

## READING BOROUGH COUNCIL

### REPORT BY DIRECTOR OF EDUCATION, ADULT AND CHILDREN'S SERVICES

TO:	ADULT SOCIAL CARE, CHILDREN'S SERVICES AND EDUCATION COMMITTEE		
DATE:	7 NOVEMBER 2013	AGENDA ITEM:	11
TITLE:	PRIMARY SCHOOL PLACES - PLANNING TO MEET THE FORECAST DEMAND		
LEAD COUNCILLOR:	COUNCILLOR ENNIS	PORTFOLIO:	EDUCATION
SERVICE:	EDUCATION	WARDS:	BOROUGHWIDE
LEAD OFFICER:	KEVIN MCDANIEL	TEL:	0118 9374240
JOB TITLE:	HEAD OF EDUCATION	E-MAIL:	<a href="mailto:Kevin.mcdaniel@reading.gov.uk">Kevin.mcdaniel@reading.gov.uk</a>

#### 1. PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1 There is a national shortage of school places in the primary phase, estimated at 256,000 by 2014 by the National Audit Office. To meet the expected demand for primary places on a permanent basis in Reading, it is considered necessary to provide 2520 places in Primary schools across the Borough. These estimates are based on detailed modelling work on the known demographics of Reading forecast through until 2020.
- 1.2 The "Lets Talk Education" events in 2012 and 2013 identified a number of schemes which combine with some existing ideas to create a programme of 13 schemes. These have been identified as the most appropriate in terms of location, school support and parental support. Eight eligible schemes from this preferred programme were submitted to government for financial support from the Target Basic Need Programme, and we have been earmarked to receive £19.1m in addition to the formulaic grant allocation already confirmed to all local authorities for 2013/14 and 2014/15.
- 1.3 The Council is committed to providing an excellent learning environment for every child. In providing the additional capacity it will be important that every child in the Borough have the same expectations of what their school will provide regardless of their overall size. Those expectations are:
- Sufficient space for effective teaching and learning to take place.
  - No classes larger than 30 pupils, except in the case of exempted pupils under the provisions of the Admissions Code.
  - Teaching spaces are warm, safe and dry.
  - Access to outdoor space for break and other unstructured times.
  - Sufficient time and facilities to eat lunch.

- Effective safeguarding provision for child safety in the event of shared access to a given site.

All of the building options that are outlined at paragraph 4.15 (with the possible exception of Option A) will meet these outcomes and members of the Committee will be aware, from the site visits organised prior to this meeting, that both modular and permanent building solutions can provide a learning environment that meets the needs of children within the school.

- 1.4 The report sets out a range of building options, some of which are more suitable to specific school sites than others taking into account the location of the school, present configuration of existing buildings, heritage assets, access and the potential development of new community based facilities. There is not a 'one size fits all' solution and officers are therefore seeking approval to discuss with individual schools as to the optimum solution on each site that delivers the outcomes set out in paragraph 1.3 above. This will need to take account of not just new classroom space but also all the elements required in a primary school, ranging from the size of individual classrooms, toilet and cloakroom provision, Halls, administration accommodation and specialist areas such as music, drama, ITC and medical inspection rooms. This is subject to the proviso that the overall investment programme does not exceed the level of Council investment outlined below.
- 1.5 In order to secure the school places and the Government support, the Council have to decide how to proceed. This report informs Committee of an estimated budgetary cost of up to £64m (subject to a decision at 2.6 below) and the required Council investment of £34.2m which is significantly higher than the national average local authority contribution of 34% as estimated by the National Audit Office for 2012. There are obviously significant and long term budgetary implications arising from this report, especially in an era of austerity. However, this capital investment will provide excellent learning environments for children in Reading for at least 25 years and can be considered to be an investment in the educational attainment of the next generations and the future prosperity of Reading.

## 2. RECOMMENDED ACTION

That Committee:

- 2.1 Notes the expansion consultation process as set out at paragraph 4.13.
- 2.2 Notes the different approaches to providing additional school places and the suggested expansion programme set out in the table at paragraph 4.4.
- 2.3 Confirms its commitment to providing an excellent learning environment for all children in Reading's schools.
- 2.4 Requires officers to discuss the optimum build solution with individual schools taking into account the commitment to deliver an excellent learning environment within tight budgetary constraints and taking into account the different site issues and requirement of schools.

