

Children and Young People Overview and Scrutiny Panel

Date: 15 October 2014

Agenda item: 5

Subject: School places strategy, in particular secondary school provision

Lead officer: Yvette Stanley

Lead member: Councillor Martin Whelton

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Urgent report: The chair has approved the submission of this report as a matter of urgency as the report needed to reflect a recent decision by the Secretary of State

Recommendations

For Children and Young People Overview and Scrutiny Panel to note:

1. The progress and current position regarding the provision of primary, secondary and special school places outlined in this report, including the recent “pre-opening” approval for the new Chapel Street secondary school by the secretary of state under the “wave 7” Free School application process and the “wave 8” Free School application from the Harris Federation, to be submitted by 10 October 2014
2. To note the view of the administration that if there is a requirement for a choice between two providers, the first preference for a new school is for it to be a Harris Federation school
3. The potential financial implications with regard to funding the next steps in the council’s strategy to provide sufficient places over the coming 5-10 years
4. The uncertainties inherent in the various potential permutations for the delivery and capital funding of the secondary school places required
5. That officers plan to shortly start design work now for up to 8FE expansion of existing schools to provide 2FEs expansion at each of Harris Merton, Harris Morden, St. Marks, and Ricards Lodge schools. Design work will be limited to RIBA stage 2 (outline design including agreeing building layout and size) before referring back to Cabinet Members.

1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update Children and Young People Overview and Scrutiny Panel on the latest projections for school places demand, and especially the requirement to facilitate sufficient good quality secondary school provision for its residents in time to meet the rising need for year 7 (start of secondary school) places from 2015 to 2018.
- 1.2 With regard to primary school places, including Dundonald Primary School and The Park Community (“Free”) School, 23 extra forms of entry (FE) in permanent

accommodation will be provided by September 2015 compared to 2007 levels. This is 690 additional places per year - 4,830 places across all the primary school year groups. While there are still some challenges to provide sufficient places in the Wimbledon area, as experienced in the 2015 admissions round, unless there is a major development with a particular local impact it is not currently expected that more than a further two-forms of entry (i.e. 420 permanent places) will be required in permanent accommodation and even this may not be needed. The position will therefore be kept under review.

- 1.3 With the levels of primary school demand reaching year 7 over the coming years starting from September 2015 and continuing with a major rise in September 2018, the practicalities of meeting secondary school demand is now the major strategic issue for the council in relation to school places.
- 1.4 Forecasting secondary school places with 100% accuracy is not possible and appendix 1 of the document shows the forecasts from the GLA's projection models and the council's. This shows that the peak of demand in the early 2020s is most likely to require expansion within the range of 13 to 20 forms of entry. The most immediate peak for 2018/19 year 7 shows a range between 11 and 15 forms of entry.
- 1.5 There is therefore a need to strategically plan for up to an additional 20 forms of entry by the early 2020s in secondary schools, with the more urgent need to ensure the strategy can provide for an additional 11 to 15 forms of entry by September 2018.
- 1.6 Officers have been pursuing the direction of travel endorsed by Cabinet in November 2013 to only expand provision when necessary i.e. when there is a 'basic need' (overall shortfall in the area of supply of places), and therefore to ensure schools fill existing surplus places before then expanding existing schools. Due to the level of projected growth from our primary schools it will be necessary to increase year 7 admission admission numbers from September 2016 at the latest and provide a site for a new secondary school for the first cohort of pupils from September 2018.
- 1.7 In terms of location of expansion it is suggested that at least half the expansions need to be to the west of the borough as it is not deemed realistic that sufficient pupils would travel from west to east for their secondary school education. While 10FE expansion through existing schools could be delivered to the east of the borough, only a maximum of 4FE expansion can be delivered to the west. Therefore it is deemed that a new school would be better located to towards the west of the borough.
- 1.8 Cabinet in November 2013 endorsed the need for a new school to meet a basic need requirement without specifying the preferred category of school (i.e. Academy, Free School, split site of an existing school etc.) and extensive site search and assessment work has been undertaken to identify a suitable site, which is particularly challenging to the west of the borough.

- 1.9 However, due to the government's Free School programme, the secretary of state for education also invites bids for new schools directly from providers and acts as decision maker without direct reference to the council.
- 1.10 In the event, a Free School application from the Chapel Street Trust received "pre-opening" approval on 30 September 2014, and by the date of this meeting an application will have been submitted from the Harris Federation for the next round of Free School bids, for which a decision is likely early in 2015. The administration has made it clear that if there is a choice their preference is for a Harris rather than a Chapel Street school, based on the track record of Harris to raise educational standards and parental preference for Harris schools.
- 1.11 This raises the prospect that the council could have two new secondary Free Schools approved for "pre-opening" by early 2015 which would mean that there would only be a need for limited or no expansion of existing schools to meet basic need. However, there are risks to this approach which are outlined in this report, hence the need to also plan for the expansion of existing schools.
- 1.12 Officers plan to shortly start design work for up to 8FE expansion of existing schools to provide 2FEs expansion at each of Harris Merton, Harris Morden, St. Marks, and Ricards Lodge. Design work will be limited to RIBA stage 2 (outline design including agreeing building layout and size) before referring back to Cabinet Members.
- 1.13 Additional special school provision is required both to meet the rising secondary school numbers and from a general increase in the number of PMLD (Profound and Multiple Learning Difficulties), SLD (Severe Learning Difficulties) and ASD (Autistic Spectrum Disorder) children and the need to provide an equitable Early Years offer for these children. In particular, it has been requested in the capital programme review to allow for a further expansion of the Perseid lower school lower school, pending feasibility work undertaken in 2015.

