

SLOUGH BOROUGH COUNCIL

REPORT TO: Cabinet **DATE:** 20 March 2017

CONTACT OFFICER: Jo Moxon, Interim Director of Children's Services
Tony Madden, Principal Asset Manager

(For all enquiries) (01753) 87 5017/ 87 5739

WARD(S): All

PORTFOLIO: Leader of Council - Cllr Munawar
Education & Children - Cllr Hussain

PART I **KEY DECISION**

SPECIAL EDUCATION NEEDS AND PUPIL REFERRAL UNIT EXPANSION NEEDS AND PROPOSALS – NEXT PHASE

1. Purpose of Report

- 1.1 The purpose of this report is to describe the present and future demand for Special Educational Needs ("SEN") and Pupil Referral Unit ("PRU") places in Slough and request capital funding of £18.75m to undertake the next phase of projects that will create 203 new SEN and PRU places over 3 years.

2. Recommendation(s)/Proposed Action

The Cabinet is requested to resolve:

- (a) That it be agreed that the Thomas Grey building be disposed to Haybrook College under a standard Academy 125 lease to relocate and expand the Key Stage 3 facility currently housed in the Rotunda building.
- (b) That a budget of £1.2m be allocated for the refurbishment of the Thomas Grey building, including a new replacement heating system and roof upgrade which also improves buildings now leased to Littledown School.
- (c) That the former Rotunda site on Belfast Ave be appropriated from the General Fund (Education) to the HRA for a sum to be determined by the District Valuer.
- (d) That around 33% of the vacant Haymill site be disposed to Haybrook College under a standard Academy 125 lease at a peppercorn rent and allocate £3.6m of capital funding to build a small extension and a new Hospitality and Catering facility that will add up to 10 additional SEN places and 40 additional PRU places.
- (e) That £13m be allocated to build the new SEN units at Priory School and Marish Academy and to build a new annex on the current Arbour Vale School site, with all 3 projects being delivered by Slough Urban Renewal.

- (f) That £150k be invested for further refurbishment works at 323 High Street as part of the lease arrangements with Haybrook College, which will be for a 9 year period with a rental income of £35k per annum.
- (g) That it be agreed to fund the refurbishment works in the Thomas Grey building, the extension and the Hospitality and Catering facility for Haybrook College, Priory SEN unit, Marish SEN unit and Arbour Vale annex using £8.25m of Basic Need grant funding and £10.5m of council borrowing.
- (h) That the St Anthony's field (held in the General Fund for Education) be appropriated to the HRA and in return agree to dispose of the land in front of Arbour Vale School (from the HRA) to facilitate the expansion of Arbour Vale School.

3. The Slough Joint Wellbeing Strategy, the JSNA and the Five Year Plan

- 3.1 The proposed expansions will provide additional SEN and PRU places to meet rising demand and will mean fewer pupils are placed out of borough.

Wellbeing Priorities:

- **Economy and Skills** – the delivery of school places for Slough residents will support delivery of skills and qualifications to young people in Slough and improve their life chances. However, some uses of land may have greater value to the town's economy if used for purposes other than education.
- **Health** – the delivery of well-designed schools with adequate outdoor space will provide an opportunity for young people to live active lifestyles and contribute to improved fitness and the reduction of childhood obesity and other health risks.
- **Regeneration and Environment** – using Council owned land to deliver school places may have regeneration value and will deliver environment improvements, but is likely to increase traffic levels. Other uses may have higher regeneration value and different environment consequences. Release of sites from Education use will support regeneration and provide opportunities for linking with One Public Estate priorities.

Five Year Plan Outcomes

- Our children and young people will have the best start in life and opportunities to give them positive lives –the delivery of sufficient school places in an appropriate mix for local children and young people will offer the opportunity for educational attainment and positive life chances.
- Our people will become healthier and will manage their own health, care and support needs – providing improved sporting facilities and play space with community use will support local young people and residents to become healthier.
- Slough will be an attractive place where people choose to live, work and visit – combining an increase in school provision with regeneration opportunities will ensure Slough continues to be an attractive place to live, work and visit.