- 2.5 Notes that 2.4 above will mean that there will be a differential approach on some sites but that every child will be educated in a building that meets or exceeds the criteria set out at paragraph 1.3 above and which will involve a combination of building option (b) and (c) as outlined at paragraph 4.15
- 2.6 Requests that Policy Committee agree a capital allocation for the overall programme and note the resulting estimated budget impact from 2015/16 onwards.
- 2.7 Notes that the capital contribution required is significantly higher than the average local authority contribution.
- 2.7 Agrees to expand 3 schools from September 2014 and 10 schools from September 2015 as set out in paragraph 4.14.
- 2.8 Requests that regular update reports are brought back to Committee.

### 3. POLICY CONTEXT

- 3.1 The council has a duty to ensure that there is a school place available to every Reading resident child who requests one from the age of 5-17. Within Reading we operate "Rising 5" admissions which means we run a reception year and pupils have to attend for at least one term.
- 3.2 The Department for Education (DFE) prefers to provide school places through the Free School programme. This process is run entirely by the DFE in response to bids from community lead groups. These schemes receive capital funding directly from central government. We have two open Free Schools (The All Saints Junior school and National Autistic Society TVS special school) and two at the "pre-opening phase" (The WREN West Reading Secondary school and The Heights Primary School).
- 3.3 The Local Authority can seek to open a new Academy with the support of the DFE who make the final decision on the academy proposer. The Local Authority is responsible for any capital funding required for the school.
- 3.4 In the event that no Free School or Academy comes forward, the Local Authority can run a competition for a community school. Secretary of State agreement is needed before this process starts. The Local Authority is responsible for any capital funding required for the school. This is clearly a last resort for the DFE.
- 3.5 The DFE have provided capital funding to each local authority for 2013-2015 according to a formula. This funding is for both new places and estate maintenance. Reading has received just under £10m from this budget for the year 2013-15. Individual schools receive a "Devolved Formula Capital" allocation. It is less than £10k per school and should be used for local site maintenance such as painting, carpets and furniture.

- 3.6 On 1 March 2013 the DFE announced a programme called “Targeted Basic Need Fund” which aims to provide more money to support the shortfall in school places for 2013-2015. It is based on a level of financial support that falls well below the likely level of cost of providing real schemes, focussing instead on costs of new build of class room space. The programme requires Local Authorities to take all the financial risk and to commit to deliver the places for use by September 2015. Reading bid for funding and has been offered £19.1m and in due course will need to confirm the council’s acceptance of those terms.
- 3.7 In their report, “Capital funding for new school places” in March 2013, the National Audit Office have reviewed the national school place picture and the associated funding for the DFE. The report recognises that the DFE are providing more funding than initially announced in light of the national shortfall in primary school places, estimated at 256,000 places by 2014.

The report makes the following recommendations for the DFE at paragraph 22 on page 11:

*The Department should:*

- a Clarify the costs of new places and the scope of its funding contribution to local authorities to better inform its future decisions on the total amount of funding it should contribute. The Department needs an updated understanding of costs. It does not make clear to local authorities the scale of its financial contribution or the extent to which it is intended to enable parents to choose schools.*
  - b Consider how its funding allocations reflect the places which local authorities already expect to deliver. The Department needs to ensure that its chosen method is underpinned by robust data to support accurate funding allocations.*
  - c Monitor the impact of reforms to the school system on the delivery of new places. Local authorities increasingly have less direct control over the provision of new places, given the growth of Academies and Free Schools.*
  - d Develop its assurance framework to better understand whether it is achieving value for money in its distribution of funding. There is a lack of coverage of capital spending in the Department’s Accountability Statement and the Department lacks information to support benchmarking of authorities’ cost per place.*
- 3.8 School Building for the majority of projects is procured through the various Framework Construction Agreements currently available to Reading Borough Council, the more important being:
- (a) The South East and London Framework for Construction (Tier1) open to most public sector organisations in the SE of England. From £1m upwards for individual project value;
  - (b) Hampshire and Surrey Construction Sub regional Framework (Tier2) for project values of £100k to £1.5million; and
  - (c) Berkshire Framework (Tier3) for projects of limited value usually under £100k, used extensively by RBC to good effect locally.

