or the governors would implement them. The governing body has responsibility for implementation of proposals at voluntary aided schools, but the council has power to assist with implementation. Where the council assists by the provision of a site for a foundation or voluntary

school, the council must transfer its interest in the site to the trustees for the school.

- 2.6 Temporary expansions of schools by the addition of a reception class as an exception to the normal published admission number would need to be agreed by the admission authority for the school. For community schools, this is the council. For voluntary aided schools, this would be the governing body, and in voluntary aided schools it is for the school governors to decide whether to exceed the published admissions number or vary the school's admissions arrangements for a single year e.g. take a bulge class.
- 2.7 Officers confirmed that if a new school was to be established current legislation required a competition process to identify the provider. This provider could be, for example, a person or group seeking to establish a new school. The council could seek consent to bid itself in the process with a view to providing a new community school. If there were a number of bids, including one from the council, then the competition would be determined by the Schools Adjudicator.
- 2.8 The Education Act 2011 amends the legislation on new schools. Under the new provisions, if a local authority thinks that a new school needs to be established in its area, it must seek proposals for the establishment of an Academy. Alternatively, the local authority, with the consent of the Secretary of State, could seek bids for either an academy or a voluntary school to be provided. The local authority will only be able to publish proposals for a new community school (which is not a replacement for an existing school or schools) if it has invited proposals for a new academy.
- 2.9 Where there is not space to extend a school on its current site consideration can be given to expansion elsewhere, creating a "split site" school. Members were informed that this may be more efficient than creating a new, very small school on a new site.
- 2.10 The Task Group were informed that four of the current secondary schools in Merton had facilities provided under a grouped Private Finance Initiative (PFI) contract, and the school sites were leased to the PFI provider leading to complexities in managing building projects for expansion. Of the remaining four secondary schools, two are Voluntary Aided schools and two are Academies.
- 2.11 Members learned that Academies are not covered by the school organisation procedures as other schools are. Changes, including expansion, would need to be by agreement with the academy provider and the Secretary of State. The Department for Education (DfE) expects local authorities to consider fairly both their maintained schools and local academies in deciding where to use basic need funding and to provide additional places where they will be of greatest benefit to local children.
- 2.12 The Task Group heard that under the above route the Council would need to meet any capital costs, including land purchase, through its basic need allocation and the site would then be transferred to the Academy provider. Any applications would need to be approved by the Secretary of State.
- 2.13 Finally, Members learned that the Government was encouraging communities to propose new 'Free Schools' which had the same legal structure and requirements as Academies. In addition, applications for new free schools were invited annually by the Secretary of State. The Secretary of State has advised that a separate funding pot is available for Free Schools and that there have been examples of partnership funding from a supporting council.

3. Types of Schools

3.1 The Task Group were informed that all children in England between the ages of 4 and 16 are entitled to a free place at a state school. The most common types of school are:

- community schools: controlled by the local council and not influenced by business or religious groups;
- foundation schools: more freedom to change the way they do things than community schools;
- University Technical Colleges: specialise in subjects like engineering and construction and teach these subjects along with business skills and using IT. Pupils study academic subjects as well as practical subjects leading to technical qualifications. The curriculum is designed by employers who also provide work experience for students. University Technical Colleges are sponsored by: universities; employers; and further education colleges;
- Academies: run by a governing body, independent from the local council - they can follow a different curriculum. Some academies can receive/seek funding from sponsors, which may be businesses and faith or voluntary groups. Academies also received funding direct from the government as they do not receive funding from the local council. They're run by a governing body which employs the staff for the Academy. Academies also don't have to follow the national curriculum and can select pupils based on academic ability;
- grammar schools: run by the council, a foundation body or a trust - they select all or most of their pupils based on academic ability and there is often an entry exam;
- Special Schools with secondary age students can specialise in one of the four areas of the special educational needs (SEN) code of practice;
- City technology colleges are independent schools in urban areas that are free to go to. They're owned and funded by companies as well as central government (not the local council). They have a particular emphasis on technological and practical skills;
- Private schools (also known as 'independent schools') charge fees to attend instead of being funded by the government. Pupils don't have to follow the national curriculum. All private schools must be registered with the government and are inspected regularly;
- Studio schools: small schools - typically with around 300 pupils - delivering mainstream qualifications through project-based learning. This means working in realistic situations as well as learning academic subjects. Students work with local employers and a personal coach and follow a

curriculum designed to give them the skills and qualifications they need in work or to take up further education;

- Faith Schools can be different kinds of schools e.g. voluntary aided schools, free schools, academies etc. but are associated with a particular religion. Faith schools follow the national curriculum except for religious studies, where they are free to only teach about their own religion. The admissions criteria and staffing policies may be different too, although anyone can apply for a place; and

Free schools are funded by the government and are not run by the local council. They have more control over how they do things. Free schools can set their own pay and conditions for staff and change the length of school terms and the school day. Free Schools also do not have to follow the national curriculum.

- 3.2 Members were informed that since the Secretary of State has a separate capital pot for Free Schools, the funding available for local authorities is less. If the council were to have a Free School bid approved it could reduce our future basic need allocation as the capacity of all state funded schools is currently taken into account. However, if the Free School was meeting local school place needs it would clearly reduce pressure on the local authority basic need allocation.

4. Secondary School Provision in Merton

- 4.1 Merton Council currently has 8 mainstream schools providing 1,699 year 7 places (55 forms of entry). This breaks down into the following:

- 2 Community Schools (1 mixed/1 girls)
- 1 voluntary controlled school (boys)
- 2 voluntary aided schools (both Catholic – 1 boys and 1 girls)
- 3 (in development) Academies (all mixed)
- 3 special schools providing approximately 35 year 7 places, plus 1 pupil referral unit.