2 DETAILS

- 2.1 Merton's vision for its schools and the children and young people who attend them is set out in the Children and Young People's Plan and in the Merton Education Partnership statement. Merton seeks:
- To provide the highest standards of education and ensure all our schools are good or outstanding;
 - Results for attainment and progress which compare with the best in London;
 - To ensure that all children and young people enjoy learning opportunities, feel rewarded by their experience and achieve their full potential;
 - Provision which contributes to the broader well-being of children and families

- Provision which is a positive choice for families
- 2.2 Our approach and further principles in relation to school expansion were considered as part of last November's Cabinet report.
- 2.3 This report considers the school provision in the sectors of mainstream primary, mainstream secondary, and special provision.

Primary school places

- 2.4 With regard to primary school places, including Dundonald Primary School and The Park Community ("Free") School, 23 extra forms of entry in permanent accommodation will be provided by September 2015 compared to 2007 levels, involving about half of our primary schools
- 2.5 Since the last formal review of primary school places in summer 2013 the following additional key information has become available:
- Numbers for reception year places for September 2014 was broadly as forecast but the increase was not spread evenly across the borough: all the growth centred in the Wimbledon area, which was not predicted from GLA demographic figures. This led to the requirement for 3 bulge classes (at Garfield, Joseph Hood and West Wimbledon Primary Schools), 1 of which could be seen as filling the gap left by the Dundonald delay, and 2 filling the gap left by the uncertainty over whether the Free School would open and where.
 - In late July it was finally confirmed by the EFA that The Park Community Free School would open to provide 60 places per year (2 forms of entry) with its permanent home in Merton Park/Morden, close to where we are already expanding Poplar and Merton Abbey Schools. Therefore statistically this helps Merton provide sufficient places, but they don't appear to be in the right place to meet demand in the short term.
 - The GLA has updated their projections in April 2014, with a reduction in the level of forecast demand. They have provided 'standard', an 'alternative' and a 'no development' projection. The standard projection forecasts that after a further rise in demand for September 2015 there will be a moderate fall. The alternative projection shows a very moderate further increase. These are shown in the chart and tables in appendix 1
 - The 2013 calendar year births announced in July 2014 showed a fall of 106 from the previous year) suggesting that the peak of demand will be 2015/16 reception, and after this there will be a moderate fall for the following two years.
 - Increased demand is forecast by approximately September 2019 due to 600 new houses from the proposed new Wimbledon Greyhound Stadium development in Plough Lane, which is one of the areas of highest demand for primary school places. This needs consideration and negotiation for maximum funding to be obtained from CIL. The plans from Circle Merton Priory Homes

for regeneration of key estates also suggests pockets of increased demand, though the Park Free School could cater for the extra demand in High Path Estate. In any case, the increase in demand would be until 2019 and there may be a fall during the interim phase as the existing dwellings are demolished.

- 2.6 In conclusion, it appears that 2015/16 primary reception may be the peak year for overall demand in the borough. However, there appears to be a continued sharp rise in demand in the Wimbledon area so some further expansion may be required to ensure local demand can be met, exacerbated from 2019 by the impact of the housing in Plough Lane stadium development.
- 2.7 There is a necessity to have some surplus of school places to provide an element of choice and ensure there is a local school place for all children, and the council is planning on a low contingency of 2-3%. The previous Audit Commission recommendation is that a surplus of 5-10% would enable the appropriate balance of choice and to economically provide sufficient school places. There is therefore an element of risk when planning for a lower contingency/surplus. For example, a major housing development could have a significant localised impact leading to a shortage of local places.
- 2.8 CSF officers' recommendation is therefore not to commit to any further permanent primary school expansions at this stage but to keep the position under review, and to ensure some financial provision for further bulge classes is included to meet demand as required, and that financial provision is allowed in later years of the capital programme to 2018/19 in case it is needed. There will need to be a particular focus on the Wimbledon area in view of the fact that this is where the council is currently struggling to meet the most local school offer due to the high demand. Officers have agreed with West Wimbledon Primary School to undertake a feasibility study on the permanent expansion of the school but with no promise that permanent expansion would be implemented
- 2.9 Appendix 1 provides graphs and tables showing the forecast deficit of places according to the GLA and council projection models, including the council's pupil projections for its return to the DfE, based on the GLA's standard projection model.

Secondary school places

Level of demand

- 2.10 Officers reported to Cabinet on 11 November 2011 that by the early 2020s the total required increase in provision is likely to be between 20 and 30 additional forms of entry in secondary provision compared to current admission numbers.
- 2.11 However, information since then has led to a lowering of the GLA forecasts by some 5FE. This is due to the retention rate from year 6 (last year of primary school) to year 7 (first year of secondary school) remaining at just over 80%,

some drop out at the latter end of primary school, plus the longer term growth reducing in line with the primary school forecasts.