- 3.9 Within these frameworks arrangements are made via either by way of two stage tendering, or direct call off arrangements, with the majority of work proposed to flow through either (a) or (b) above both using the two stage tender process. Initial engagement of contractors will involve a mini competition, unless the direct call off option is used as in the Tier 3 arrangement.
- 3.10 Consultation throughout the expansion programme will be a key factor, and the Council is committed to undertake both statutory and local exercises during the life of the programme. Consultations include:
- (a) Formal School Expansion Process (Statutory) and involves 5 stages, of which we are currently at Stage 3 representation. Detail of the process are included at Appendix 1;
  - (b) Local School based consultation which is designed to be an ongoing process throughout the life of the project. This involves the Headteacher, governors, parents, pupils and local residents at various points throughout the pre construction phase, followed by the construction phase; and
  - (c) Planning consultation, part of the formal planning process, which the delivery team always precede with planning exhibition of the proposals, attended by the Council's project team to respond to queries.
- 3.11 If a school is asked to take a third additional class at any one time, then the Local Authority is obligated to permanently expand that school's admission number. This requires a statutory process to be followed and for the local authority to provide the resources (capital and revenue) to enable that expansion to happen.

## 4. THE PROPOSAL

### The current situation

- 4.1 In October 2012 the Council adopted a forecast based on a revised methodology which used child benefit eligibility data to improve the accuracy of the forecast. This forecast indicates that the Borough is likely to need 12 additional classes in primary phase education across the Borough with immediate effect. In September 2012 and September 2013, the level of demand has been met with "bulge classes" in either existing space or via the use of temporary buildings. 565 places have been provided in this way and satisfies the Council's statutory duty to provide sufficient places.

The report to Cabinet in October 2012 noted the factors that could influence the actual level of forecast either up or down and they include the following:

- Increased economic prosperity in Reading attracts even more families and their children;
- Neighbouring authorities deliver the additional housing set out in their strategic plans to make Reading more reliant on it's own school provision;
- The birth rate continues to rise beyond the current level;

- The overall housing market increases and families are able to move away from the Reading town centre areas; and
- A number of Free Schools appear to provide further options.

Committee will note that the projected demand for places is robust until 2020. It is not possible to model demand past this date as so many variables may impact on the size of the school population. The DFE consider the country could require 400,000 more primary school places by 2018-19 and the Reading forecast has been reviewed by the DFE as part of the Targeted Basic Need Fund and appears robust. The National Audit Office report that the DFE are considering the national picture and reports, in paragraph 10, that the DFE is undertaking work to consider the uncertainty in the long term estimates and the resulting implications.

- 4.2 To provide sufficient places for September 2014, some schools require a formal, permanent expansion as set out in 3.11. Others require work to be completed to meet the requirements of previous expansion commitments.
- 4.3 Working through the “Let’s Talk Education” events in 2012 and 2013, the council has established a list of options that come together to meet the local permanent need for 2520 places - that is 12 classes of 30 children in each of 7 primary phase years. All of these will supersede the temporary places in due course.
- 4.4 The following table outlines the list of permanent options proposed to meet the demand:

School	Existing Planned Admission Number Yr R (PAN)	Proposed Expanded PAN Yr R (Additional)	Availability of spaces and overall size
Alfred Sutton Primary School	60	90 (30)	Ongoing from 2012/13. 630 pupils
The Ridgeway Primary	30	90 (60)	Ongoing from 2013/14. 630 pupils
Geoffrey Field Infants	70	90 (20)	Expansion completes in 2014/15. 270 infant age pupils
Geoffrey Field Juniors	0	0	Commences taking additional children in September 2015. 80 more pupils to expand to 360 junior age pupils.
Southcote Primary	60	90 (30)	Ongoing from 2013/14. 630 pupils.
Churchend Primary	30	60 (30)	Commences admitting pupils in 2014. 420 pupils.
St Michaels primary	30	60 (30)	Ongoing from 2012/13. 420 pupils.
New Oxford Road Academy		60 (60)	Will take first admissions in Sept 2015. 420 pupils.
E P Collier Primary	30	60 (30)	Ongoing from 2013/14. 420 pupils

Thameside Primary	60	60 (0)	Is short of 60 places to meet PAN in every year group. Required from 2014. 420 pupils.
Dee Park / Ranikhet Primary Redevelopment	60	90 (30)	Commence additional pupil admissions in 2016. 630 pupils.
Newtown Primary	30	60 (30)	Ongoing from 2012/13. 420 pupils
St Martins Primary	24	30 (6)	Ongoing from 2013/14. 210 pupils.
Total	484	840 (356)	