5. Demand for Secondary School Places in Merton

- 5.1 Members learned that the significant increase in demand for school places will begin to reach the secondary phase from 2015/16 and will mainly be met through existing accommodation. Significant build would be required thereafter and financial considerations would need to be made with regard to funding required from the Capital programme as basic need allocation is likely to be insufficient. An increase in demand would be most evident in 2018 based on current forecasts.
- 5.2 The Task Group heard that further to utilisation of all existing accommodation and surplus places, at least one new site would need to be found to ensure new provision could be offered in September 2018, however, this had not yet been built into the council's Medium Term Financial Strategy. This was due to uncertainty regarding the size, timing and cost of the build, as well as the lack of clarity regarding government funding at present. The Task Group heard that there are no easy solutions and that there is a need for greater regional partnership working with neighbouring boroughs in the South West sub region acknowledging the similar issues they face regarding demand.

- 5.3 With regard to special schools, officers explained that detailed feasibility work would need to be undertaken to determine sites, cost and existing arrangements that may be utilised at Merton schools. Members were also informed that the capital cost to refurbish Chapel Orchard for use by Cricket Green School would be met within the capital resources proposed in the 2012-16 capital programmes. The capital programme also included a sum for additional resourced provision within a mainstream school for pupils on the autism spectrum. However, more places would be required after 2016 for permanent additional special school places.
- 5.4 Members heard that the significant increase in demand for school places across the LB Merton area, which had required increases in capacity from primary school reception year in September 2008, with yearly rises until at least September 2014, would reach the first year of secondary school (year 7) in September 2015 and not peak until at least September 2021. An additional 20 to 30 forms of entry in secondary education were forecast to be required over the next 10-12 years, gradually increasing from 2015/16.
- 5.5 Whilst there are difficulties with long range forecasting, long range planning is required to provide sufficient school places within the next 5 years. Members heard that the following variables make fully accurate planning over the next 10 years challenging:
- Supply and demand of school places outside the borough;
 - Changing parental preference, particularly with new provision being established;
 - Changes to migration patterns; and
 - Levels and location of housing development
- 5.6 The table below shows the total year 7 admission number is 1669 against a number on roll of 1454 in January 2013. Therefore there are 215 surplus places in Year 7. At nearly 13% this is more than the 5-10% recommended by the Audit Commission as being an appropriate balance between choice and efficiency (as detailed in policy during the 1990-1999).

	Admis. No Yr 7. Sep 2012 and 2013	Year 7 No. on roll Jan 13
Harris Academy Morden	180	95
Raynes Park High School	240	149
Ricards Lodge High School	240	238
Rutlish School	240	233
Ursuline High School Wimbledon	210	209
Wimbledon College	199	202
Harris Academy Merton	180	178
St Mark's Church of England Academy	180	150
TOTAL	1669	1454

- 5.7 Members learned that all 3 schools that are now Academies have admission numbers of 180 assigned but previously they had admission numbers of 240. Some of this accommodation is being used for 6th form provision but reverting to the previous admissions numbers would provide an additional 180 places (6 FE) and the surplus would stand at over 20%.

5.8 Members noted the changing retention rate at Merton State Funded Schools year 6 to 7 was as follows and that the expectation was that a combination of fewer places compared to demand in surrounding boroughs and additional quality provision within Merton would increase the retention rate back to previous levels:

5.9

2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
88.5%	89.7%	88.2%	87.6%	85.5%	84.5%	79.2%

Members learned that the council needs to develop its secondary school places strategy to plan how this need will be met. The strategy was in development and would respond to:

- School size required;
- New school sites or expansion as the way forward;
- Alternative school models;
- Type of new school provision;
- SEN and PRU related issues;
- Opportunities for all schools from an expansion programme; and
- PFI schools, VA schools and Academies

Forecast

5.10 Members heard that the Council's proposals to meet the current and future demand are as follows:

There are 2 methods of forecasting: population catchment and pupil catchment

Population catchment projects pupil numbers against population projection, when pupil catchment project pupil numbers from existing school roll numbers. Pupil catchment has historically been more reliable for secondary school forecasting unless exceptional migration.

5.11 The impact upon the expansion need is based on:

- Pupil/parental preference;
- Supply from other Authority schools
- Independent sector supply; and
- Migration of residence (people moving in or out of the borough)

5.12 Members were pleased to hear that further work is to be undertaken on expansion, including with other Local authorities. In 2015/16 three or more schools would need to increase their year 7 admission numbers or there would be a shortfall. The deficit was due to increase gradually over the subsequent 3 years and there was likely to be a deficit of 8-12 forms of entry by 2017/18 and 18-22 forms of entry in 2018/19. Officers confirmed that the lead in time for planning to meet this increased demand was 3 and half years.

5.13 The Task Group heard that the Council needed to agree the principles for future school organisation with stakeholders and that the feasibility of expanding

existing schools would need to be explored with Head teachers and Governors. A further site search for new schools had been commissioned and would also shape the council's secondary school places strategy going forward.

Background to pupil projections for secondary school

- 5.14 Officers explained that one of the keys to projecting pupil numbers for LB Merton secondary schools was to understand the transfer from year 6 (the last year of primary school) to year 7 (the first year of secondary). While in primary school the movement across borough boundaries is relatively modest and tends to only be significant for schools close to borough boundaries, the position for secondary schools is more complex.
- 5.15 The transfer rate from primary to secondary (year 6 to 7) takes into account both factors, as well as pupil movement to independent schools. This transfer rate was 85.5% in 2010/11 and 83.4% in 2011/12. It dropped below 80% in 2012/13. It has therefore dropped steadily in recent years, being around 89% in the years 2004/05 to 2007/08.
- 5.16 Members learned that this drop may be because there has been a general drop in demand for secondary school year 7 places in the south west outer London area which meant that children were more able to obtain a place at a 'popular' school further away. For example, grammar schools located in LB Sutton have provided for a year-on-year increase in the intake of LB Merton resident children in recent years.
- 5.17 This is significant because the pattern may change as demand increases in south west London. In particular, 'import authorities' may not increase places to match the growth in their Local Authority region as they would not wish to pay for the capital implications of maintaining imports for other council areas. Officers highlighted that it is reasonable to consider that the retention rate may rise back to 90% or even 95% by 2020.
- 5.18 Members noted from the information above that there was currently significant spare capacity in year 7 but that this would no longer be the case in 2015/16. Spare capacity in years 8 to 11 in some schools would provide capacity in the short term, certainly in 2015/16 and 2016/17. However, issues of parental preference may impact, resulting in the need for temporary classroom provision. It was expected that significant additional buildings for September 2017 would be a necessity.
- 5.19 It was highlighted that the largest single year increase would be in 2018/19 (7 years on from 2011/12 where the council would need to provide space for 10 additional forms of entry in reception year 7 compared to the previous year).
- 5.20 Members learned that by 2021/22, the medium forecast was in the region of an additional 25 forms of entry (750 pupils in year 7, which is 3,750 pupils if it then continued to the 5 years of secondary school). A subsequent report based on 2013 information showed the issues accurately forecasting the required increase, and that planning between a broad range of an extra 20-30 forms of entry would be appropriate.