- 2.12 Forecasting secondary places continues to be subject to a number of variables. As illustrated by the changes since last year, the most difficult to forecast is school transfer patterns from primary school (year 6) to secondary school (year 7).
- 2.13 There are currently more surplus places in the eight secondary schools in Merton than is generally recommended. In year 7 in 2014/15 there are approximately 190 spare places out of 1669 available (11.4%). Three of these schools – Harris Morden, St. Mark’s Academy and Raynes Park High School, are particularly concerned that any expansion that is implemented above the increase in demand would have a detrimental impact on their school budgets.
- 2.14 The table below shows the build- up of additional year 7 places required in forms of entry (i.e. 30 places per year) to meet the projected demand according to the GLA standard model. It assumes a surplus of 60 places (2FE, or approximately 3%) as the minimum that could be managed:

Table 1 - Cumulative extra FEs required in year 7 with 2FE surplus – GLA standard model

	2014 GLA standard model forecast
2015/16	0-1FE
2016/17	4FE
2017/18	6FE
2018/19	15FE
2019/20	16FE
2020/21	15FE
2021/22	18FE
2022/23	19FE
2023/24	18FE
2024/25	17FE
2025/26	17FE
2026/27	17FE
2027/28	16FE

- 2.15 Along with other models, this confirms a rapid build-up of demand requiring expansion over the next three years, and an exceptional increase of 9FE in a single year from 2017/18 to 2018/19, followed by a moderate fall until a rise to above 2018/19 levels in 2021/21. After 2021/21 the forecasts become increasingly less robust as they do not include children in LB Merton primary schools.
- 2.16 The council’s simple pupil survival model is currently based on a 80.6% transfer rate (taking into account the retention rate over the last 3 years), and taking this

model the expansion required to 2018/19 is only 11 FE, as opposed to the 15FE suggested by the GLA standard model detailed in table 1. Deciding whether it will go up or down is the key factor to forecasting demand.

- 2.17 It is clear that pupil/parental preference has a more fundamental impact on demand for secondary school places than for primary school places, with pupils travelling considerable distances across borough boundaries to obtain an 'attractive' school place, and schools perceived as 'unattractive' can have a substantial number of unfilled places even when the deficit in the overall area is relatively small. The expansion plans of neighbouring councils is relevant. In simple terms, if an attractive provision is located close to the LB Merton border it could decrease the council's retention rate, but if attractive new provision in neighbouring borough does not keep up with local demand it could decrease opportunities for Merton residents to export and therefore increase our year 6 to 7 retention rate.
- 2.18 The consultation section outlines the current plans of our key neighbouring councils. While it is difficult to be certain, it appears that Merton's neighbouring council are also being cautious to ensure there is not over provision, and for financial reasons are seeking to ensure that at the very least there are not increased imports into their borough (and therefore exports from Merton). Therefore the plans of other borough's do not seem to impact on the existing forecast models.
- 2.19 Taking all consideration into account the most likely range of expansion required is 13 to 20 forms of entry by the early 2020s, 11 to 15 forms of entry of which needs to be provided by 2018/19.
- 2.20 Officers consider it is necessary at this stage to have a strategy that can provide for the higher level of 20FE expansion across the whole borough by the early 2020s (19FE is required according to the GLA standard forecast). Without allowing for this scenario, the council could be left with no room to manoeuvre to provide sufficient places as it is not possible provide for much more than 15FE purely through expansion of existing schools.
- 2.21 However, given that it is quite possible for the expansion required to be only 13FE and the financial impact of over-providing school places, both on the council's capital budget and the revenue budget of schools, it is prudent to only commence expansion construction when it is definitely required. With the 2-year lull in demand in year 7 after 2018/19 it is sensible to only commence detailed design work for schemes required up to this date. There is also the possibility that by early 2015 the Secretary of State will have approved Free School bids for two new secondary schools.
- 2.22 It is therefore suggested that design work commences on 8FE of expansion of existing schools, but there are regular reviews before any schemes go into further detailed design phases including a planning application, and then construction.

2.23 Further details on projections are contained in appendix 1

Location of demand for secondary schools

- 2.24 Travel patterns of pupils attending secondary school are far more flexible, illustrated by the number of LB Merton residents who travel outside the borough for their education, and the fact that over the last three years for pupils entering secondary school for the three non-faith secondary schools to the west of the borough, over one-third resided to the east of the borough.
- 2.25 However, it is also necessary to understand the location of growth in the child population. The choice of primary school expansion has been carefully undertaken following yearly reviews to provide the most local school place possible to children and approximately 70% of the primary school expansions have been to the west of the borough.
- 2.26 Taking into account pupil/parental preference, land availability, and the desire for our children and young people to attend good and outstanding local schools, it is suggested that the expansion programme provides a balance between expansion in the west, east and central areas of the borough.
- 2.27 By only providing a balance, it is expected the movement of pupils residing in the east and travelling to the west of the borough for their secondary education will reduce. This may cause some distress from those parents and pupils that have become used to exercising their preference to attend school in the west of the borough. To not deliver this suggested balance would mean a substantial number of children would need to travel from west to east for their secondary school education. Based on previous attempts by the council's admissions team to centrally offer schools in this way, this is not deemed a realistic approach that would create a successful school.

Delivery of secondary school expansion

- 2.28 On 11 November 2013 Cabinet agreed to a direction of travel for secondary school expansion as follows:
- A phased approach is appropriate for secondary school expansion in Merton over the next ten years, subject to regular reviews of supply and demand, and decisions made to ensure that places are provided when there is a 'basic need' (overall shortfall in the area of supply of places)
 - The additional capacity required will be met through expansion of existing secondary schools and establishment of new provision.
 - The initial phase will require schools to fill existing surplus places and the three academies to return to admission numbers set at the point of school re-organisation in the early 2000s. All secondary schools except the two Catholic School will, at that point, be 8 forms of entry ("FE") (240 places per year).