- 4.5 In addition to the table above, there is a Free School bid for Caversham at the “pre-opening” phase, called “The Heights Primary”. This is expected to provide 50 places from September 2014 onwards, growing to a complete school in seven years. This school is required to meet the need in the north of the Borough.
- 4.6 The table above includes the prospective work at Dee Park and Thameside which were not included in the April 2013 cabinet report as they were separate decisions. They are now included in order that the full scale of the primary programme can be seen in one place.
- 4.7 The proposed school expansion programme, with a potential Council investment of £34.2m via capital borrowing would create a school building programme of approximately £64m. The programme represents a significant step up in workload and it will be necessary for Reading to access private sector resources in line with current arrangements successfully used for a number of years for Hampshire’s capital programme. This will be made possible by developing a delivery strategy based on a public to public arrangement called ‘Reading Hampshire Property Partnership’ and a separate report will follow.
- 4.8 To date the combined RBC/HCC team has been working closely with school Headteachers and governing bodies to develop viability studies for schools included in the expansion programme. The existing RBC delivery team is in the process of recruiting additional project management resources to cope with the workload. There will also be an impact on several key internal resources within planning, transport planning, finance, legal and schools. The burden at schools falls to the Headteacher whose input is critical to a successful outcome, and the governing bodies. There will be additional meetings throughout the design and build process.
- 4.9 To obtain best value in the new buildings it is intended that they be designed to include measures to ensure maximum thermal efficiency in accordance with the current edition of the building regulations and comply with current legislation as it applies to construction.
- 4.10 The Government, through the Council’s successful Targeted Basic Need Fund bid in respect of 8 schemes, has awarded the Council £19.1million towards the cost of delivering school places. Altogether there are 13 schemes which require funding to deliver the forecast 2520 primary pupil places. It was not possible to apply for funding at some schools as they did not have the required Good or Outstanding Ofsted status necessary to meet the bid criteria and therefore there are schemes included in the programme which do not attract funding from the DFE.

- 4.11 The funding offered by the DFE for the provision of these additional School places appears to equate broadly to a third of the total project out turn costs for permanent building solutions evidenced through national benchmarking of completed school projects, including those for Reading.
- 4.12 In developing its bid for funding, and in discussion with the Headteachers and Governors of the schools selected, Reading adopted the approach of seeking support for a permanent build solution at each school with the specification reflecting the government's own design guidance contained within DFE Building Bulletin 99 for Primary Schools. The latter provides space guidance for all the elements required in a primary school, ranging from the size of individual classrooms, toilet and cloakroom provision, Halls, administration accommodation and specialist areas such as music, drama, ITC and medical inspection rooms. This is the specification used in viability assessments undertaken to date although it should be noted that these guidelines are no longer mandatory for local authority development within schools.
- 4.13 There are several key areas for consultation within the context of this expansion programme which are already underway, and they include:
- (a) Consultation on Expansion, currently well underway comprising 5 elements of which specific school consultation with staff and parents was completed by the end of the summer term 2013, and is now in its wider, public phase and open to all interested parties in the "Representation" stage. (Appendix 4 describes this process);
  - (b) School Specific discussions, very much an ongoing and critical aspect of the expansion process, whereby there is routine engagement with Heads and Chairs of Governors, followed by appropriate meetings with the wider governing bodies, and planned open events for parents, staff and residents; and
  - (c) Planning Process, involves all the relevant formal activity associated with planning applications and supplemented by pre application planning exhibitions for parents and residents to engage with the design team informally. Major relevant concerns would be addressed following these events, and designs amended accordingly.
- 4.14 The initial feedback from expansion consultations focussed mainly on the transport, access and road safety concerns of residents and families. School feedback related to the importance of appropriately sized infrastructure. The formal stage has now closed and the number of respondents was (8), and the main topic of comment from local residents as opposed to parents, requested we address traffic management and parking issues in roads adjacent to a number of schools.

## Development options

- 4.15 There are a number of ways of meeting the Council's statutory duty to provide sufficient places. These range from providing the minimum teaching space in a short life building to custom redesign of the whole school using long term building technologies. The options considered for this programme are outlined below:

### (a) Modular Classrooms



Modular classrooms have already been used in Reading schools and would provide additional teaching spaces and co-located toilet facilities. This would not involve integration or expansion of existing school buildings and infrastructure. The impact on the teaching environment both internal and external would require careful ongoing management. The council would be required to plan to replace the buildings within 25 years. The modular buildings can also be moved between sites if required. The buildings are a common size and shape with functional finishing. It is not feasible to use this option on some sites due to increased land requirements and planning constraints. This approach represents a theoretical minimum cost per place option to the capital programme.

