

policy of Hampshire being a safe place for young people to learn and develop. Leaving aside the education arguments, provision of school places is inextricably linked to the provision of related infrastructure and growth in the County Council and its local economy. Without the school places in the right place and at the right time, many other economic planning and environmental strategies do not make sense. The scale of the provision discussed in this report requires close cooperation with the Department for Education (DfE), District Councils, developers, their contribution financial and otherwise and LEPs.

- 1.4. The report rehearses the impact and the financial issues related to identifying the estimated £400 million of funding for additional school places and the impact of the predicted deficit of £155m. Further work is required with potential funders, including the Government, Developers' and other agencies to maximise contributions from sources other than the County Council. The aim being to reach a balanced position with calls on the County Council's resources being kept to a minimum.

2. Education in Hampshire

- 2.1. Hampshire is proud of the quality of education provided by its diverse and high-performing system of schools, colleges and early years settings. There is no specific model of school organisation which is favoured within Hampshire. The county hosts popular and successful junior, infant, primary, 11-16 and 11-18 schools as well as a new and innovative 4-16 school and the largest post-16 college sector in the country. Schools are increasingly free to determine their own destiny, however, families in Hampshire should have access to a good local school which offers a rich and varied learning experience, has the highest expectations for their children's success and where parents can be confident that their children will be safe. All children have the right to an enjoyable, inclusive and expansive education and it is the role of the local authority to intervene on behalf of children, especially the most vulnerable, when this is not the case.
- 2.2. Hampshire County Council has remained neutral about the status of schools, preferring to focus on supporting the high quality governance, leadership and pedagogy which underpins successful schools. All children who attend school in Hampshire are Hampshire children and the local authority shares, with schools, the accountability for educational standards and for the successful transition of children and young people into higher education and employment. The local authority expects to know its schools well enough to provide effective support and challenge and, when the standards in a Hampshire state funded school are not sufficiently high, to work in partnership with local schools and other agencies, including central government, to put that right.

3. Background and context

- 3.1. The size and diversity of Hampshire creates a number of challenges for meeting the demand for additional school places. The main principle of current and future provision is to provide local schools for local children.
- 3.2. The following factors are taken into account when forecasting school places:
 - numbers of children living in area
 - numbers of children attending local schools
 - % participation rates for numbers joining each phase of schooling
 - known housing developments and likely pupil yield
 - in-year migration to and from local schools
 - ‘pushback’ – children being pushed back to their local schools as preference schools fill from catchment demand
- 3.3. From 2013 through to 2018 the County Council will have built around 11,000 additional primary school places to meet demand. There is a continuing pressure on school places in many parts of the county due to the on-going rise in births as shown in Table 1.
- 3.4. There are over 36,000 new homes planned in Hampshire by 2031. This new housing has been identified from existing local plan allocations and proposals emerging from District and Borough Council Local Plans. The proposals contained within this report will ensure an appropriate school place for the children that will come from this new housing.
- 3.5. In addition, major MOD installations and movement of military personnel create turbulence in the school sector presenting some challenge for school place planning in certain locations within the county. Regular meetings take place with the MOD to try and keep ahead of any planned movements.