- Further school expansion to complement the above to provide sufficient places, with the aim that schools should not be more than 10FE (300 places per year)
- Officers will progress the feasibility of a new school/school provision to assist in providing for the exceptional increase in demand in year 7 from September 2018.
- A second new school/provision would be implemented if it became clear in the latter half of this decade that the increase to provide basic need places will be at the higher end of the projections, and it is required to ensure that existing schools do not permanently provide for above 10FE.

2.29 To implement this direction of travel the following has been undertaken over the past year:

- High level studies have been completed to determine the feasibility of expanding all of Merton's existing state funded secondary schools, together with more detailed conversations on school's willingness to expand.
- An extensive search for additional school sites (whether to provide a split site school or a single school site) has been undertaken by Capita Symonds, assisted by CSF and E&R officers, reviewing more than 200 sites, with further more detailed design work on site capability then undertaken by Atkins and then a further exploration of the sites from the Future Merton Team.
- Further work on location of demand as outlined above

2.30 The implications from this work, updated projections, and applications from two providers for new secondary Free Schools in the borough means that the direction of travel needs to be amended, but the council is not in full control of the position. The next section of this report considers the achievable expansion at existing secondary schools, and its impact on the need for a new secondary school.

Expansion of existing secondary schools

2.31 The table below shows the achievable expansion of existing schools without enforcing it:

West

School	Extra FE	Comments
Raynes Park (currently 8FE capacity)	0→2	Governors are concerned regarding expansion as the focus currently has to be on filling the school, but informal discussions demonstrate an extra 2FE (to 10FE) would be acceptable if the school became over-subscribed
Ricards Lodge (Girls) (currently 8FE capacity)	2	Governors provided conditional approval to extra 2FE (to 10FE)
Rutlish (Boys)	0	Governors would not support

(currently 8FE capacity)		expansion on their site unless part of substantial re-build - would only support 'split site' expansion
Total	2→4	

East

School	Extra FE	Comments
Harris Academy Morden (currently 6FE capacity)	2→4	Federation fully support extra 2FE; won't yet support extra 4FE (to 10FE) at this stage but open minded for the future
Harris Academy Merton (currently 6FE capacity)	2→4	Federation fully support extra 2FE; won't yet support extra 4FE (to 10FE) at this stage but open minded for the future
St Mark's CE Academy (currently 6FE capacity)	4	Governors' support an extra 4FE in two tranches of expansion
Total	8→12	

Total all borough excl. Catholic Schools	10→16
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- 2.32 While the 10FE of school expansion required to the east of the borough can be provided through expansion of existing schools, only 2 to 4FE of the 10FE to the west of the borough can be provided through expansion of existing schools. Therefore the new school should be towards the west of the borough for children residing in this area to easily access.
- 2.33 Paragraphs 2.40 to 2.55 of this report outlines how two new Free schools could provide for all or much of the secondary school expansion required, but that relying entirely on new schools poses significant risks. Given that the governors of Harris Morden, Harris Merton, St. Mark's CE Academy, and Ricards Lodge all support the principle of school expansion, but all require more information on scheme design before formalising support to it, it would be prudent to commence design work now. This would be limited to determining the exact size of the required building and spaces within it (RIBA stage 2). However, it is proposed that no further design work should progress beyond this stage without further reference to Cabinet Members.
- 2.34 The above approach is recommended to provide the appropriate flexibility to ensure that the council has, at the very least, a timely contingency plan to provide additional secondary school places when it is clear that some additional year 7 places are required from September 2016 at the latest.

Expanding faith secondary schools

- 2.35 As outlined above, St. Mark's CE Academy is proposed to be part of the school expansion programme from 6FE to 8FE as, along with the Harris Academies, it is smaller than the other secondary schools in Merton, and is cost effective for expansion, partly because it was 8FE prior to becoming an Academy. 120 of the 180 yearly places are 'open places' and it has a local Merton intake.
- 2.36 Ursuline and Wimbledon College Schools are highly popular, successful schools, collectively providing for 14 forms of entry. Officers have discussed expansion with the school governors of both schools, which could only be by 1FE each (2 x 150 places for the 11-16 schools, with 6th form expansion to be discussed at a later stage) due to the already restricted sites. The governors of Ursuline indicated that they would be supportive of expansion as long as an effective accommodation solution could be found that didn't further take away external space on their already confined site. Wimbledon College governors indicated that they couldn't support expansion on the basis of the high level feasibility study as it took away external space from the school, considered essential for a school with a strong ethos for school sport.
- 2.37 Although £6.9 million has been allowed in the indicative capital programme agreed by Council in March 2014, on the basis of the high level feasibility studies for expenditure in 2016/17 to 2018/19, it is clear that the schemes could not be delivered for this sum if they are to be accepted by the schools. In the case of Wimbledon College an acceptable scheme would mean entirely replacing a major block and this scheme alone could cost in the region of £8-10 million even if the school was able to fund some of the enhancements. A broad realistic estimated cost of both schemes to provide the extra 1FE acceptable at both schools is approximately £14 million, or twice the cost of most of the other secondary school expansions.
- 2.38 The admissions policies of the schools give full priority to practising Catholics before any other applicants and they therefore cater for a wide geographic area with only about half of their pupils being LB Merton residents. To understand the impact should demand increase further at these schools without expansion, an analysis of the last 30 places offered for these schools in 2013 showed only 36% to be LB Merton residents.
- 2.39 Under current capital funding arrangements the council would need to meet the full capital resources for their expansion, with only the formulaic basic need allocations to aid the council, which currently assumes £16,871 per secondary school place for outer London. Given the significant funding gap and the council's overall budget position it is difficult to justify the value for money of expanding these schools at this stage.