4. Other Implications

- 4a) Financial

The relatively high number of free schools approved for Slough in recent years has meant that Slough has been able to roll forward significant levels of Basic Need

grant funding each year due to free schools being externally funded. In future years this position will change for two main reasons:

- Basic Need allocations have reduced significantly in recent years, allocations for 2017-18 and 2018-19 were £1.1m on average compared to the average of £11.4m received in the preceding 2 years
- SEN and PRU places are not funded through Basic Need or any other grant. Basic Need grant is based purely on projected shortfalls in mainstream provision for 5-15 year olds.

While extensions to existing schools are expected to be funded by the Local Authority new schools can either be funded by the Local Authority via a competition or by the Education Funding Agency (“EFA”) via the Free School programme. While Free Schools would be an attractive option for creating new SEN and PRU provision both would require a site to be provided in advance in order for a bid to be successful.

The breakdown of capital costs are set out in Appendix One. Based on existing proposals, these are estimated at £18.75m, which will create 203 new SEN and PRU places and re-provide 88 places in new accommodation.

Proposals to expand PRU and SEN places will mean a reduction in the placement and transport costs of unnecessary out of borough placements avoiding a potential revenue burden. These costs are described in sections 5.

4b) Risk Management

Key risks are set out in the table below.

| Risk | Mitigating action | Opportunities |
|--|---|--|
| Legal - Challenge from parents of statemented pupils who do not obtain a suitable place. | Agree, publish and deliver a comprehensive strategy for expanding provision. | Delivery of a coherent, comprehensive strategy will set the context for the long term. |
| Property – Once a site has been used by a school it will need release by the Secretary of State for alternative use. | Avoid use of more valuable sites where housing developments are possible. Explore release of sites from protection when new schools sites are created. | |
| Property – Lack of sites may mean that schools are not ready when required. | Expand existing schools wherever possible to avoid delays with planning new schools and identifying or acquiring sites. | Expanding existing schools reduces the scale of new build required and reduces capital requirements. |
| Planning challenges. | Sound holistic planning case to demonstrate that sites are best suited. | |

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|--|---|---|
| <p>Equalities Issues.</p> <p>Challenges from special interest groups.</p> | <p>Ensure needs of all parts of community are considered and balanced in the strategy.</p> <p>Appropriate consultation and consideration.</p> | |
| <p>Equalities Issues – Rise in demand for SEN provision exceeds the availability of places leading to possible challenge and costly replacements outside of the borough.</p> | <p>Agree and deliver a comprehensive expansion programme including a combination of expansion and new SEN specialist units.</p> <p>Expansion programme agreed via Heads' Groups.</p> | <p>Potential for inclusion of SEN resource bases within new Free Schools.</p> |
| <p>Financial – Over £150m will be required to fund the full school expansion programme to 2022.</p> | <p>Basic Need funding for new places has been confirmed to 2018-19.</p> <p>Free Schools are currently externally funded; a number are already agreed with further applications in the pipeline.</p> <p>Annual capital bids submitted to DfE.</p> | <p>Section 106 contributions requested where relevant.</p> <p>Other external capital funding streams such as the Priority School Building Programme (PSBP).</p> |
| <p>Financial – Places not viable without adequate revenue funding and SEN funding is controlled centrally by EFA.</p> | <p>Place planning agreed well in advance and appropriate growth applications submitted annually to the EFA.</p> <p>Lobby DfE to increase High Needs Block in line with growth As part of national Fair Funding consultation responses</p> <p>Need to re-prioritise current High Needs Block commitments in favour of supporting place and top-up funding growth</p> | |
| <p>Health and Safety</p> <p>Traffic risks.</p> | <p>Avoiding sites which present high risks.</p> <p>Sound transport planning.</p> | <p>Promoting green travel plans.</p> |
| <p>Communications and community support.</p> | <p>Effective communication plan.</p> | <p>Improving understanding of the constraints under which the Council operates.</p> |