Table 1 - births in Hampshire actual and forecast to 2020

From Office for National Statistics (ONS) Dataset

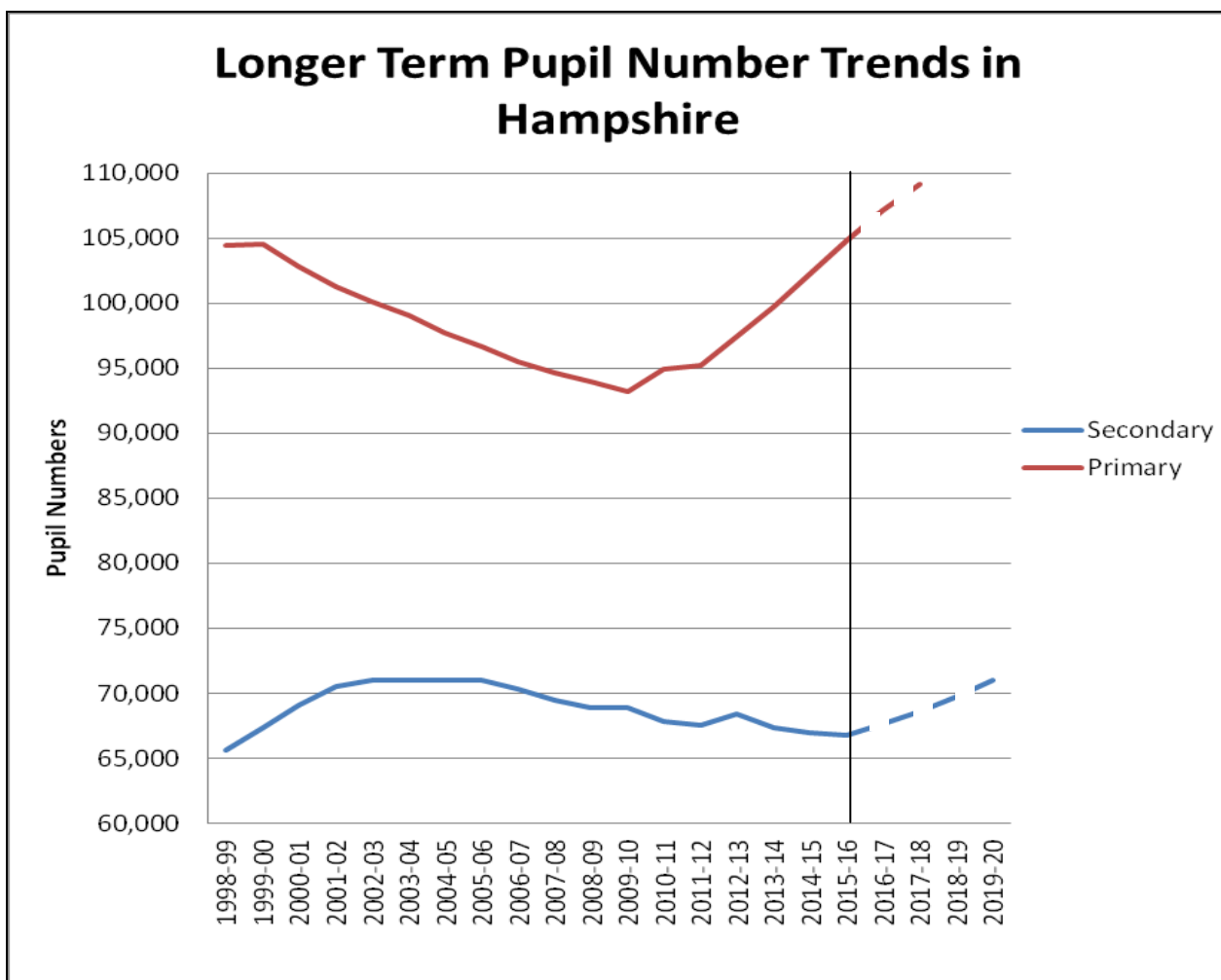
2007	2008	2009	2010	2011	2012	2013
14468	14677	14641	14972	15238	15400	14275

From HCC Small Area Population Forecasts (includes assumptions for future housing developments)

2014	2015	2016	2017	2018	2019	2020
14501	15294	15460	15669	15854	15965	16026

- 3.6. The graph below shows the county-wide pupil population projections, together with figures for previous years. Primary school pupil numbers show an increase each year up to approximately 110,000 in 2019/20. Secondary

school numbers show a year on year decline, but this will reverse as the growth in primary numbers work through the system.