New secondary school and Free School applications

- 2.40 On 11 November 2013 Cabinet endorsed the need for at least one new school without specifying the preferred category of school (i.e. Academy, Free School, split site of an existing school etc.) and considerable work has been undertaken to

identify a suitable and deliverable site, which is particularly challenging to the west of the borough.

- 2.41 Under current legislation, the council can commission a new school through advertising for providers and the presumption is that it would be an Academy school which would be recommended by the Local Authority but decided by the Secretary of State. However, due to the government's Free School programme, the secretary of state for education also invites bids for new schools directly from providers and acts as decision maker without direct reference to the council. The financial implications of the distinction between an Academy and a Free School is set out in the financial implications to this report.
- 2.42 The administration has discussed its policy on Free Schools, and this was confirmed through Council motions passed in November 2013 and September 2014. In summary, it was agreed in September 2014 that where there is an identified need, to consider supporting Free School providers with a proven track record of success where the Council is confident that the standard of education offered is comparable with the best schools in the borough, and who are willing to adopt the following principles:
- Agree to be part of Merton's admissions procedures, working closely with officers;
 - Employ only qualified teachers;
 - Participate fully in the Merton Education Partnership; and
 - Demonstrate genuine community support.
- 2.43 In the event, the Chapel Street Trust submitted an application for a new secondary school in the summer 2014 DfE Free School bidding round, and an application is due from the Harris Federation by 10 October 2014, for which a decision is likely in early 2015. Neither provider has identified any sites for the school.
- 2.44 On 30 September 2014 The Chapel Street Free School application was approved by the Secretary of State for "pre-opening". It is described by the DfE as "Trinity High School, a mixed Christian designated 11-19, secondary school and sixth form with 1200 pupils opening in September 2016". It is planned for the school to be based on three sites, each with its own specialism – science and innovation, business and enterprise, and the arts.
- 2.45 "Pre-opening" means that the EFA (Education Funding Agency) will work with Chapel Street in identifying school sites, finalise plans, develop policies and undertake a statutory consultation prior to the Secretary of State's approval for the opening of the school through a Funding Agreement. As part of this process council officers would engage with the Chapel Street Trust, as a minimum to clarify admission arrangements and further details of the provision for inclusion in the LB Merton school admissions prospectus. The EFA are also likely to contact officers regarding the availability of LB Merton sites, as they have for previous Free School applications.

- 2.46 While “pre-opening” approval is significant it is not inevitable that the school will open, particularly without a specific school site identified. The DfE guidance for applicants states “In previous rounds, some applications have been approved after interview but then failed to progress sufficiently. In some cases a funding agreement could not be signed, the project did not go ahead and the school did not open. In other cases, the opening of the school had to be delayed by a year. This demonstrates the immense importance and challenge of the pre-opening phase.”
- 2.47 There is also a bid to be submitted by the date of this meeting for a Harris Federation Secondary School, for which a decision is expected in early 2015.
- 2.48 There are risks associated with relying on two new Free Schools to provide for ‘basic need’ places and due to the lack of available sites it could be that the council is in a position, especially as a landowner, where there is a need to prioritise between the providers.
- 2.49 Through the transformation of the former Tamworth Manor and Bishopsford Schools, the Harris Federation has showed clear evidence in Merton of being successful in raising educational standards and enabling the confidence of parents to send their children to the schools; the Harris Federation is a well-established provider, now operating over 20 schools which are almost exclusively Ofsted rated “good” or “outstanding”.
- 2.50 In contrast the Chapel Street Trust is a much less established provider, with only one primary school and one secondary school open prior to 2014. The secondary school opened in September 2012 and is rated by Ofsted as ‘good’. Six schools have opened within the past few months and a school in RB Kingston in the “pre-opening” phase advertised to open in September 2015 but with a site yet to be publicised.
- 2.51 In Merton, the Trust has operated Benedict Primary School since 1st January 2014 and, albeit relatively early days, the transition has to date been challenging and the Trust has experienced difficulties with the opening of their second Primary School in the Borough, Park Community School, which recently opened for only 13 pupils in less than ideal temporary accommodation. There is also some concern in respect of the three site Trinity School proposal as this model has not yet been tested within the United Kingdom to officers’ knowledge.
- 2.52 The Chapel Street Trust has recently written to the council outlining the progress they are making in establishing the organisation as a national Free School provider and in recruiting the necessary specialist infrastructure to ensure that educational standards in the Trust’s schools achieve the ambition for excellence. With the number of Free Schools and Academy conversions recently approved, the Chapel Street Trust clearly has the confidence of the Department for Education, despite its limited track record.