**(b) Mixture of Permanent Buildings and Modular**

It may be possible on some school sites to develop an approach involving a blend of modular classrooms (retained and new as per option (a)) with elements of permanent accommodation to meet the essential infrastructure work. This would represent the minimum level of internal and external works, and the least integration or expansion of existing school facilities. Again the impact on teaching environment would require careful ongoing management. This would not be feasible on some sites due to increased land requirements and planning constraints. This approach represents the realistic minimum cost per place option as it deals with both teaching and essential infrastructure works. This option might allow some flexibility within the overall budget to consider other works within a school site that would allow all pupils to benefit from the expansion programme.

**(c) Permanent (reduced cost through free standing options)**

Permanent buildings could be provided but with a lower target net cost than standard traditionally constructed building. A permanent building approach provides a building with a target life of 40 years and the viability of major refurbishment, such as window replacement, to extend the life further as required. Standardisation through the use of new build free-standing solutions or extensions where possible and appropriate will provide teaching environments that are integrated into the existing schools with appropriate external works. Similar permanent technologies will be used to provide essential infrastructure in addition to the teaching spaces. Local design will minimise the level of integration needed with existing buildings

**(d) Traditional construction**

Traditionally constructed buildings could be designed for each site with individual design, procurement and project management. This is the historical approach we have taken for school improvements. This approach still encompasses teaching spaces and essential infrastructure but this option would not allow for whole school renovation within the current programme's funding.

**(e) Systems built 'Sunesis' type solution**

This product is a pre-designed project and suitable only as a complete school. The designers can include all the basic components of 1, 2, and 3 form entry schools (each form is 210 pupils). The only location where this is feasible is Dee Park. This approach involves the use of an existing and exact offer from the supplier; a system built school and would negate the generic approvals the design has from Building Control, and other agencies. These sites will need to be assessed to ensure there is sufficient space for this type of approach.

- 4.16 The modular buildings (options a and b) have a design life of 20-25 years and consequently have many less durable components in their specification than the permanent solutions. They have the advantage of being quick to install but will require higher maintenance costs during their working lives to maintain the warm, dry and safe conditions needs. They are not suitable for major refurbishment when co-located with our older school buildings designated Heritage Assets because of their visual appearance, nor will the fixed footprint work effectively on tight sites where we have to balance teaching and outdoor space.
- 4.17 The building programme is focussed on providing new school places and it is the intention of the programme to minimise interference with existing school buildings, unless using them to provide more space, as major refurbishment costs cannot be borne by the expansion programme. The DFE is due to make an announcement about ongoing school maintenance in 2014 and this may lead to an increase in funding provided for all local authorities.
- 4.18 Several of the schemes included have considerable additional costs associated with their development beyond the simple need of school places. Most notably these relate to brownfield and landlocked school sites. In the case of the latter at Ridgeway and to a lesser extent at Churchend, new road access arrangements will have to be considered. It is doubtful whether either school was originally designed with a future significant expansion in mind, and it is the encroachment of new housing and other development that makes simple expansion so challenging. Further, the introduction of Children's Centres and community spaces as currently envisaged in the brief for Hodsoll Road and Ranikhet School, plus the relocation of the heavily used nursery at Newtown, adds considerably to cost. The programme estimates have included a number of these, as identified in Appendix 1, to represent the likely cost to bring these schemes forward in support of the school places.
- 4.19 In order to assess the likely choices, the following section takes a desk-based review of the expansion from 420 to 630 places at Alfred Sutton Primary School. This has been chosen as it represents a typical school situation and site within the proposed programme.

The school has 420 pupils housed in a number of blocks ranging from Victorian Heritage assets to new build units less than 10 years old. The school has a further 60 students taken in through "bulge" classes in 2012 and 2013 and the site has some existing temporary buildings (called the "TerraPod" by the pupils) which sits alongside the main site on the edge of the playing fields at Crescent Road. The school has been recently rated as "Good" by Ofsted and is popular with families.