- 5.21 The Task Group found that by London standards most of LB Merton's secondary schools were on generous sites, and 6 of 8 schools accommodate on-site playing fields. However, following reorganisation most schools would be relatively large schools in terms of pupil numbers. With the new 6th forms, the 4 community/voluntary controlled schools already had a capacity for 1400 pupils.
- 5.22 Officers explained that with only 8 mainstream state funded secondary schools, if the strategy was progressed based only on school expansion, each school would need to expand by an additional 3 to 4 forms of entry (450 to 600 pupils across all year groups excluding 6th form). Since some schools may not be able to expand by 3FE e.g. the Catholic schools on more restricted sites, other schools would need to expand by more. This would mean the 1400 pupil schools growing to above 2000 pupil places, excluding the potential for additional 6th form places. A number of community schools feel they have restricted space and that any expansion will restrict capacity in some way.
- 5.23 Members noted that whilst this was a possibility, that schools of this size were not the council's preferred option, especially considering the potential impact on school playing fields. Such expansion would need to be carefully considered in the context of ensuring the size was not an impediment to raising school standards, whilst ensuring LB Merton schools remain a popular choice for parents.
- 5.24 The Task Group learned that, to ensure that the borough could meet its secondary school capacity requirements over the next 10-15 years that a new site for secondary school provision would need to be identified, preferably in the Colliers Wood area or a central area. This school would need to be operational by September 2018 for the first year of secondary school (year 7 pupils).
- 5.25 Based on the requirement for growth of 25 forms of entry by 2021/22 Officers had recommended to Members that 8 forms of entry be achieved through a new school (240 places per year, 1,200 places for pupils aged 11-16 in total), and that the remaining 17 forms of entry (510 places per year) be met through school expansion, with most schools providing an additional 2-3 forms of entry (60-90 places per year). However, discussions with head teachers showed that it could still provide some large secondary schools. This was alongside consideration being given to extra classrooms and split site provision where feasible.
- 5.26 Officers recommended that the requirement for a new site be considered alongside the council's wider regeneration strategy and 'Sites and Policies DPD'. Members agreed that given the significant land need for a 1,200 place secondary school (excluding 6th form) all sites should be considered, including larger primary school sites either as an all-through school or a transfer of sites.

Special school and specialist provision places

- 5.27 The Task Group heard that there is a need for further SEN (Special Educational Needs) secondary school places in mainstream schools, known as "additionally resourced provision" (ARP), and also for more specialist SEN provision. Demand will increase as a minimum proportionately in line with population growth.
- 5.28 Members heard that this had been acknowledged by Cabinet already and that Cricket Green School had been developed from a school for children with

moderate learning difficulties into a school for pupils with additional, complex and varied needs. Cricket Green School now supports pupils with autistic spectrum disorders, behavioural, emotional and social difficulties and physical disability providing extra places already, although further ARP would be needed for pupils with complex needs as part of the council's overall secondary strategy.

- 5.29 Members learned that with the implementation of this strategy, despite a rise of over 30% in entry to mainstream primary school over the past 5 years, primary aged school numbers at SEN schools have remained relatively stable. However, contrary to the general demographic stability/moderate decrease in LB Merton secondary school population over the past 5 years and needs have increased for SEN pupils with diverse needs. Officers explained that, as a result, to avoid costly out-of-borough placements, Cricket Green School had slowly increased its roll from approximately 130 to 145 pupils in 2011/12 up to year 11. Its official capacity is only 130 pupils.
- 5.30 The Cabinet agreement in 2010 for the school to accommodate the adjacent former doctor surgery on the site provided accommodation for post-16 provision, and relieved some of the accommodation pressures on Cricket Green, thus allowing the school to accommodate slightly above its capacity for pupils up to age 16, and 24 post-16 students, approximately 160 pupils in total.
- 5.31 However, the increasing need to accommodate pupils to avoid costly out of borough placements, and the growing population reaching secondary school age from September 2014, would mean that Cricket Green School would need to grow significantly in size. Members found that further planning work is required; including reviewing the specific relationship with mainstream provision and Perseid School, but it is likely that the school would need to grow to a capacity of up to 250 pupils within 10-15 years.
- 5.32 Officers informed the Task Group that, as part of its overall accommodation strategy, the council is looking to re-develop the adjacent Worsfold House and Chapel Orchard. The expansion of Cricket Green School and the review of Melrose School accommodation would need to be considered as part of this strategy. This had been acknowledged in the draft Sites and Policies Development Plan document put to consultation in January 2012 (site proposal 17).
- 5.33 Officers confirmed that the position would need to be reviewed as the growth in secondary school population accelerates and a consideration could then be made regarding the need for expansion. Members were pleased to hear that this could be accommodated upon existing sites. For example, the new upper school campus was designed with the possibility of future expansion. Any significant capital expenditure would be required outside the 2012/13 to 2015/16 capital expenditure period.
- 5.34 Members were also reassured that Melrose School had spare capacity for growth over the next five years, and, with its location adjacent to Worsfold House, and Cricket Green, its provision could be reviewed within this strategy.