- 2.53 In considering both potential providers, the administration has advised officers that if it is a matter of choice, the preference of the majority group in the council is to support the expected bid from the Harris Foundation on the basis of the strong existing relationship which exists within Merton and the Federation's more established track record in securing significant improvement in educational outcomes for pupils attending their schools in Merton, and in meeting parental preference.
- 2.54 Officers have discussed the matter with the Regional Schools Commissioner as there was concern that, due to the process of agreeing Free Schools in regular tranches, bids would be considered on a 'first come first served basis' rather than being treated fairly on their merits. However, the Regional Schools Commissioner has reassured officers that the Harris bid will not be disadvantaged in any way by Chapel St's previous submission and approval for "pre-opening".
- 2.55 If two Free School bids are approved by the Secretary of State for "pre-opening" there is the potential for two new schools which would mean that there would only be a need for minor expansion of existing schools or, if expansion requirements were in the lower range, it could meet all the expansion needs. However, this raises the following issues:
- Given the lack of sites it significantly increases the risk that the council would not be able to provide sufficient secondary school places
 - The council loses all control regarding the timing of providing additional school places, so it could be left having to negotiate temporary expansions with existing schools while a second new school may or may not happen
 - There would be less flexibility for the council to ensure it was not over-providing school places
 - It is more expensive for the 'public pursue' generally, especially as expanding Harris Merton, Harris Morden, and St. Mark's by 2FE each is relatively inexpensive due to their previous status as larger 11-16 schools. The council should be able to provide for these schools to be expanded close to the level of Basic Need grant, though there may still be a time lag issue
 - If the site was a LB Merton site it would mean the loss of a further capital asset, or possibly up to three assets under the Chapel Street model of three small sites.
- 2.56 The council will need to review the appropriate way forward when the position is clear with regard to both Free Schools bids in early 2015, and the EFA will have reviewed site options for a new secondary school(s).

New secondary school site

- 2.57 One of the major issues in agreeing to one or more secondary schools is the availability of sites. Following the recent decision by the Secretary of State, any new school would be a Free School commissioned by the DfE. However, difficulties of the Park Free School opening on time where an application was

agreed by the DfE but it then took over a year to identify a site, illustrates the risks to the council when we need to rely on a secondary Free School opening to provide additional school places to a specific timescale.

- 2.58 The council commissioned a site search undertaken by Capita in 2013 but this provided only limited options for a new site, all of which have complications. With a Free School bid approved, officers may need to discuss the position with the Education Funding Agency (EFA), who will be responsible for identifying sites for the Trinity High School and also the New Harris Federation school should it be approved for “pre-opening”.

Special school places

- 2.59 LB Merton caters for pupils with SEN (Special Educational needs) through mainstream schools, specialist provision within mainstream schools (“additional resourced provision”), special schools, and use of independent provision. There are three maintained special schools, and three primary and three secondary schools provide specialist provision for pupils with ASD (autistic spectrum disorders) and SCLN (Speech, language and communication needs. There is also a Pupil Referral Unit (SMART centre) which operates under the same management as Melrose, our special school for pupils with emotional and behavioural difficulties.
- 2.60 In order to provide for the increase in demand November 2013’s Cabinet paper confirmed that the following will be required over the next 10 years:
- Increase the capacity of Perseid lower school to 84 places by 2015/16, and to subsequently increase the capacity of the upper school thereafter to meet the higher cohorts of pupils
 - Further increase special school places for children with additional complex and varied needs
 - Increase the number of additional ASD places in specialist provision within mainstream school both in the primary and secondary school sector
- 2.61 Since November 2013 the council has identified an extraordinary number of pre-school SLD/PMLD/ASD (Severe Learning Difficulties/Profound and Multiple Learning Difficulties/Autistic Spectrum Disorder) children that would need to attend Perseid School or otherwise specialist independent provision. CSF officers are proposing to undertake a feasibility study over the next 12 months to consider the expansion of the lower school to 112 places, including provision for children of 2-years to ensure there is equality of provision with the mainstream sector.
- 2.62 With regard to Cricket Green School a feasibility study is planned to facilitate the expansion of the school in the most effective way, which would include the option of using the existing Worsfold House building, together with considering the potential of the remainder of the site for other development e.g. housing if it is

discounted as a secondary school site. The Worsfold House (including Chapel Orchard currently used by Cricket Green School) is allocated for school and/or residential in Merton's Site and Policies Plan 2014.

3 ALTERNATIVE OPTIONS

3.1 The alternative options, particularly in relation to secondary school provision, are provided in the main body of the report.

Secondary School places Task Group

3.2 The CYP Overview and Scrutiny Review group on the provision of secondary school places provided 5 recommendations. These are summarised in the table below with the actions undertaken to date in the adjacent column.

3.3

September 2013 Task Group recommendations	Action undertaken
Recommendation 1: That building extra classes be considered by Cabinet alongside proposals for a new school.	Officers have progressed the expansion of existing schools through undertaking high level feasibility studies and discussion with all governing bodies, which has influenced decisions on schools to progress for expansion
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.	Officers have played an active role in liaising with neighbouring boroughs regarding cross-border approaches to provision, including with LBs Sutton, Kingston, Wandsworth, Croydon and Lambeth. The outcomes from these discussions are outlined in the consultation section of this report. However, the structures at regional and national level, especially with Free Schools being determined by the secretary of state, do not allow full sub-regional planning.
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.	Officers have discussed the expansion of the Catholic Schools with the governing bodies and this matter is contained within this report. Officers have also had dialogue with the Southwark Diocese in relation to additional CE school provision within the borough.
Recommendation 4: That Cabinet explore the possibility of discussing with outstanding Head Teachers how they might assist actively in managing multiple school sites to	The fact that one Free School is approved for "pre-opening" and one application is to be submitted imminently for decision in early 2015 has overtaken

ensure school standards continuously improve	this possibility
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.	Given that i) the implications of rec 1 demand expanding the accommodation footprint on existing school sites and ii) further development, even if feasible spatially, would impact on green space and sports facilities and policies, the administration considers this recommendation is unlikely to be realisable
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	The administration recognises that new financial models may be able to play a part in funding school places expansion but believes that site-specific options need to be identified first with specialist commercial advice then obtained in respect of potential funding models. This is also complicated by the fact that the new school would now be a Free School

3.4 .