| | | |
|--|---|--|
| <p>Timetable for delivery – projects delivered later than required for pupils, or not delivered as planned as schools choose not to cooperate or do not have the capacity to expand.</p> | <p>Forward planning. From approval, large projects are likely to take at least 24 months to complete and open places to pupils.</p> <p>Projects need to start in good time with the possible risk that this provides some short-term overprovision.</p> <p>Work closely with schools and heads' groups to ensure buy-in.</p> <p>Allocate adequate funding for projects.</p> | |
| <p>Project capacity – Insufficient capacity to deliver such a large expansion programme.</p> | <p>Dedicated project support in place.</p> <p>Utilise SUR for some projects.</p> | |

4c) Human Rights Act and Other Legal Implications

The Education Act 1996 requires local authorities to ensure that sufficient primary, secondary and further education is available to meet the needs of their population; ensure that their education functions are exercised with a view to promoting high standards ensuring fair access to opportunity for education and learning, and promote the fulfilment of learning potential; and secure that sufficient schools for providing primary and secondary education are available for their area.

4d) Equalities Impact Assessment

An Equalities Impact Assessment has been carried out for Slough's strategic approach to school place planning; it does not suggest that any changes are required.

The positive impacts identified include:

- All Slough children (including new arrivals which comprise a high percentage of BME families) obtaining a school place with a variety of admissions choices/options available,
- All new places being highly disabled accessible, and
- SEN and PRU places expanding

There may be a negative impact caused by:

- Free schools opening with selective admissions policies, and
- Opening non-selective places which would shrink the percentage of selective places (whether by ability or by faith, gender etc.) as a percentage of the total places.

Both these negative impacts are an acceptable consequence of increasing provision and choice.

4e) Land and Property Implications

See section 5 below.

4f) Carbon Emissions and Energy Costs

New buildings will increase overall energy consumption, this an inevitable consequence of an increasing population, however new buildings will be built to modern energy efficient standards. The Arbour Vale expansion will achieve a BREEAM Very Good standard.

The transfer of the Thomas Grey Centre will support the following aims of the Carbon Management Plan 2015-2020:

- Reducing CO² emissions: Investment made to improve energy efficiency including new heating system, new lighting and roof insulation.
- Saving revenue costs on energy consumption: Costs would be transferred to school.

5. Supporting Information

Background

- 5.1 At the Cabinet meeting held on 11 April 2016 progress on the SEN and PRU expansion programme was presented to Cabinet and approval was given to utilise the Thomas Grey and Milan Centre to create urgent new PRU places for Littledown and Haybrook Schools for 2016-17. It was agreed that officers would bring back a further report to Cabinet with options and solutions for delivering the expansion of Haybrook College and other long term projects.

Haybrook College

- 5.2 The overall planned growth for Haybrook College is 100 places, which is approximately a 50% growth in line with the projected secondary school population growth by 2022. In planning the expansion of Haybrook College a number of specific outputs were agreed between the school and Local Authority:
- Assets – Release the Rotunda building
 - Assets – Maximise alternative use opportunities for council land
 - Finance – Provide value for money and minimise the cost per new place
 - School Places – Create Key Stage 4 places at short notice
 - School Places – Rehouse the Wexham Park Schoolroom
 - School Places – Create a new Hospitality and Catering Facility
 - School Places – Consider options for creating a new land/farm based facility