6. Meeting the demand for Secondary School Places – Capital Finance considerations

- 6.1 The sources of funding available to the council are:
- Basic Need Grant Allocation;
 - Department for Education Maintenance Funding;
 - Capital Receipts;
 - Section 106 Developer Contributions; and because this would not be sufficient;
 - Borrowing
- 6.2 Members considered the council's strategic financial position. The Task Group was informed that the settlement figure for the next two years was £14 million as the capital grant/basic need allowance for schools. This figure was slightly less than the funding received last year (2012).
- 6.3 The Task Group heard that there was a large demand for funding school places which would dominate the capital investment programme. Whilst the Local Authority would on recent expectations receive around £7- 8 million p.a. for funding a new school or expansion in grants, the rest would need to be found by the council.
- 6.4 The Task Group received a presentation from the Assistant Director for Resources on the finance methods available to local authorities for school building/expansion. The available methods outlined below were explored by the Task Group:

Government Grants

- 6.5 Although the council has some reserves, a significant proportion of these are required as "general Fund Reserves" to deal with risk and uncertainty. The additional earmarked reserves have been set aside for specific purposes and would not be sufficient to finance secondary expansion. This means that in addition to basic need grant allocation, borrowing will be required to fund school expansion/building would be needed to address this gap
- 6.6 Members were informed that the ability to fund the revenue cost of borrowing will be impacted as revenue grants are expected to decline and council tax may increase at less than inflation. The critical factor is the level of government grant available alongside other spending pressures
- 6.7 Officers explained that under Building Schools for the Future and PFI schemes there were a number of controls and restrictions had been placed on local authorities.
- 6.8 The current issue faced by councils was if they were able to set up a maintained school or if the provision of an Academy or a Free School had to be sought. The Education Act 2011 states that "if a local authority in England thinks a new school needs to be established in their area, they must seek proposals for the establishment of an academy". Funds for school can only be accessed in line with a particular model of school.
- 6.9 The Task Group was informed that the position for funding of academies is complex but there may be options for separate funding that could also reduce the cost to the council of establishing a new school.

Internal funding (capital receipts & revenue balances)

- 6.10 Members heard that unless government funding was available or substantial asset disposal could be made, the only other option would result in budget cuts to revenue budgets. This was problematic given that the council was already reducing budgets and making significant service staffing reductions. The redistribution of funds from other council departmental revenue budgets and from the capital programme would have a negative impact on council wide service delivery.
- 6.11 Officers informed the Task Group that there were no real difficulties in obtaining finance for a secondary school via conventional routes (prudential borrowing). The real issue was the impact on the revenue budget of charging the capital cost of the school over its useful life and having to repay the interest on any borrowing from revenue budgets. Financially the critical issue for the council was to minimise the capital cost that it would incur by considering alternative methods of funding at minimal cost to the council (mainstream government grant -basic need, s.106 or via other government funding sources such as those for free schools and academies) whilst recognising political considerations for the council and noting that the conventional funding available would be unlikely to fully fund a secondary school. This includes ensuring that a new school is built, or permanent expansion is undertaken only where there is a demonstrable long term need for it. If there is a short term “bulge” in pupil numbers that is not going to be sustained then lower cost more temporary solutions are needed.

Public Works Loans Board (PWLB)

- 6.12 Officers explained to the Task Group that the Public Works Loan Board appeared to be the best option should the council wish to borrow money to fund the schools expansion programme. This would currently be cheaper than any other source available.
- 6.13 Members learned that the cost to build a new school is around £40 million which would generate £2.5 million per annum in repayment costs against borrowing at the current Public Works Loan Board interest rates (standing at 3.3%). Other sources of borrowing or leasing from other sources would generate higher costs. There are few organisations active in the markets at the moment seeking to ‘beat the PWLB rate’ and it would be unlikely that such a product could be identified. It should be noted that in addition to the costs of borrowing to finance the project its capital costs have to be charged back to revenue over its useful life which could add a further £1 -1.5m p.a. to the revenue cost if no government funding were available.
- 6.14 The Task Group heard that Local authorities needed to consider associated costs, questions of flexibility and how any such borrowing would sit with the council’s wider treasury management portfolio. The current market conditions meant that it was unlikely that the market could offer a product that was consistently priced below the PWLB at a level that also took account of the flexibility offered. Indeed by considering the loan as part of the wider package of borrowing an even lower PWLB rate may be possible.

- 6.15 The Task Group heard that the PWLB lends to local authorities long-term for capital purposes. The PWLB accounts for over 80% of all United Kingdom Local Authority debt, its lending arrangements are consistent with the 'Prudential' regime and PWLB will not refuse a loan application if it is within the Board's published terms.

Direct Bank Lending

- 6.16 Members were informed that these are generally not currently economic. It is more expensive for banks to raise funds than the Council can at the moment from PWLB (5yr PWLB maturity loan at the moment is 1.79%, while a 5 year PWLB EIP loan is 1.38%). A bank loan from the high street at the moment would be around 6% because it is more expensive for banks to raise funds.

Leasing (finance leases or operating leases)

- 6.17 This method of financing is not suitable for most capital program projects because of the high rates of return required on property investment and other investments, along with the lack of technical suitability of many other assets.

Lender Option Borrowers Options (LOBO)

- 6.18 The Task Group heard that LOBO's are an innovative solution providing alternatives to the PWLB. However, these are predominantly no longer being issued by banks. LOBO's are fixed rate loans with an uncertain maturity profile. The borrower agrees to pay a fixed rate but gives the lender the option on pre-agreed dates to change the fixed rate payable, the borrower then has to choose whether to accept the new higher rate or repay the loan in full at par.
- 6.19 Previously the motivation for Local Authorities entering into this transaction was that the rate was lower than PWLB, however, this was no longer the case. LOBO options and rate increases were typically triggered in a higher interest rate environment, if you had to repay and refinance it was typically into a higher interest rate environment. In the current economic environment, LOBO's are rarely issued by banks because funding spreads have increased significantly for banks.

Capital Markets (Bond Issuance)

- 6.20 Local Authorities have the power to issue bonds and have historically done so. The Task Group heard that the Housing Revenue Account Reform replaced the present Housing Revenue Account Subsidy system with a self-supporting system under which there would be no on-going support from central government. This re-ignited interest in bonds. The new annual housing revenue account subsidy system commenced from 28 March 2012 and meant that local authorities with housing stock on 28 March either paid the government or received from the government in order to exit the current subsidy system. For local authorities that were to pay the government it meant that thought had to be given to the cost of loan. Implementing HRA self-financing was a key plank of the Government's Localism agenda.