- 3.7. Hampshire continues to experience a significant increase and pressure for places at Year R and Key Stage 1 with forecast Year R numbers rising to around 16,000 in 2019/20. This growth is already evident in some areas of the county in the secondary sector.
- 3.8. The decline in secondary age pupils that has been experienced over the past 10 years is now forecast to turn around with an increase in pupils from the primary sector and anticipated further inward migration to both new and existing housing. In the main this increase will be from 2016 onwards albeit some areas such as Fleet and Hedge End are already experiencing the increase. This will fill most existing secondary schools and additionally require the expansion of a significant number of existing schools and the provision of several new schools.
- 3.9. Approximately 2.8% of the pupil population have a statement of special educational need. 52% of these pupils attend a special school or resourced provision within mainstream schools. The increase in primary and

subsequently secondary pupil numbers will also require additional places to meet the needs of these pupils.

4. Provision of new school places

- 4.1. The statutory responsibility to plan the provision of school places will place a varying resource demand on the County Council subject to the delivery options outlined later in this report.
- 4.2. Wherever possible the County Council will seek to use its influence to help with strategic place shaping of new housing developments. In some cases the new schools will play a major cohesive role at the heart of new communities and be a focal point for regeneration.

Table 2 - the additional number of Year 7 school places needed across Hampshire to 2025

Current Number on Roll Year 7	12,861
Current Y7 capacity of existing secondary schools	15,015
Total places needed Y7 by 2025	16,200

- 4.3 Table 2 identifies a current Year 7 secondary school capacity of 15,015 places across the county giving a total secondary school capacity (5 year groups) of 75,075 places. Schools' capacities are calculated using the Department for Education (DfE) Net Capacity Assessment (NCA) formula. This assessment will be used in part to determine the accommodation requirements of existing schools to be expanded. Those schools to be expanded are also likely to require some infrastructure investment to address issues such as dining and car parking pressures.

Table 3 - additional school places required between 2015 and 2025 by forms of entry and location

Location	Additional forms of entry	Location	Additional forms of entry
Fleet	4	Whiteley	9
Hamble	1	Aldershot	2
Farnborough	2	Testbourne	1
Odiham	1	Manydown	7
Andover	6	Welborne	7
Basingstoke	3.5	Eastleigh	1
Horton Heath	9	Winchester	1
Whitehill	8	Total	60.5

4.4. Table 3 identifies the location and additional number of forms of entry that will be required across the county (see Appendix A). These additional places have been calculated on the basis of local schools for local children. This includes, where appropriate, a factor for “push back” analysis which identifies numbers of children that historically attend out of catchment schools that, because of increased demand from their local children will not continue to admit out of area children.

5. Timescale for decisions

- 5.1. Feasibility work has already started on some of the proposed new schools, particularly where negotiations are taking place with local planners about new sites and developer contributions are being sought. A number of the additional places identified in Table 3 will be required for occupation before 2020. The lead in time to establish a new secondary school will be around four years, two years in design and statutory consultation and two years to build. Part of this process could require an academy sponsor to be found, for which the capital funding must have been identified or support a sponsor with a free school bid. The free school option is explored in more detail in Section 8.
- 5.2. The timing of the new provision to serve new housing will be dependent upon the timing of the new housing. The forecast numbers in this report are predicated on current planned housing timing and completions. Experience suggests that often housing completions take longer than first indicated.

6. Financial funding strategy

- 6.1. The Children's Services capital programme is currently the largest programme the County Council has delivered reflecting the increased places required for the primary school sector. Funding for this has mainly been derived from Government grants and developers contributions, together with some corporate support that was generated through the early implementation of savings during the period up to 2014/15.
- 6.2. Further success in attracting Government grant has in more recent years created an element of surplus funding in the Children Services Capital Programme, but this has always been retained in light of the known secondary school pressures outlined in this report. Furthermore, some of this surplus funding is currently being eroded as we gain a better understanding of the costs of the primary programme and as a result of increased inflation within the building industry.
- 6.3. The indicative figures in this report highlight a need for capital funding of around £401m (including inflation) over the next ten years. After making some prudent assumptions for Government grant and developers contributions (and any potential capital receipts following changes to the school estate) there is a funding gap of some £155m as outlined in Table 5 (of exempt Appendix B). This is spread over the ten year horizon of expenditure on the total programme.