The following table sets out the budgetary costs associated with each of the options outlined in 4.15 above and explains what that level of investment will achieve:

Option	Estimate	Description
A	£2,166,906	This option will duplicate the modular “TerraPod” to provide sufficient teaching spaces and co-located toilets for the required number of pupils. There will be no development of existing buildings, access or parking. The existing dining facilities will remain and arrangements will have to adjust to manage the additional 150 pupils still to come. The new modular buildings would be placed alongside the school site on the playing field. The temporary buildings will be life expired in 20-25 years and require total replacement.
B	£3,747,765	This option will provide the same teaching and toilet spaces as option A plus provide essential permanent building within the school space to provide sufficient infrastructure (dining hall, staff room and storage spaces) for the enlarged school. There is limited development of the site aspects such as parking and roadway access in this scheme.
C	£4,618,516	This alternative design uses permanent building technologies to provide standalone space that enables the most efficient integration with existing infrastructure to provide a site that will be functional for 40 years or more. The design allows for redevelopment of public and transport access which can facilitate better community use of the whole Crescent Road site, changes that can only be achieved by moving the existing temporary buildings. This approach offers the best cost per year of life option in many circumstances.
D	£4,990,731	Similar functional design to option C without the cost benefits of the standalone standardised building approach.
E	£0	Not a viable option as this is an expansion with significant existing infrastructure, much of which would be duplicated if a whole school was set alongside the existing site.

4.20 Appendix 1 is an A3 summary of each option which outlines the location, risks, complexity and budgetary estimate of the deliverable scheme assuming non-school place costs and permanent building solution set out in Option D in 4.15.

The following table summarises the viability of each construction approach at each site:

School	Viable Options				
	A	B	C	D	E
Alfred Sutton Primary	Y	Y	Y	Y	N
The Ridgeway Primary	Y	Y	Y	Y	N
Geoffrey Field Infants	Y	Y	Y	Y	N
Geoffrey Field Juniors	Y	Y	Y	Y	N
Southcote Primary	Y	Y	Y	Y	N
Churchend Primary	Y	Y	Y	Y	N
St Michaels Primary	Y	Y	Y	Y	N
New Oxford Road Academy	N	N	Y	Y	N
E P Collier Primary	N	N	Y	Y	N
Thameside Primary	N	N	Y	Y	N
Dee Park Primary Redevelopment	N	N	Y	Y	Y
Newtown Primary	N	N	Y	Y	N
St Martins Primary	N	Y	Y	Y	N

4.21 At this stage the estimated costs are based on the permanent type of expansion outlined as option D in 4.15 and projected forward using the BCIS tool. Therefore, should modular solutions be adopted with wholly or in part on some schools sites the programme costs would reduce. The benchmark comparisons were for a standard, section construction approach to new build elements. Refurbishment was split into major and medium/light elements and external works split into hard and soft elements. The areas of each were estimated from site maps.

The quantity surveying team estimated the likely costs based on the proposed Reading specification and the likely costs based on the National Improvement and Efficiency Programme (NIEP) benchmark. The initial costs are 3-4% higher than the NIEP benchmark costs, while the level of Targeted Basic Need Programme funding is only just half of those numbers in most cases.

Option C carries a budgetary target saving of 5% compared to the option D costs used in desktop viability study and is based on the following elements:

- New build costs (based on additional area);
- External Works (inc Demolition, hard & soft landscaping, fencing, drainage and external services);
- Abnormals (e.g. site access and Heritage asset compliance);
- Refurbishment (Light, Medium and Heavy) where required;
- Professional Fees (Costs) & Surveys;
- Loose furniture, Kitchen fittings, and other fittings; and
- ITC hardware (cabling, smartboards etc but not computers).

4.22 Appendix 2 is the provisional plan of work which shows how projects can be grouped into five contracts to maximise procurement efficiency while attracting enough interest from the market.

4.23 Experience shows us that there is a wide variation in the cost per pupil place dependent on the type of school facility being developed and whether or not the cost of infrastructure improvements such as car parks, access roads, ground

contamination, asbestos removal and other necessary abnormalities have been taken into account. Examples of the type of expansion are provided below:

- (a) within existing school buildings, whereby classroom bases are brought back into use as the school expands again. Newtown Primary provides a working example of this approach in Reading where we expect to bring a full form of entry back into use. Here the construction cost of conversion and excluding the cost of re-accommodating the charitable day nursery work out at £8.5k per pupil;
- (b) In the case of a major extension of a primary school envisaged at St Michaels involving some remodelling to part of the existing school infrastructure the cost per place is running out at £25k. This includes both the process of installing Modular classrooms as an interim measure, and the estimated cost of the permanent build; and
- (c) Historically where we have managed temporary expansion or bulge classes by the installation of modular buildings, for example at Emmer Green where 60 additional children provided for in modular buildings cost £9.3k per pupil place for the seven years that the space will be used. This figure varies elsewhere according to the abnormal costs associated with the individual project.

Historically there have been variations to these figures in particular those relating to special school expansions where the cost per place is significantly higher due to the amount of space required per pupil and the high spec of the build.