6.21 The government announced on 18 September 2011 that Local Authorities would be loaned PWLB loans for the HRA transaction. The government offered a one day discount for local authorities needing a loan to buy themselves out of the HRA at considerably lower rates. Councils were better off as a result of this move. This also meant that the appetite for bond issuance became nonexistent.

Challenges Faced by Local Authorities in the Bond Market

Challenge	Explanation
Withholding Tax	<ul style="list-style-type: none"> • When Corporates issue listed bonds they benefit from the quoted Eurobond exemption, which allows them to issue bonds that pay interest on a gross basis to investors. • LA's on the other hand do not currently benefit from this exemption, and are therefore required to pay coupons net of withholding tax, unless they verify the identity of each investor prior to the coupon payment date • The solution most commonly proposed is for LA's to create and maintain a financial subsidiary whose obligations are guaranteed by the authority. A solution which adds unnecessary complexity.
Benchmark Size	<ul style="list-style-type: none"> • Most LA's have financing needs that don't meet the bond markets benchmark size of c. £250m • Bonds that do not meet this minimum size criteria price at a premium, as they attract less interest from investors
Credit Rating	<ul style="list-style-type: none"> • Majority of LA's cannot justify the cost in terms of time, effort and resource of procuring and maintaining a public credit rating unless their funding requirement is sufficiently large. • Bond investors demand a premium for bonds that are not rated by a credit rating agency because of the additional risk they stand to take.
Documentation	<ul style="list-style-type: none"> • Most LA treasury team do not have the staffing resource to negotiate, create and maintain standard bond market documentation leading to additional costs

6.22 Members learned that the alternatives for Local Authorities in the Bond Markets were limited, once again, due to the cheaper credit available from the PWLB. Capital Market Bonds are only viable on a scale greater than Merton's immediate needs. A bond on the scale required would seriously unbalance the council's debt portfolio. In addition, the interest rate required by the market was likely to be somewhat above the PWLB rates. This meant that there was no incentive to look elsewhere for funding at present.

Lending from other Authorities

6.23 There is some activity here but it has tended to be at the shorter end of the yield curve.

Retail Bonds (Stock Issuance)

- 6.24 The Task Group was informed that the cost of issuing bonds and administering loans was high and it was not self-evident that, in the present market, such an approach was needed. Bonds still have to be repaid and, unless they result in lower interest costs, it is not clear that they would enable more capital expenditure.
- 6.25 Although Retail bonds would be a way to access private investors, and allow individuals to invest in their localities at the moment UK gilt yields are at historic lows as a result of both demand for safe investments and quantitative easing. The PWLB rate is currently very low, which weakens the prospect of bond finance providing cheaper credit. Councils who have also qualified for the 'Certainty rate' receive 0.2% less on the PWLB rate when they want to borrow. In addition, the government has announced that a 'Scrutiny rate' is also to be introduced bringing further reductions to the rates at which Council's borrow with the PWLB.
- 6.26 Retail bond buyers typically target a return of around 5.5% irrespective of current gilt yields. This is rather high compared with long-term PWLB rates around 4.30% for a 50 year loan.
- 6.27 Another issue the Task Group heard is with the associated transactional costs and administrative burden which may well off set any savings made on the PWLB rate especially for smaller issues where fixed costs represent a larger proportion of the capital raised.
- 6.28 Finally, Members were informed that retail bonds tend to be for a relatively short period and for low amounts which do not match the financing period and funding requirement of a school.
- 6.29 Members considered the factors that also influence decision to borrow from external sources. These issues were as follows:
- Does the Authority have any other debt portfolio objectives?
 - Are there urgent short term budgetary pressures to fund savings?
 - Is the average rate of interest on the existing debt portfolio viewed as being too high and is it out of line with other peer authorities?
 - Is the existing maturity profile of the debt skewed in a way that needs remedial action?
 - If a bond is being considered then will the capital project have a long term income stream to finance the bond?
 - Is borrowing the most best /cost effective option?

7. Alternative funding streams

- 7.1 The Task Group explored a range of public and private sector options to fund the necessary additional forms of entry being aware of the impact of the current financial climate and sought advice from the Assistant Director of Resources and external bodies and organisations to consider the options available. These included:

Options for disposal of council assets

- 7.2 The Task Group was informed that there had been constant attempts to release funds from assets but that some were difficult to dispose of. Equally it was difficult to plan without any certainty of a receipt. However, capital gains through asset disposal were a potential contributor to raising funds for school expansion. Members heard that there is an asset disposal list in place already. The Task Group explored the assets available to the Council that might be of interest to third parties to invest in with a view to enabling expansion and for demand to be met.

Finance/Sponsorship by the Co-operative movement

- 7.3 Informal discussions were held with the Public Sector Division of the Co-operative Bank. They indicated that at this stage they were not intending to become involved with the promotion of any further schools. They also indicated that they were not actively interested in long term lending for major local authority capital projects, primarily because of the long period over which loans would be sought and the interest rates that Local Authorities could obtain from the PWLB.

Public use of assets

- 7.4 The Task Group considered sponsorship opportunities for new assets (for example car parks or leisure centres) which could be run commercially from the school estate (using PWLB funding and granting 50 to 100 year leases to commercial organisations). Use of the facilities could also be made available on that land to local and co-located schools. These assets would generate an income stream for the Council. The council revenue generated would cover the cost of the PWLB loan interest. The council would retain the freehold of the plot.

Dual use of schools

- 7.5 Members discussed facilities for a Business Incubation Centre, for example, that would offer up to date technology and reduction in business rates to new businesses coming into the borough – taking advantage of government regulation changes in regard to business rates.
- 7.6 These links could be made in the form of Knowledge Transfer Partnerships with local universities. Schools would have a building they could use. The council would offer a 50 year lease and again the council would retain the freehold and share in the profit to further offset the PWLB interest rates. Moreover, offices could be used for classrooms, staff training, meetings, work experience, project work between pupils and businesses etc. Many examples of assets that can be of use to the host school and the public, whilst enhancing the value of the council's portfolio and generating an income that will contribute to covering the interest rates for any borrowing that may be required, could be found.