4 CONSULTATION UNDERTAKEN OR PROPOSED

- 4.1 To date only secondary school headteachers and governors have been consulted on the expansion of their schools.
- 4.2 The Chapel Street Trust were required to consult as part of their Free School application made in June, and the Harris Federation undertook extensive consultation with parents at the schools gates of 10 of our Wimbledon Primary Schools.
- 4.3 Consultation by the council is complicated by the fact the council is not the commissioner of Free Schools. However, when the result of the Harris Free School application is known in early 2015, it may be appropriate to undertake a wider consultation on secondary school expansion.
- 4.4 Officers are in regular contact with colleagues in neighbouring local authorities, who have similar growth levels in demand for school places. The plans of the council's key neighbouring authorities are as follows:

Kingston: The council has plans in place to provide for the increased in demand for secondary school places up to 2019. Kingston Academy - an new 6FE Free school in north Kingston will open in September 2015. Chapel Street's Kingston Community School is a DfE approved Free School and includes 3FE secondary provision in September 2017. It is expected to be located in Norbiton though a site has not yet been confirmed. Tolworth Girls' and Tiffin (boys') are both

expanding by 1FE in 2015 and Tiffin Girls' are consulting on expanding by 1FE in 2016.

Wandsworth: Recent secondary school developments in Wandsworth mean that they are not projecting a shortage of school places until 2019/20. This assumes the development of the new Saint John Bosco Catholic School and the completion of works to renovate ARK Putney Academy (former Elliott) in 2015 at 7 and 6 forms of entry respectively. Officers are not planning to bring forward any further proposals at this stage.

Sutton: The council has identified it needs to expand by up to 21FE to provide sufficient provision, and is seeking to ensure it does not increase its 'imports' by only expanding Grammar Schools if they have a localised admissions policy for its extra places. They have firm plans to provide 4 forms of entry in 2015/16, and are seeking to open a new school from 2017, with the preferred site being to the south of the borough (Sutton Hospital), although the practical timescale to implement this is not certain.

Croydon: The new administration in the council has commissioned a review of its demand for school places and therefore the requirements that flow from this.

- 4.5 In conclusion, plans of neighbouring authorities seek to maintain the current cross border pattern of demand and supply, and therefore the existing models for projecting demand seem the best possible. However, the timing of plans, and other factors mean it is difficult to forecast on a year to year basis.

5 TIMETABLE

- 5.1 Table 1 provides the deficit of secondary school year 7 places by year. Additional year 7 places have to be met by these dates to ensure the council fulfils its statutory function to provide sufficient school places. Of most note, there is a single year jump of an additional 9 forms of entry for September 2018, which is the date identified as essential for a new school to provide year 7 places.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

Capital funding for a new school – Academies and Free Schools

- 6.1 As outlined in the legal implications section, there is a presumption that all new schools should be Academies or Free Schools. Free Schools are actually the same legal entity as Academies and the only difference is the way they are established and receive capital funding as new schools.
- 6.2 To establish an Academy the council would advertise a competition for a provider. The council would make recommendations to the Secretary of State for the provider, who would then make the final decision. The council would then have to meet the full capital cost for the new school.

- 6.3 Theoretically the council is provided with the capital funding to provide the places for a new school through its 'basic need' allocation, which is provided to local authorities by formula on the basis of the extra capacity that it forecasts it needs to provide. However, there are two reasons why the council would need to meet a substantial capital funding gap - firstly the per place formula, and secondly the time lag. Both are national issues, and particularly acute for councils that have the largest increase in pupil numbers.
- 6.4 On the per place formula the cost per place funded for the latest basic need capital allocations was £16,871 per secondary school place for outer London. This would therefore be £20.25 million for a 1,200 (6FE plus 6th form) secondary school. The council has received a cost estimate for a new build 1200 place secondary school from Atkins based on the EFA new build model and it is estimated to be £28 million at spring 2014 prices with no 'abnormal' costs, £29.18 million at spring 2015 prices based on the Building Cost Information Service (BCIS) construction inflation estimates. This would not include any cost of site purchase or 'abnormal' costs such as a difficult site requiring a more bespoke design solution.
- 6.5 Secondly regarding the time lag, funding is allocated based on a deficit of places. When building a new school it is necessary to substantially build up front and therefore the requirement to fund before the DfE grant funding becomes available. For example, the council's 2014/15 and 2015/16 Basic Need capital funding allocation was based on a deficit of places up to 2017/18 and therefore only recognised the forecast growth up to this period. Therefore the council was only funded for a forecast deficit of 251 secondary places up to that point
- 6.6 Under the current funding arrangements a new school commissioned by the council would therefore lead to a funding gap of at least £7.75 million. In addition, substantially funding for the new school would need to be committed by the council before there was any guarantee that much of the basic need funding would be received by council.

Capital programme

- 6.8 There are potentially significant changes required to the current capital programme arising from CSF's review of the latest projections on future school provision.

