Summary

This report provides an update on capital funding and further updates on pupil place expansion requirements.

Recommendations:

I recommend the Forum to:

Note the updates on the deployment of Basic Need and Capital Maintenance grant funding

Note the summary of developments in respect of the Secondary Expansion Programme

Note the summary of developments in respect of the Primary Expansion Programme.

Note the allocation of £688,306 capital grant funding to support Early Years provision

1. Basic Need Capital Funding – Summary

1.1 The overall expansion programme costs (below) are unchanged since the last report.

<table>
<thead>
<tr>
<th></th>
<th>Previous estimate (Nov ‘16) £m</th>
<th>Current estimate (Jan ‘17) £m</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary expansions</td>
<td>76.2</td>
<td>2</td>
</tr>
<tr>
<td>Secondary expansions incl. provision of a new School</td>
<td>66.8</td>
<td>8</td>
</tr>
<tr>
<td>SEN expansions</td>
<td>8.58</td>
<td>8</td>
</tr>
</tbody>
</table>
1.2 The current shortfall between known funding and estimated costs remains at £15.3m. However, negotiations are now underway with the EFA on the level of funding they will contribute for the build of the new secondary free school. This contribution should reverse the £15.3m shortfall predicted above and help with overall cashflow for the expansion programme.

2. **Capital Maintenance Programme 2016-17**

2.1 The majority of projects within the programme were carried out over the summer holiday period and actual costs confirmed for many of these.

2.2 Two projects with significant allocations are still to be progressed (see below), this funding has been vired to 2017-18.
   a. Tweeddale Primary replacement of mobiles (£400K allocated). This project has been delayed pending the availability of mobile classes to be moved from Barrow Hedges. It is anticipated that this will now happen summer 2017.
   b. Stanley Park Junior – to address safeguarding issues with location of office/toilets at the school. (£200K allocated). This project is at feasibility stage and a number of options are being explored and costed. A decision on the best option is expected soon.

3. **Capital Maintenance Programme 2017-18**

3.1 Confirmation of the actual allocation for 2017-18 is still to be announced by the Education Funding Agency (EFA). After adjustments are made for new Academy conversions, it is expected that the 2017-18 allocation will be in the region of £1.2m and planning for the 2017-18 programme has assumed this level of funding will be available.

3.2 The programme was agreed at the last Schools’ Forum and has since been authorised by CFE Committee. There is currently a contingency of £219K, which can be adjusted up or down once the actual grant allocation is confirmed by the DfE.

4. **Secondary School Expansion Programme (SSEP)**

4.1 The Phase 1 projects are progressing as per updates below:
   - Carshalton Boys Sports College (1FE) – project completed.
   - Carshalton High School for Girls (1FE) – main building works completed 28th October. Groundworks still underway.
   - Glenthorne High School (1FE) – project completed.
   - Nonsuch High School (0.67FE) - project completed.
   - Sutton Grammar School (0.5FE) – project completed.

4.2 Phase 2 schools are progressing as below
   - Overton Grange School (1FE) –on site with completion by February 2017.
   - St Philomena’s High School (1FE) - project completed.
   - The John Fisher School (1FE - project completed.
   - Wallington County Grammar School (0.5FE) – project completed.
5. New Secondary School

5.1 The planning application was submitted in January 2017. Officers have now met with the EFA to begin the negotiations to confirm the level of funding the EFA will contribute to build the school.

5.2 The current programme is as follows:
   - March 2017: Planning committee decision on planning application
   - August 2017: Construction on the new school commences
   - September 2018: New School phase one opens
   - April 2019: New School completion

6. Primary school expansion programme update

6.1 Primary projects still in the pipeline are as follows:
   Westbourne Primary – the project to permanently expand the school by 1FE is on site.
   Manor Park Primary – Phase 1 works completed to enable the school to admit further pupils Sept 2016. Phase 2 extension, scheduled to commence Summer 2017.
   Hackbridge Primary – Statutory notice was determined at CFE committee in December. The project is out to tender and building work should commence early in the summer. This project will deliver 1FE for September 2018, the delivery of the second phase to provide sufficient accommodation for 2FE will depend on the progress of the Felnex development.

7. Early Years Capital Funding

7.1 A bidding process for capital grants for early years’ settings, including schools, was announced last year. The grant funding is to support the delivery of the 30 hours extended entitlement for 3 – 4 year olds coming into effect from September 2017. Officers submitted four bids totalling just under £1.2m, two bids on behalf of private providers and two for maintained Infant schools.

7.2 The EFA has recently confirmed that three of our four bids were successful and the authority is to be awarded capital grant amounting to £688,306. A condition of the grant is that there is at least 25% match funding. The two private nursery providers have pledged their contributions and the LA contribution towards the Stanley Park Infants project can be found from existing Section 106 funding which has a specific condition to be spent on nursery projects. The bid submitted for St Mary’s Infants school was not successful.

8. Financial Implications

8.1 This report provides an update on capital issues that have arisen since the last meeting of the Forum.
8.2 Currently, school expansion programmes are funded by the DfE, from the ‘Basic Need’ Capital allocations. This funding stream supports both maintained schools and academies in their expansion programmes. The Free School at Belmont will be funded via the EFA, though the level of funding has still to be negotiated and confirmed. Once the Free School opens, the DfE will adjust Sutton’s future basic need grant allocations to deduct those places provided by the Free School as they come on stream.

9. **Influence on the Council's Corporate Core Values and Objectives**

9.1 One of the core values is working with partners. Setting the capital budget, and considering related issues, is an important part of the budget process that fully involves schools as partners and particularly recognises the important role of the Schools Forum.