8. Land availability and planning assumptions

Required site area for a school

- 8.1 In the mid-2000s the DfE published guidance on the land and space required for schools, titled "Building Bulletin 98 - Briefing Framework for Secondary School

Projects” and “Building Bulletin 99 - Briefing Framework for Primary School Projects”. These are not statutory guidelines, and are not official guidance documents of the present government, who wish to see innovative solutions, but they provide the most authoritative guide, based on research, of the required site for school.

Availability of sites

- 8.2 Members were informed that there were not many sites available for expansion/building; however, the authority had commissioned two studies to look at the available land and the feasibility of building or expansion. Sites needed to be identified by end 2013 (1 school) as there was a 3 and a half year lead in time for development. However, sites needed to be identified within 12 months to enable provision to be made to meet the projected demand for 2015/16.
- 8.3 Members were pleased to hear that a review had been commissioned by the Children, Schools and Families department to establish what sites were available (land audit) and the feasibility of expanding or building secondary school provision on these sites. The findings of these two studies were not available for the Task Groups consideration as they were in progress at the conclusion of this review. Members wished for the findings of the commissioned studies to be considered alongside the findings of this review.

Capita Symonds Review – Site selection options for the provision of secondary school places (July 2013)

- 8.4 The Task Group considered the findings of a review commissioned by Merton Council to establish suitable sites to met demand for secondary school places. This report would form an evidence base for future considerations and proposals that would be taken though the appropriate decision making channels in due course.
- 8.5 Members heard that, as forecasts predicted a deficit of secondary school places by 2015-16 based on current admission numbers, the review produced a short list of sites based on the following criteria:
1. Site location within study area;
 2. Site area – adequate size and ability to support key education drivers;
 3. Site suitability;
 4. Develop and enhance existing school sites (e.g all through school solution);
 5. Availability – are the sites owned by the authority or on the market and is acquisition cost effective?;
 6. Environmental considerations – some sites are within recognised flood zones;
 7. Physical considerations – potential highways matters, neighbourhood concerns and student safety;
 8. Proximity to existing established schools;
 9. Sites subject to on-going development; and
 10. Conflict with established planning policy

8.6 Members were informed that such consideration needs to include an assessment of the educational practicalities and the impact of introducing a new element of provision in the borough, be it part of a single site or split site provision.

9. Consultation

9.1 Members of the Task Group consulted with the following stakeholders to gauge their views on how the Local Authority might best meet demand for secondary school places in the future. Members asked for comments on the size, location (including split sites), maximum pupil numbers, type of school (Free School, Academy etc.) and age groups (for example, 5-18 years of age) that may be taken forward for consideration in terms of thinking about what secondary school provision might look like and if the local authority should expand current sites or build a new school.

Secondary Heads Group

9.2 Alison Jerrard consulted with her colleagues on the Secondary Heads Group and informed them of the work that the Task Group was undertaking, its remit and the decision making process that would follow once recommendations had been made by the Task Group. The Secondary Head Teachers made the following comments:

- SEN provision needed to be considered in this process;
- Further to site searches and feasibility studies looking at the expansion of existing schools, Head Teachers wished to be consulted with the business cases for sites;
- Consultation should be undertaken with Governors in relation to Academy proposals and the rights of schools to reject proposals the council may make;
- Questions were raised about building upon green space if the council could not expand current school sites;
- Split site provision could be considered;
- The feasibility study and land search outcomes should be presented for consideration to the Secondary Heads Group as soon as possible for discussion;
- Concerns were raised regarding the timescales for building work – Head Teachers felt that schools should be informed at least one year prior to commencement of works to enable schools to plan with regards to additional accommodation;
- The feasibility of expansion of academies was asked to be undertaken first in the councils strategy for expansion;
- There was a need for on going consultation with stakeholders and contributions from governing bodies; and

- It was important to seek parents' views throughout.

9.3 The Task Group agreed that there was a need for the involvement of secondary heads in the development of secondary school provision and for diversity in choice of educational provision in the borough. Members felt that the involvement of secondary head teachers would ensure that an educational vision was established prior to Cabinet agreeing any proposals and that branding and marketing was key to demonstrating standards and quality to generate parental confidence.

School Governors

9.4 Members queried what the responses of the governing bodies had been and what consultation programme there was with schools. The Task Group heard that consultation with schools was being undertaken and workshops had been held with head teachers. The council were also working in partnership with schools. Getting Governors' involvement was crucial as the Council did not wish to impose expansion upon schools.

Youth Parliament

9.5 Members of the Task Group met with members of the Youth Parliament to seek their views to ensure that the perspective of young people in secondary or sixth form education was represented in the final report and reflected in the recommendations made to Cabinet. The following comments were made by the Youth Parliament:

- Having provision from 5-18 years of age would enable consistency and friendships with peers and relationships with staff to develop and for the provision of education to be more responsive, knowing students over longer time periods;
- Concerns expressed about having 5-18 years of age schools which may result in younger students being intimidated by the older students being there – or alternatively children may feel safer having older children around;
- Sometimes change is welcomed by students who may not have had the best experience and wish to move on to another site or college to enable them to progress;
- There are issues with the time consuming nature of travelling between sites for college – would prefer not to have split site provision;
- Large/single site would be better;
- Rather have time to do work/more productive than travelling to other sites
- Happy to receive classes for certain age groups all on one site;
- Mixed gender and mixed race schools are positive;
- Issues with offering home schooling as social skills do not develop – there are also potential behavioural issues if not mixing with other children;
- Can Head Teacher control larger numbers if schools are expanded; and

- Where are open spaces for these schools? If they are expanded will this mean there are no open spaces for children to play in? This will result in young people having less space to socialise and therefore impact on concentration levels if we can't have a proper break.