- 4.24 Since 2012, the Council has invested all education capital grants and education Section 106 receipts into providing basic need places save for small amounts relating to critical health and safety repairs. These priorities will continue. There are two other funding streams called Devolved Formula Capital which goes to each school and "LCVAP", about £450k per year, which is used to maintain the voluntary aided schools within the Borough. These do not contribute to the basic need funding. Reading has been offered £19.1m from the Targeted Basic Need programme over the next three years to support eight of the schemes required to meet a large proportion of the need.
- 4.25 Reading is a very tight urban area with limited space for new schools. The range of options in this programme reflect the most viable options open to the Council and reduces the amount of money required to secure additional land. In providing the additional capacity it will be important that every child in the Borough have the same expectations of what their school will provide regardless of their overall size. Those minimum expectations are:
- Sufficient space for effective teaching and learning to take place;
  - No classes larger than 30 pupils, except in the case of exempted pupils under the provisions of the Admissions Code;
  - Teaching spaces are warm, safe and dry;
  - Access to outdoor space for break and other unstructured times;
  - Sufficient time and facilities to eat lunch; and
  - Effective safeguarding provision for child safety in the event of shared access to a given site.

- 4.26 Option (a) would leave schools with a number of difficult and ongoing management challenges, the scale of which will vary across schools. There is a level of infrastructure that has to develop to cater for increased numbers such as dining halls, outdoor space, toilets and staff rooms. Option (b) includes the scope to undertake integration works to develop these facilities. This adds to the cost of each scheme beyond the DfE allocation however they represent essential investment when developing classes with a 40 year life.

So far in the process, Headteachers and Governors have been working with us on the design of new teaching space and infrastructure at their respective schools. Many have expressed serious reservations about the implications of options (a) or (b) for the long term success of their school. However, officers believe that that option (b) could give some schools a degree of flexibility in terms of infrastructure options and will therefore seek to work with Headteachers on the basis that both options (b) and (c) or a combination of the two will deliver good outcomes for children.

- 4.27 There are some common issues across the borough relating to transport and parking. We will need to ensure an effective strategy for all schools to help manage the issues (both for school and other residents). This will develop the ideas of sustainable travel, better use of public transport and shared responsibility. This will require careful development, consultation and communication. Our colleagues in Transport have drafted a Borough-wide School Travel Strategy outline as part of the viability work to date and this approach will be consulted on during the development phase of the work.
- 4.28 Many of the schemes have a high level of ancillary costs relating to their location, construction, Heritage, or existing use. Some are critical to the success of the expansion, such as new access for The Ridgeway while others bring continued or additional benefits to the neighbourhood such as the nursery at Newtown and proposed community facilities at the new Academy in Oxford Road or at Ranikhet. These costs distort the cost per place calculations and undoubtedly mean the development will take longer, however the items contained within the programme are those that are considered necessary to make a scheme that can be delivered and supported by its local community.

## 5. CONTRIBUTION TO STRATEGIC AIMS

- 5.1 In addition to the statutory duty to provide places, an effective education system is crucial to the success of Reading. It must be able to provide good quality education for our young people so they are skilled and ready to be economically active. Further the system has to be attractive to families looking to move to Reading in response to the strong economic activity in the borough.

## 6. COMMUNITY ENGAGEMENT AND INFORMATION

- 6.1 During 2012 and 2013, the Council ran two phases of consultation called "Lets Talk Education" which engaged all wards in discussions about the overall need for school places. The initial process led to the identification of over 100 different ideas for solutions to the primary school demand.

- 6.2 The long list of ideas was reduced to 22 viable ideas that were then further consulted on to establish those that would be most supported by residents while offering both timely delivery and good value for money. These options are the basis of this programme.
- 6.3 Since early summer 2013, the Council have been working with Headteachers and Governing bodies of the schools contained in this report to ensure that they are fully involved in the process of creating a school which can sustainably support good and outstanding education. At this stage all schools continue to be supportive of the aims of the programme and engaged with the design teams.
- 6.3 To date a small group of officers, headteachers and governors have been meeting as a programme board to steer the process to this stage. This has had the benefit of common understanding and agreement about feasibility design. During the next phases and with the commitment of the funding stream, this board will need to develop to include cross party councillor representation to provide an oversight of the key issues and to ensure value for money is achieved.

## **7. EQUALITY IMPACT ASSESSMENT**

- 7.1 Each scheme will consider an EIA as appropriate.
- 7.2 The Oxford Road Academy has an EIA as a requirement built into the Academies development process required by the DFE.