Proposed relocation from the Rotunda building

- 5.3 The Rotunda building on Northampton Ave occupies the south east corner of the block known as the Centre site. The site has potential to be released for an alternative use associated with One Public Estate outcomes, but this will first require the relocation of Haybrook College. Haybrook College has occupied the Rotunda building since 2007 where it provides capacity for 26 Key Stage 3 pupils. Haybrook's current licence from the Council for the building ends on 1st October 2018.
- 5.4 Several options have been considered as set out in the options appraisal in Appendix Two. Having considered the advantages and disadvantages of each option, the preferred option for Asset Management is to relocate the services currently provided from the Rotunda to the Thomas Grey building.
- 5.5 This report recommends that the Thomas Grey building is transferred to Haybrook College under an academy lease. It is also suggested that the building is fully refurbished using basic need grant. The benefit for giving up this asset and future potential income is the release of both the Rotunda site on Northampton Ave and the former Rotunda site on Belfast Ave for alternative uses. Planning permission has already been obtained for 7 new homes on the Belfast Ave site, this development can proceed once the new home for Haybrook College has been decided and it is no longer required as a possible site for relocating the Rotunda. A map of Slough showing the location of the Haybrook sites is attached as Appendix Three.

Proposed Hospitality and Catering Facility

- 5.6 Slough has worked with Haybrook College and a team of architects to design a new facility tailored for future local need complementing the range of facilities currently available at the school. It is believed this can best be achieved through the addition of a new Hospitality and Catering Facility.
- 5.7 The high level designs for this new facility have focused on the Haymill site after consideration of the alternative options, as shown in the table below.

| Option | Comment |
|-------------------------|---|
| Rent a building | Haybrook College cannot afford the rental costs as school budgets in general are under increasing pressure. It is very unlikely that any play or sporting facilities could be provided on a rented site. |
| Purchase a building | Few sites are available on the open market. Conversion and refurbishment costs on top of the purchase price are likely to bring costs in line with the cost of a new build without site purchase. It is very unlikely that any play or sporting facilities could be provided on site. |
| Use another Slough site | No other site would provide the practical benefits and cost savings of co-locating the new facility on the current Haymill buildings. Sporting facilities are already available, car parking and office accommodation requirements would be less than if on a new site. |

The Haymill site has the specific benefit that sporting facilities are available onsite and would not need to be re-provided on an alternative site. Using the Haymill site would mean Haybrook College's new buildings are co-located and situated on land that is currently unused.

Protection of School Land and Buildings

- 5.8 Any land or buildings used by a school are subject to protection by the Secretary of State and permission must be sought for disposal or change of use. This applies even in the case of temporary use, as with Haybrook College's use of the Thomas Grey building and the Rotunda building.
- 5.9 Legal advice indicates that the majority of the vacant Haymill site is protected as education land due its previous use by Haybrook College. Therefore the majority of the site is subject to protection for at least 8 years from January 2014, unless an application for release of the land is approved before 2022.
- 5.10 The application process for the disposal of buildings is relatively straightforward compared to the process for disposing of playing fields - which can be controversial and is more likely to be refused. If an application were submitted to change the use of the Rotunda and a replacement facility for Haybrook was provided then advice from the EFA is that it is likely to be approved.
- 5.11 St Anthony's field and former Rotunda site on Belfast Ave are both held in the Education portfolio but as neither has been used by a school in the last 10 years they are not subject to the protection mentioned above.

Update on the wider SEN and PRU expansion programme

- 5.12 Following Cabinet approval in June 2015 of the overall approach being taken on expansion a number of architects were appointed to develop each SEN project. Appendix Four provides an update on each project including their current status and estimated budget.
- 5.13 Within mainstream schools the current Resource Base SEN units are oversubscribed for 2016/17 and beyond. In a significant number of cases, these pupils are exceeding the maximum 70% of curriculum delivered in the Base. They are (in effect) Special School pupils being accommodated and supported in mainstream school bases. This blocks access to these places for other pupils for whom the Base would be the most appropriate local school provision. One solution under discussion is the need for a new Primary SEN school to complement the planned expansion of Arbour Vale which is focused on secondary and Post 16 places. One option for delivery could be a new free school.