10. Benchmarking – Kingston and Richmond

- 10.1 Members invited the Head of School Place Commissioning covering the Royal Borough of Kingston upon Thames and London Borough of Richmond upon Thames local authorities to present their approaches to meeting the demand for secondary school places. The Task Group chose to explore the innovative approaches undertaken by other local authorities.
- 10.2 Members learned that at Kingston there are 10 secondary schools in Kingston, nine of which have converted to academy status.
- 10.3 Matthew Paul informed Members that Secondary school place planning within the Royal Borough of Kingston had, until August 2012, been undertaken on a whole borough basis, rather than on an individual school basis.
- 10.4 Members learned that the forecasts indicated that three additional forms of entry would be required in September 2015; up to five by 2016; up to eight by 2018; and up to 17 by 2020. Several strategies were being undertaken to ensure that sufficient places would be provided:
- Amendment of the methodology for measuring home-to-school distances in order to maximise the number of in-borough children securing places at oversubscribed in-borough schools;
 - Encouraging and assisting schools to expand;
 - Encouraging and assisting free school proposers, so that their proposals can be of the most benefit to the local community and to ensure that, if approved for opening, the schools would play a full part in the local family of schools. Members heard that one bid had been submitted for a 2014 opening, from Kingston Educational Trust (a combination of Kingston College, Kingston University and Education Kingston, the school-to-school improvement service run by the Council in conjunction with local schools), for a six-form entry secondary school in North Kingston; and
 - Keeping a close eye on developments in neighbouring local authorities, by meeting and talking regularly with officers in those authorities.
- 10.5 Matthew Paul also provided an overview of the secondary school places and demand in Richmond. There are eight secondary schools in Richmond, with a ninth, a Catholic school, due to open in September 2013. Three of the existing schools are sponsored academies and four are convertor academies.
- 10.6 The Council uses similar strategies to those in Kingston to ensure that capacity will meet demand. However, it was noted that the importance of knowing, as early as possible, what is being planned in neighbouring areas was key, as a decrease in the number of out-borough residents seeking and obtaining places in schools within the borough would provide a first cushion against rising in-borough demand.

- 10.7 The Task Group heard that both councils actively seek and work with free school proposers so that, where possible, any proposals fit their 'basic need' requirements. That relationship entails close liaison with planners, corporate property and EFA colleagues to investigate which sites might be available, and, if Council-owned sites, might be leased for free school use on a 125-year peppercorn-rent basis.
- 10.8 Members asked about the importance of partnership working. Matthew Paul explained that, initiated by the Council's School Improvement Team, the Kingston Education Trust was set up in partnership with Kingston College and Kingston University and with the support of local schools. Members asked about Councillor involvement in the partnership and were informed that Councillors were actively supportive. Members were informed that the secondary sector better lent itself to sub regional approaches and that working relationships with other local authorities was key.
- 10.9 Members enquired about the Free School application at Kingston. Matthew Paul explained that the DfE appeared to be sympathetic to a Free School application which was backed by the council. However, it was highlighted that there would need to be some caution exercised in this approach as the DfE may view this as a way to circumvent standard grant processes to generate greater income for school expansion and development. It was confirmed that the start-up costs would have to be funded from the DSG.
- 10.10 Matthew Paul explained that Kingston and Richmond viewed Free Schools as positive and a productive way to ensure new schools and sufficient places to meet demand in the future.
- 10.11 The Task Group asked about the quality of teachers and admissions procedures in local authority supported Free Schools and what say the Local Authority would have in these areas. Members asked if criteria could be set in advance of the application by the Local Authority in consultation with the partners approached for the project. Matthew Paul added that this might be a possibility.
- 10.12 Members were informed that, despite having not located an appropriate site in Kingston as yet, an application for a Free School had been made to the DfE.
- 10.13 The Task Group also discussed the approach taken by Richmond in purchasing a site with a view to the site being used potentially for a school. This became a Faith School further to a proposal from the diocese which was then considered in a lengthy debate and subject to full consultation. A school was now on this site and had contributed to meeting demand. The diocese had also raised funds separately for building and refurbishment.
- 10.14 Members queried the rights the Local Authority had in this instance. Matthew Paul explained that the council were unable to specify terms as this would be going down the route of competition. Competition was not allowed due to the school being voluntary aided. The power for the Local Authority lay in their ownership of the land.
- 10.15 Councillors considered the feasibility of the purchase of a site in Merton and if there was a possibility of approaching the churches to discuss putting forward a proposal. However, this would lead to questions regarding balance of faith

schools in the borough and the capital for development of this solution would still have to be found within the basic need allocation. The council's Capital programme would be impacted significantly should this be taken forward. Members also considered the possibility of a split in terms of funding a new school between the council, school and church.

10.16 The Task Group considered bulge schools and classrooms and whilst this strategy had been adopted in meeting demand for primary school places, officers advised that it would be a more strategic approach to put a new school in place rather than bulge classes.

11. Site Visit – George Abbot School Guildford

11.1 Alison Jerrard, co-opted Member of the Task Group, visited George Abbot School in Guildford to gather information and perspective on the operation of schools with large pupil numbers, and to seek best practice on how to meet demand. The school consisted of 5 year groups of 300 each plus 6th form numbers of around 400 pupils. The following points were noted by the Task Group:

- Vision needs to be clear so everyone feels a part of such a big environment;
- Need for social and canteen space evident....at George Abbott School each year group had its own playground and as they had low numbers of FSM and therefore didn't need a big canteen as most had packed lunch. Year 7 had their own block;
- Size of school provided a lot of opportunities for developing leadership capacity at all levels e.g. in depts. and year teams where Heads of Department and Heads of Year were effectively running their own mini schools with 25+ staff, as well as in the SLT where accountability was very high. Lots of flexibility in the timetable to group students in many different ways;
- The strength of leadership enabled the school to go for lots of opportunities e.g. Teaching School as they have the capacity to cope with the demands;
- Strong policies and structures in place at all levels e.g. for staff and students to ensure consistency;
- As a result of local circumstances, an Executive Head is in place at the school creating capacity for additional support fro strategic thinking;
- Some parents were concerned about transition that a big school might swamp their child...transition process key;
- Creative approach to the use of space;
- Constant work with local residents to ensure impact on community is minimal in terms student movement;
- Need to consider context....George Abbott School had low Free School Meals and low Special Educational Needs pupils; and
- Accommodation seemed to be very well used.