7. School Buildings: Value for money

- 7.1. The building programme outlined in this report will be the most significant schools construction activity the Council has embarked on for over 30 years. It is essential that officers design and deliver a product at the lowest possible cost without any detrimental effect on the teaching spaces and environment, as well as the longevity of the building fabric. Taking advantage of the potential economies of scale is a necessity.
- 7.2. The Council's designers have, for some years now (since the advent of public sector budget reductions), delivered school buildings at a reducing cost (compared on a like-for-like basis). Close attention has been made to making limited resources go as far as possible and very little additional capital has been required from the County Council's own resources to deliver school places to date (i.e. costs have been contained within Government Grant and Developers' Contributions). This is contrary to the situation in many other peer authorities where capital borrowing (and thus revenue expenditure implications) has been common in recent years.
- 7.3. Reducing the cost of school buildings has been achieved using the following strategies:
 - Carefully reduced floor area (around 5% on average) through savings in non-teaching accommodation and circulation.
 - Material specifications which are robust but economic.
 - Provision of core site infrastructure and landscape only.

- Aggregating projects together into programmes to achieve economies of scale.
 - Engaging with the construction industry through frameworks coordinated with neighbouring authorities to maximise buying gain.
 - Leading on a national benchmarking exercise of school costs to ascertain comparators amongst our peers. This has demonstrated that our net costs are around the mid point when compared to a large sample of other authorities.
 - The outcome of the above has seen our net costs for new school buildings reduced by an average of 15% on a like-for-like basis.
- 7.4. Price inflation in the construction industry is currently significantly more than the general economy. This has, and will, generate a further pressure on funding. Gross build costs have been estimated including inflation to give a realistic and complete picture for budget purposes. National commentators are predicting inflation of approximately 30% over the next five years – for the last calendar year, it was around 7%.
- 7.5. The inflation is a consequence of price increases and capacity shortages in the industry as workload is accelerating rapidly. The Council must now compete for limited resources and, to this end, is building capacity using the framework arrangements and private sector partnerships that have stood us in good stead over recent years. We are also collaborating with other authorities in the region to assemble ‘pipeline’ information and proactively shape the market to minimise inter-authority competition leading to potential higher costs.

8. Potential Options for Delivery

- 8.1. To date the County Council has procured and delivered our new school buildings. The current presumption (by the DfE) is that every new school will be an academy. This means that once built, the County Council would hand the building to the Academy on a 125 year lease but still retain the freehold of the sites. The evolving Local Authority role and size of the potential programme make the option of delivery by a developer or free school something to be considered and explored further. Such delivery options could reduce some of the financial risk on the County Council. It is most likely that the planned 17 extensions to existing schools will be delivered by the County Council irrespective of school governance.
- 8.2. Each of the new schools referred to in this section will need to be considered individually as each one is different in its make up of funding. Differing educational delivery options will also need to be considered such as 4 to 16 schools, the timing of delivery and the size on opening (an approach of progressive development as pupil numbers increase is being explored). Design options are being developed for common approaches including templates for spaces and construction methods which can be used and adapted across a range of sites.

- 8.3. Whilst any new school could become a free school it is not within the gift of the local authority to provide school places through this mechanism. The setting up of a free school requires a group outside of a local authority to lead the process. Mainstream free schools are state funded primary, secondary, middle or all through schools that are independent of local authorities and are academies in law. Each free school must be established on a solid legal footing and run by an academy trust (a charitable company limited by guarantee) formed specifically to establish and run a school.
- 8.4. It is the responsibility of the academy trust to submit an application to the DfE to establish a free school which can be supported by the local authority. Applications can be made in one of their application windows and the DfE will then assess the application and decide whether or not to invite the applicant to interview prior to any decision being made.
- 8.5. Current DfE guidance suggests that it takes a minimum of three months to develop a free school application. The next bidding round will be Spring 2016 for which officers are working actively with the DfE on the potential for two of the new schools in the short term. Two further opportunities may be considered at the appropriate time in the programme. A free school option is only available for the new schools. It is not applicable to Bordon/Whitehill as this Academy is already established on the existing Mill Chase site.
- 8.6. Early indications from the DfE are that capital funding will be available to cover the shortfall between the cost of construction and income sources such as developer contributions. Should this be successful then the estimated shortfall referred to in Sections 9.7 to 9.20 would be significantly reduced.