Revenue Costs

- 5.14 The pupil revenue cost implications to the council for the current growth in SEN pupils were described in the April Cabinet paper and are repeated here as a key component of the business case for expansion.
- 5.15 Statemented pupils that are unable to obtain a place at one of Slough's schools are placed out of borough. The table below compares the annual costs of a statemented pupil attending a Slough school compared to an out-of-borough facility including the additional transport costs per annum. Any additional transport costs will create a pressure on the Council General Fund. The full cost of any placements is currently funded from the High Needs Block ("HNB") of the Dedicated Schools Grant (DSG). Currently the effect of out-of-borough placements is to reduce the level of funding available for delegation to Slough schools. The High Needs Block is limited and

shrinking per pupil and there is no guarantee that there will be sufficient in the HNB for the future. There is a risk that a future shortfall will rest with the Council. This paper seeks to reduce pressures within the HNB by providing more local places.

| | Annual cost of placement - funded by DSG | Annual transport cost – funded by SBC | Total cost per annum |
|---|--|---------------------------------------|----------------------|
| Out-of-Borough placement in a maintained setting | £34k | £10k | £44k |
| Out-of-Borough placement in a non-maintained school | £50k-£200K | £10k | £60k - £210k |
| Placement in a Slough school | £34K | £4k | £38k |

- 5.16 Based on 100 additional pupils per annum, the annual cost could range from £3.8m if all placed in Slough schools, to £21m, if placed at the most expensive out-of-borough settings. Even at the average out-of-borough placement cost of £60k and, allowing for transport costs, this represents a potential annual additional cost of £3m at the upper extreme level.

Capital Budgets

- 5.17 The carry forward to 2016-17 of Basic Need grant and Section 106 developer contributions was £41m. Although this is a healthy position for the council for the first time in many years the capital commitment for education schemes being proposed exceeds the grant income received from the EFA. In 2018-19 assuming all the projects within this report are approved and proceed as planned there is projected to be a need to borrow £10.5m to support the education programme. The full education capital programme to 2021-22 is shown in Appendix Five.
- 5.18 A further £14m is projected to be required to fund the full programme to 2021-22, although the overall programme budget includes contingency sums for primary and secondary provision to cover most expected scenarios around growth in these sectors. New income will be received to reduce the level of projected borrowing shown, including 3 further allocations of Basic Need grant from 2019 to 2022 and section 106 developer contributions may be higher than the £3.75m projected over the next 5 years of the programme.

6. Conclusions

- 6.1 Slough's primary population and school capacities have risen by over 50% since 2007 and projects are well underway for a similar expansion of secondary provision. This report presents equivalent proposals for the expansion of SEN and PRU provision.
- 6.2 Apart from the addition of Marish Primary School, the proposals included here reflect the programme presented to members in June 2015. Working with architects and the SUR options have been explored and refined in order to present a full and deliverable programme. While Slough may need to respond to ad-hoc pressures for particular special needs, this report suggests a strategic approach and comprehensive programme of projects that will provide capacity for the next 5 years.
- 6.3 To deliver the strategic approach and release the Rotunda site, it is recommended that alternative uses are agreed for several sites and that an Academy Lease is

provided to Haybrook College for the Thomas Grey Centre and a proportion of the Haymill site. If agreed, the Council-owned site at Belfast Avenue could be appropriated to the HRA for new housing. To facilitate the expansion of Arbour Vale School on its existing site it is recommended that an area of HRA land and St Anthony's field in the General Fund are exchanged at zero cost.

- 6.4 This report presents a programme of expansion of SEN and PRU provision which totals £18.75m, the full programme would require a supported borrowing level of £10.5m in 2018-19 with £8.25m funded by Basic Need grant and section 106 developer contributions. It is possible some of this borrowing will be offset if Slough receives good settlements of Basic Need in 2019-20 and future years and higher levels of section 106 funding.
- 6.5 This level of funding would provide 203 new SEN and PRU places and re-provide 88 places across Slough in a variety of settings.

7. Appendices

Appendix 1 – Breakdown of Capital Costs

Appendix 2 - Options Appraisal - Relocation of Haybrook College from Rotunda

Appendix 3 - Location and site plans

Appendix 4 - Update on the Wider SEN and PRU Capital Programme

Appendix 5 - Education Capital Programme 2016-22

8. Background Papers

None.