11.2 Members considered the issues raised and felt that going forward Merton needed to take from this visit the need to consider the practicalities of any new building or expansion, as well as the physical environment and its impact upon pupils. With regard to leadership and the Executive Head teacher post at the school, Members felt that strong leadership and support from head teachers to existing schools and new schools in the borough was crucial.

12. Concluding remarks

12.1 The Task Group sought to undertake an in-depth review of the council's response to meeting demand for secondary school places now and in the future, considering it as a priority area and exploring the planning being undertaken, the options available to the council, the financial restrictions and possible funding streams and the impact on schools, parents and pupils. The council have, and will continue, to engage schools and parents in the development of proposals for future school provision to ensure a co-operative working environment and mutual agenda between the local authority, parents and schools. The Task Group's findings and recommendations, as outline above, seek to provide solutions to the difficulties presented in meeting demand for secondary school places, acknowledging the barriers faced by local councils and the excellent work already being undertaken by the council's Children, Schools and Families Department in this area.

13. What Happens Next?

- 13.1 This task group was established by the Council's Overview and Scrutiny Panel, and so this report will be presented to its meeting on for the Panel's approval.
- 13.2 The Panel will then send the report to one of the Council's Cabinet meetings early in the next municipal year for initial discussion.
- 13.3 The Cabinet will be asked to provide a formal response to the Panel within two months.
- 13.4 The Cabinet will be asked to respond to each of the task group's recommendations, setting out whether the recommendation is accepted and how and when it will be implemented. If the Cabinet is unable to support and implement some of the recommendations, then it is expected that clearly stated reasons will be provided for each.
- 13.5 The lead Cabinet Member (or officer to whom this work is delegated) should ensure that other organisations to whom recommendations have been directed are contacted and that their response to those recommendations is included in the report.
- 13.6 A further report will be sought by the Panel six months after the Cabinet response has been received, giving an update on progress with implementation of the recommendations.

Appendix 1 - Whom we spoke to

Officers:

Paul Dale
Paul Ballatt
Tom Procter

Cabinet Member:

Cllr Martin Whelton

External Witnesses:

Matthew Paul, Head of School Commissioning, Kingston and Richmond
Secondary Heads Group
Youth Parliament
George Abbot School Guildford

Appendix 2
Equality Impact Assessment (EqIA)



This form should be completed in line with the Equality Impact Assessment guidance available on the [intranet](#)

EqIA completed by: (Give name and job title)	Rebecca Redman, Scrutiny Officer
EqIA to be signed off by: (Give name and job title)	<i>Julia Regan, Head of Democracy Services</i>
<u>Department/ Division</u>	Corporate Services, Democracy Services
Team	The Scrutiny Team
EqIA completed on:	<i>21 August 2013</i>
Date of Challenge Review (if you have one):	N/A
Date review of this EqIA is due (no later than 3 years from date of completion):	TBC

1. What are you assessing? (Tick as appropriate)

- Policy:** A policy is an adopted approach by the Council to a specific issue or position, usually in the long term. It provides a set of ideas or principles that together form a framework for decision making and implementation.¹ A policy may be written or unwritten, formal or informal. For example, the Corporate Equality Scheme.
- Strategy:** A strategy sets out the activities and actions that have been identified as most likely and cost-effective to achieve the aims and objectives of a council policy e.g. the Consultation Strategy.
- Procedure:** A procedure sets out the way in which practices and actions are to be undertaken at an individual level in order to achieve the policy in local situations, for example using a flow chart approach. Procedures also outline who will take responsibility on a day to day basis for decisions in the implementation of the policy.² For example, this procedure for carrying out an EqIA.
- Function:** A function is an action or activity that the Council is required to carry out for example emergency planning arrangements.
- Service:** A service is a facility or provision made by the Council for its residents or staffs for example the Library service or Translation service.

2. Title of policy, strategy, procedure, function or service

A Scrutiny Review undertaken by scrutiny councillors on the Children and Young People Overview and Scrutiny Panel (supported by the scrutiny officer).

3. For functions or services only: Does a third party or contractor provide the function or service? If so, who?

No

4. Who is the policy, strategy, procedure, function or service intended to benefit?

Parents, pupils and schools in Merton

5. Who else might be affected?

-

6. What is known about the demographic make up of the people you have included in your answers to questions 4 and 5?

Data held by department on demographic make up of schools and pupil base

7. Have you already consulted on this policy, strategy, procedure, function or service? If so, how?

Yes – as part of the scrutiny review process – through attending witness sessions and hearing first

¹ See the Council's Policy Handbook http://intranet/policy_handbook_final_agreed_nov_07-2.doc

² As above

hand evidence. The review was conducted from September 2012 – August 2013 by the Scrutiny Team and the outcomes of consultation and witness sessions are included in the review report.

8. How will you measure the success of your policy, strategy, procedure, function or service?

Once the review report has been approved, an action plan will be drawn up to take forward the agreed recommendations. Implementation of the action plan will be monitored at regular intervals by the O&S Panel and Cabinet.

9. How often will the policy, strategy, procedure, function or service be reviewed?

The review report will result in an action plan, to be monitored probably six monthly by the scrutiny panel.

10. When will the policy, strategy, procedure, function or service next be reviewed?

Once the action plan has been agreed, progress is likely to be reviewed on a 6 monthly basis

11. Please complete the following table and give reasons for where:

- (a) The policy function or service could have a positive impact on any of the equality groups.
- (b) The policy function or service could have a potential negative impact on any of the equality groups.

Think about where there is evidence that different groups have different needs, experiences, concerns or priorities in relation to this policy, strategy, procedure, function or service.

Equality group	Positive impact		Potential negative impact		Reason
	Yes	No	Yes	No	
Gender (inc. Transgender)				✓	
Race/ Ethnicity/ Nationality				✓	
Disability				✓	
Age				✓	
Sexual orientation				✓	
Religion/ belief				✓	
Socio-economic status				✓	

12. Did you have sufficient data to help you answer the above questions?

- Yes
- No

If there is a potential negative impact on one or more groups, or there was insufficient data to help you answer the above questions, you should complete a full EqlA

13. Is a full Impact Assessment required?

- Yes
- No

EqlA signed off by:	Julia Regan, Head of Democracy Services.
Signature:	
Date:	