Horton Heath, Eastleigh

- 8.7. This proposed new 9fe secondary school is planned to be built on land currently owned by the developers in Horton Heath. The new school is required for September 2019 to serve a number of local housing developments and meet the increased demand from existing housing. This demand is already being experienced with temporary accommodation being provided at Wildern School from September 2015 in advance of the new school.
- 8.8. Due to the tight timescale and continuing negotiations with the land owner the most viable option would be for HCC to deliver the new school funded from developer contributions and local resources.
- 8.9. It should be noted that a new 3fe primary school is also planned in Horton Heath. This offers the opportunity to explore more innovative educational solutions that step beyond the typical distinct primary and secondary phase offer.

Bordon/Whitehill

- 8.10. The Mill Chase Academy is sponsored by the Chichester University and is planned to be replaced as a new 8fe school for September 2019. It is planned that the new school will be built on the developers land serving the new Bordon/Whitehill housing development of some 3,400 new homes. The

current capital strategy includes developer contributions, funding from the EFA through Priority School Building Programme (PSBP2) and a contribution from the County Council.

- 8.11. This project could be delivered by the County Council on behalf of Chichester University and the EFA due to a significant proportion of the funding being managed through the County Council.
- 8.12. The new housing development will also be served by additional primary provision. A new 3fe primary school and 1fe extension are planned to serve the development that could offer the opportunity to explore differing educational solutions that step beyond the typical distinct primary and secondary phase offer.

Whiteley

- 8.13. This school is planned as a new 9fe secondary school to meet the existing school place demand from the Whiteley area as well as to serve the new housing. Subject to housing completions, the new school is currently planned for September 2020. There will be a developer contribution for 5fe of the development with the remaining 4fe a potential call on the County Council due to it meeting existing local demand for which some government grant would be expected. The Whiteley development is currently served to the south east of the M27 by Henry Cort School and other schools in the area.
- 8.14. There is the potential that this school could be built by a developer with a county council contribution
- 8.15. The new housing development will also be served by additional primary provision that could also offer the option for the developer to build. Two new 3fe primary schools are planned to serve the development that could also offer the opportunity to explore differing educational solutions that step beyond the typical distinct primary and secondary phase offer.

Manydown, Basingstoke

- 8.16. The master plan for Manydown is being led by the County Council and proposes a 7fe school for September 2021 to serve the new housing development of 3,400 dwellings and other local housing sites. This school sits at the heart of the new community on land jointly being developed by the County Council and Basingstoke and Deane Borough Council.

Welborne, Fareham

- 8.17. This school new school is proposed to be 7fe and is likely to solely serve the planned new Welborne housing development of around 6,000 dwellings. Current discussions with the local planning authority suggest the school will open in September 2021. Should this be the case, it would make it the simplest project around which to explore the option of delivery by the developer or to potentially be a free school subject to the points made in section 7.
- 8.18. The planned new development will also require 9fe of primary provision that could also be delivered in the same way.