The current Children, Schools and Families capital programme for primary, secondary and SEN expansion, based on August monitoring information, is as follows:-

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Capital Programme	14,698	21,487	20,799	26,978

This programme is prior to the review of primary, secondary and SEN expansion provision and accompanying inflation contingency. It includes the provision of a new school costed at £26.587m

In order to simplify the decision making process of what is a potentially complex set of scenarios, the capital and revenue implications of each are set out individually as follows:-

a) Review of CSF Expansion Programme

	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000
Capital Programme:				
- Change in Primary Expansions	0	(200)	(3,250)	(3,200)
-Change in Secondary Expansions	0	0	0	(1,850)
-Change in SEN Expansions	100	0	3,000	0
-Inflation Contingency	164	1,943	1,867	2,066
Total Capital Implications	264	1,743	1,617	(2,984)
Revenue Implications	1	15	155	215

Revenue funding

Expanding schools

- 6.7 The revenue impact to operate the larger schools will be funded through the Dedicated Schools Grant (DSG), which increases on the basis of additional pupils, although there is a delay in receiving the funding for the additional pupils and it is not retrospective. This is the position whichever school is expanded. The DSG is top-sliced to provide expanding primary schools £60,000 per class to fund revenue costs from September onwards. It is envisaged that a similar scheme will operate for secondary schools.

New schools

- 6.8 Under current legislation/regulations new legal entity school(s) would be either a free school(s) or academies, although this will complicate their revenue funding it will follow the same principles of any other school expansion. However, there are specific set up costs for new schools e.g. headteachers and other managers appointed prior to school opening. This is currently met by the DfE if a Free School but by the council if an Academy following the competition process.
- 6.9 The costs of a new school of whatever category is higher in the years before the school fills in all year groups, but this cost is met from the DSG

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. The Local Authority must in particular have regard to: (a) the need for securing that primary and secondary education are provided in separate schools; (b) the need for securing that special educational provision is made for pupils who have special educational needs; and (c) the expediency of securing the provision of boarding accommodation (in boarding schools or otherwise) for pupils for whom education as boarders is considered by their parents and the authority to be desirable. A local authority is required to respond to any parental representations on the exercise of its duty under section 14.
- 7.2 Where a maintained school is to be permanently expanded, the council must first follow the statutory process for “prescribed alterations” to schools. The council is the decision-maker for these proposals. In deciding whether to approve proposals for expansion, the council should consider the quality and diversity of schools in the area and whether the proposals will meet or affect the aspirations of parents, raise local standards and narrow attainment gaps. In assessing the demand for new places, the decision-maker should consider the evidence for any projected increase in pupil population and any new provision opening in the area including free schools. The decision maker should take into account the quality and popularity of the schools in which spare capacity exists and evidence of parents’ aspirations for places in a school proposed for expansion. The existence of surplus capacity in neighbouring less popular schools should not in itself prevent the addition of new places. The LA should also consider viability and cost-effectiveness of proposals, equal opportunities issues, community cohesion, travel and accessibility, availability of funding and school playing fields.
- 7.3 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.
- 7.4 Temporary expansions of schools by the addition of a reception class as an exception to the normal published admission number or an increase in the published admission number would need to be agreed by the admission authority for the school.
- 7.5 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. This may be more efficient than creating a new, very small school on a new site. An expansion of a

school onto an additional site must however be genuinely a change to an existing school and not in effect a new school.

7.6 Since February 2012 under an amendment introduced by the Education Act 2011 there has been a presumption that new publicly funded schools will be academies. Under section 6A of the Education and Inspections Act 2006 (as amended), if a local authority think a new school needs to be established in their area, they must seek proposals for the establishment of an Academy. Under this duty, once the council had identified a site for a new school it has a duty to advertise for an academy provider. If the Secretary of State agrees an academy proposal, then the council would be required to transfer the site for a new academy to a new provider and provide capital funding for the new school. In the unlikely event of there being no approved academy proposals, the council would be required to run a competition for a provider for the school on the site, for a foundation or voluntary school or an academy. The Local Authority cannot propose a new community school unless such a competition did not result in approved proposals.

7.7 The government is encouraging communities to propose new 'free schools' which have the same legal structure and requirements as academies. Free schools may be established in response to invitations for academy proposals by local authorities seeking to establish a new school or may be established through an application process under the government's free school programme. Where a local authority has advertised for an academy provider under section 6A of the 2006 Act, the Secretary of State has power to require the transfer of the site to any academy provider, including a free school provider.

7.8 Under the Academies Act, Schedule 1, subsections (2) and (2A) of section 123 of the Local Government Act 1972 (disposals of land by principal councils) do not apply to a disposal of land to a person for the purposes of an Academy. This means that the Council could if it wished transfer land to an academy or free school provider at less than the best consideration reasonably obtainable. There is however no requirement to do so in the absence of a transfer scheme as described above.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1 The school expansion programme will be considered in the light of equalities legislation, and ensure that all children, including with special education needs, have access to a suitable school place

9 CRIME AND DISORDER IMPLICATIONS

9.1 No specific implications from this report

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

- 10.1 The school expansion is a major programme with significant risks which are managed at project and programme level.
- 10.2 There are particular risks associated with a new secondary school and the timing of it which are outlined in the main body of the report.

11 APPENDICES – the following documents are to be published with this report and form part of the report

Appendix 1:

- Chart showing reception and year 7 demand according to 3 GLA models,
- Tables showing surplus and deficit of places according to GLA and council projection models
- The council's pupil projections provided to the DfE in July 2014 (GLA standard model).

12 BACKGROUND PAPERS

- Cabinet 11 November 2013 – Provision of School Places – update and future strategy

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