## **8. LEGAL IMPLICATIONS**

- 8.1 The Council has a statutory duty to provide a school place for every child of statutory school age, resident in the borough who seeks one. The admissions code suggests that the maximum time a child should be out of school is 20 school days.
- 8.2 The targeted basic need programme, funded by the Department for Education, requires that funding is applied on a per scheme basis within the range of work in the programme. They reserve the right to reclaim any per scheme underspend, however with no scheme being funded at anywhere near full cost by this programme, the risk of having less central money is low.
- 8.3 The programme will require a governance arrangement that can have oversight of all elements in the programme while being able to make operational and financial decisions relating to individual schemes. Should the committee agree with the recommendation at 2.6 then a further report will follow to define this governance and delegations more fully.

## **9. FINANCIAL IMPLICATIONS**

- 9.1 The Targeted Basic Need programme elements require the Council to meet some conditions. They include having the school places funded by the programme

accessible by September 2015 although there is recognition of the need to sequentially open year groups to ensure stability in existing schools. This funding stream should also be applied to new build elements of projects in the main. Each of the eight schemes is supported by a specific TBNP funding stream and therefore if a particular scheme is delivered under budget, the Education Funding Agency is able to claw back any underspend. The Council will need to confirm its agreement to these terms.

- 9.2 Using the viability figures, based on option D the budgetary estimate from the tables in Appendix 3 indicates the building cost of providing the 2520 places at 2013 market costs. Additionally the overall programme requires an allowance for inflation and programme contingency which gives an overall estimate of £68.3m. Options (b) and (c) offer a cost saving of at least 5% from the viability estimates which would lower the budgetary estimate of the programme to between £53m and £64m.

It is estimated that a programme based on option C would be funded in the following way:

Funding Source	Amount (£m)	Notes
Targeted Basic Need Fund	19.1	Allocated by DFE for eight specific schemes
Education Grant	3.7	Remainder of 2013-15 grant after 2013 expansions and retention of £700k for essential condition and safety works.
Section 106 for Education	4.0	Estimated to 2016
Capital Receipts	0	It is not expected to sell any education land or buildings
Dee Park Contribution	3.0	Estimated value of contribution from regeneration partners.
Council Investment	34.2	This is the level of investment required by the council to balance the budget
TOTAL	64.0	Total Estimated Programme Costs

- 9.3 The budgeted investment by the council of £34.2m represents more than half of the costs of the overall programme. This compares to the estimated average contribution of 34% made by local authorities in 2012-13 as reported by the National Audit Office in paragraph 14 of their report. The £34.2m will be spent over the period 2013-2016 with a cash flow weighted to the latter stages of the programme. It is likely therefore that the Council will have to secure the investment sources in financial year 2015-16. In the event that borrowing is required, the capital can be borrowed over 40 years given the long-term life of the buildings being constructed. It is estimated that the full year revenue cost of borrowing £34.2m over forty years is £2.25m per year from 2016-17. Each £1m shortfall in projected s106 or other contributions would result in an estimated £64k in additional annual borrowing costs.

- 9.4 This primary school programme does not include any provision for additional secondary school places which will be required from 2018/19. It is expected that



many of these will be provided by the Free School process which is funded by the DFE directly. However the primary programme has not factored in any education grant which may be forthcoming from April 2015 onwards and this could either fill any secondary shortfall or reduce the level of local authority funding being carried for the primary programme.

## 10. BACKGROUND PAPERS

10.1 This report develops from the sequence of reports to the Council as listed below:

- School Place Forecast - Cabinet October 2012
- School Places Update - Cabinet January 2013
- Primary places planning - Cabinet April 2013

10.2 National Audit Office report "Capital funding for new school places" published in March 2013. This report is circulated with the Committee papers and starts with these key facts:

- 256,000 - estimate of new primary and secondary school places needed in England by 2014.
- £4.3bn - capital funding being allocated by the Department to local authorities for new school places in England from 2010 to 2014, excluding March 2013's Targeted Basic Need Programme.
- 12,000 - National Audit Office's estimate of additional pupils in reception classes in England each year to 2014.
- 5 per cent fewer primary school places available in 2010 than 2004, in response to falling school rolls.
- 16 per cent increase in the number of four-year-olds starting reception classes between 2006/07 and 2011/12.
- 20.4 per cent of primary schools were full or over capacity, at May 2012.
- 29 per cent of local authorities were funded less than the Department had assessed they needed for new school places in 2012-13 using authorities' own forecasts for pupil numbers.