9. Conclusion

- 9.1. The County Council's existing policy is the provision of permanent, quality education and learning environments for children, consistent with the policy of Hampshire being a safe place for young people to learn and develop. The size and scope of this secondary programme is unprecedented in Hampshire with the majority of the key decisions required within a relatively short period of time if projects are to be included in January budget reports. The delivery of these new school places need to be considered in the context of an evolving LA role. Further work will be undertaken to explore the options of a developer building at least one of the new schools and the potential of a free school. This is a route that should be pursued to reduce the anticipated funding shortfall to the County Council. Therefore, it is recommended that officers actively support a Free School proposal and identify a lead sponsor. In terms of a bidding timescale, it is proposed to progress this option for Horton Heath and Whiteley.
- 9.2. The report contains a significant number of funding assumptions that are beyond the County Council's ability to control. However, each of the assumptions have been carefully worked through and is considered reasonable at this point in time.
- 9.3. In view of the potential/further deficit the Director of Children's Services should be authorised to explore with the DfE further ways in which that deficit can be closed thereby minimising the call on the County Councils resources. In the meantime it is in the County Councils interest to progress the design and planning for this programme with a view to bringing back a report to Cabinet in the near future.
- 9.4. This report has focussed on the secondary pressure but primary numbers continue to rise and that will place a separate pressure on the Children's Services capital programme as the implications of Community Infrastructure Levy (CIL) start to take effect.
- 9.5. Further work is required with potential funders, including the Government, Developers' and other agencies to maximise contributions from sources other than the County Council. The aim being to reach a balanced position with calls on the County Council's resources being kept to a minimum.

10. Recommendations

- 10.1. That the strategy for the provision of secondary school places 2015 - 2025 as contained within this report be approved.
- 10.2. That the Director of Children's Services be authorised to further explore with the DfE and other sources ways in which the projected deficit may be addressed.
- 10.3. That officers actively support applications for Free Schools and that the decision to support a submission to the DfE be taken by the Executive Member for Children's Services in consultation with the Executive member for Education.

10.4. That the Director of Children's Services and CCBS continue to progress the detailed design work to ensure the appropriate provision of school places in advance of the identification of projects within the capital programme.

CORPORATE OR LEGAL INFORMATION:**Links to the Corporate Strategy**

Hampshire safer and more secure for all:	yes
Maximising well-being:	yes
Enhancing our quality of place:	yes

Other Significant Links

Links to previous Member decisions:		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Children's Services Capital Programme 2015/16 to 2017/18	6174	21 January 2015
Direct links to specific legislation or Government Directives		
<u>Title</u>	<u>Date</u>	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;

Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;

Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

Equality and diversity objectives are not considered to be adversely affected by the proposals of this report.

2. Impact on Crime and Disorder:

2.1. Crime and disorder objectives are not considered to be adversely affected by the proposals of this report.

3. Climate Change:

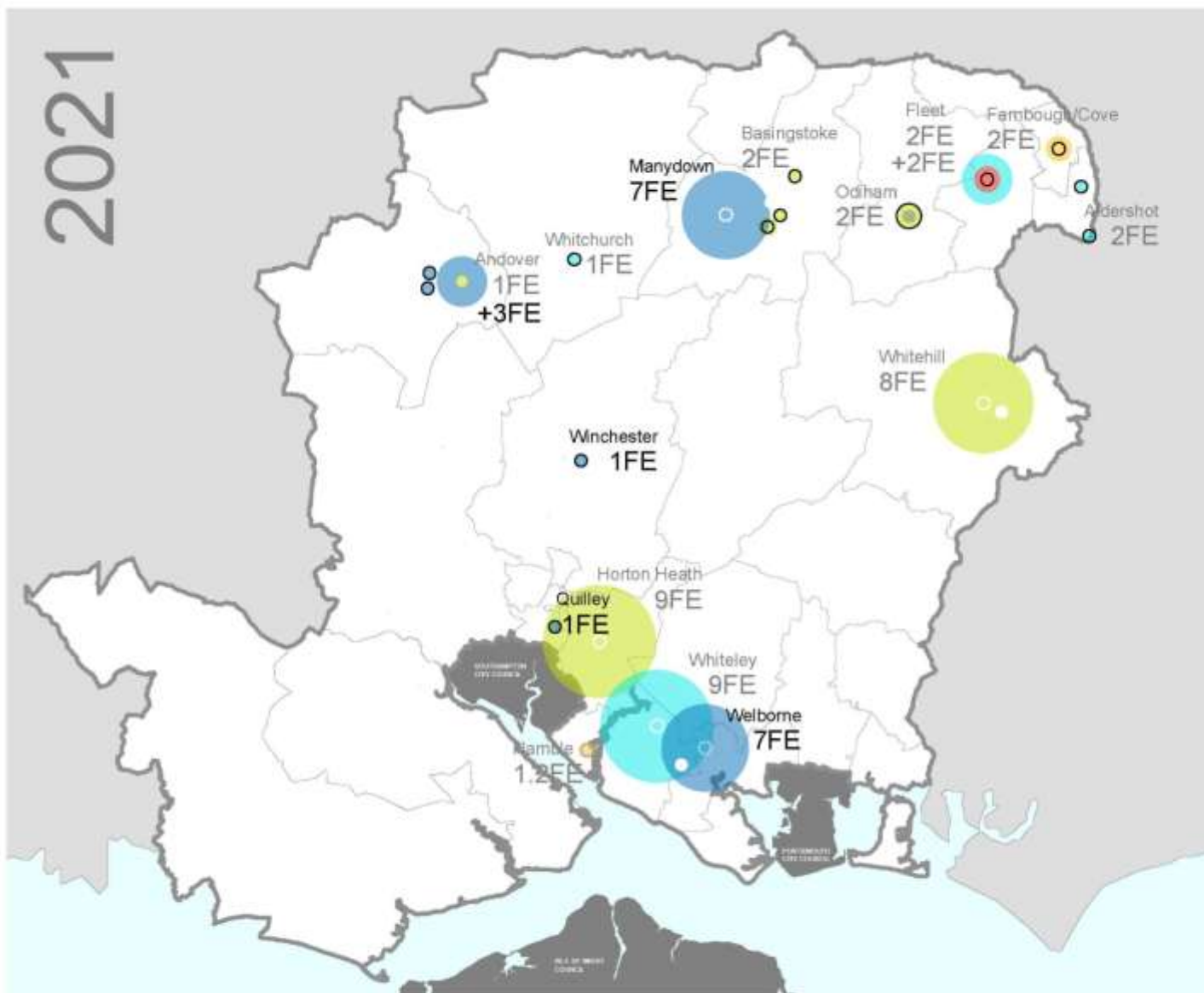
How does what is being proposed impact on our carbon footprint / energy consumption?

When the Children's Services Capital Programme invests in new build, replacement or refurbishment works, Property Services colleagues include an assessment of reductions in energy consumption (carbon use) in the design. In all new buildings and in the majority of refurbishment type investments, the latest technologies and materials are specified in order to maximise the impact on reducing carbon consumption. Many projects are also able to

employ passive design approaches including natural ventilation and improved insulation to actively reduce consumption in summer and winter conditions.

How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

The proposals seek to provide compact and energy-efficient building envelopes. Any new build or extensions will meet current building regulations standards for thermal performance. Where possible, appropriate sustainable materials will be employed to reduce the environmental impact of the proposals.



**Secondary School Estate
2021
Hampshire Strategy Map**

- New School
- Utilise Existing Capacity
- Additional Temporary Classroom
- Extension to Existing School
- Replaced School

- 2015**
Calthorpe Park School - 2FE
- 2018**
Hamble School - 1.2FE
Farnborough/Cove - 2FE
- 2019**
Robert Mays School - 2FE
Andover - 1FE (Winton)
Horton Heath [New] - 9FE
Whitehill [New] - 8FE
Basingstoke Area - 3.5FE
(Cranborne, Brighton Hill, Everest)
- 2020**
Whiteley [New] - 9FE
Aldershot - 2FE (Connaught, Wavell)
Testbourne School - 1FE
Fleet Area - 2FE (Calthorpe)
- 2021**
Manydown [New] - 7FE
Andover Area - 3FE (Winton, Hanson, Harrow Way)
Welborne [New] - 7FE
Henry Beaufort School - 1FE
Quilley - 1FE

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