

CITY OF PLYMOUTH

Subject: Services for Children and Young People Basic Need Programme

Committee: Cabinet

Date: 8 March 2011

Cabinet Member: Councillor Mrs Watkins

CMT Member: Director of Services for Children and Young People

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Key Decision: No

Part: I

Executive Summary:

This report seeks authorisation from members to allow officers to seek approval from the Office of the Schools Adjudicator to increase the Planned Admission Number for five primary schools in the city with effect from 1 September 2011 to meet the increased number of primary age pupils following consultation with stakeholders on the proposed changes and to deliver planned alterations to schools buildings to support the increase in capacity needed for 2011 and 2012.

Corporate Plan 2010-2013 as amended by the four new priorities for the City and Council:

This programme will align with and supports the following Corporate Priorities:

- 1 Deliver growth: promote Plymouth as a thriving growth centre by creating the conditions for investment in quality new homes, jobs and infrastructure. The Basic Need programme delivers education infrastructure that supports the growth of the city, by supplying good quality education provision that meets need, it makes the city an attractive place to live and work. This paper brings to Cabinet the next steps in a larger Basic Need infrastructure programme.
- 2 Raise aspiration: raise the skills and expectations of Plymouth residents and ensure our young people achieve better qualifications and find high quality jobs. It is essential that there are sufficient school places that inspire children to attend and enjoy school; without Basic Need growth there is a serious risk that children in the city will not get access to an education.
- 3 Reduce inequalities: reduce the large economic and health gaps between different areas of the city by tackling the causes. The Basic Need growth areas have been carefully mapped and the proposals in this paper are targeted at narrowing the gaps in inequality of access to education places.
- 4 Provide value for communities: become more efficient and join up with partners and local residents to deliver services in new and better ways. The proposals seek to use the underused value there is in education assets to be the base for expansion so that investment costs have been kept to a minimum so that resources are targeted to achieve the maximum value for communities.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The Basic Need programme has been approved in the Council's capital programme. This cabinet paper sets how this programme of funding will be split down to individual school projects for an initial wave of investment.

The Basic Need programme will require investment to deliver solutions across the city to meet the start of the academic year in September 2011. Approval of the recommendations will give the necessary authority for the delivery of the individual projects across the city in order to manage the initial increase in pupils forecast. Further cabinet decisions will be necessary in the summer 2011 that will monitor the progress of BN growth and set in place proposals that deal with further growth for 2012 onwards. Officer time and resources used to develop the proposals has been met from within the existing Services for Children and Young People's revenue budgets and the development of the programme including its management will continue to be met from these resources.

The Council has since the last report to Cabinet in October 2010 received confirmation of the level of capital allocation for 2011/12 and an indication that 2012/13 will be in line with these allocations. The announcement allows the authority to plan its capital investment programme and the Cabinet budget report on 8 February included a proposed capital programme for recommended

approval at full Council on 28 February. This included allocations for Basic Need schemes of £0.5m in 2011/12 and £5.3m in 2012/13 subject to funding. The Government also plans to complete a review of schools funding during 2011/12.

The contractual commitment to these projects which will be subject to further reports will make a commitment of £1m to future years of the capital programme in 2013/14 and 2014/15. This commitment will form the first priority for capital allocations of these future years when the level of funding from Government is known.

There will be an increase in the number of teachers and services to meet the pressure of increased pupil numbers. Predominantly, the cost of these increases will be met from central government as funding for schools is currently formula driven on pupil numbers. The Government has allowed for this nationally in the Comprehensive Spending Review. There can be an issue with this formula funding when numbers are growing as the budgets are set on lower numbers of the previous year. Work is ongoing with each school as to how this temporary funding situation can be overcome as there are different solutions depending on the schools' circumstances. The issue for individual schools will be whether the funding increases generated from increased pupils will actually cover real cost increases. This can be an implication where a school increase generated an odd Planned Admission Number (PAN). For this reason all the plans incorporated in this report will either regularise a PAN to a whole number or increase it by a whole form of entry. By this method the capital investment optimizes the revenue position for each school and is a significant advantage for these schools.

Other Implications: e.g. Section 17 Community Safety, Health and Safety, Risk Management, Equalities Impact Assessment, etc.

The planning of Basic Need has been done on the basis of equal opportunity; ensuring that a broad, mixed and diverse provision is available across the city. This will offer parents choice and diversity in a sustainable way. Also a part of the strategic development is work related to the nature of special education and inclusion; making sure that Basic Need provision is in place for these services; to ensure that the diverse pattern of education contains sufficient places for more vulnerable groups.

Recommendations & Reasons for recommended action:

1. That Cabinet approve the in year expansion of PANs for reception year as listed in section 4.0 and that by virtue of this, Cabinet also give approval to officers commencing the public consultation on the formal expansion of these schools by raising their PAN in 2012.

2. That Cabinet approve that officers continue to consult with schools to develop proposals for expansion after 2011 subject to available funding.
3. That Cabinet approve the provisional allocations in section 6.0 and delegate to the Cabinet Member for Children and Young People, in consultation with the Cabinet Member for Finance, Property, People and Governance and the S151 officer approval of virements within the Council approved programme as projects reach greater clarity.
4. That officers are given authority to set up the governance of the Basic Need programme as set out in section 9.0 to steer the programme of work.

Alternative options considered and reasons for recommended action:

The Council needs to take into account that it would be failing in its statutory duty to provide sufficient places in schools for parents and pupils within the city if it chose not to progress to supplying additional school places.

In developing the proposals for the five schools presented in this cabinet paper all 100 schools have been considered as options to meet growth. In addition a number of schools have been taken forward for more detailed analysis and evaluated against a developed criteria. Finally the final five schools have back up proposals in case the obstacles to delivery prove impossible to overcome.

Background papers:

- 1 Investment for Children Cabinet Paper approved 11 November 2008
- 2 Plymouth City Council Children’s Services Strategy for Change *Investment for Children*
- 3 Basic Need cabinet paper 19 October 2010

Sign Off:

Fin	CR 15 feb 2011	Leg	10858/ SO.	HR	NA	Corp Prop	CJT/0 61/170 211	IT	NA	Strat Proc	JK 15 th feb 2011
Originating SMT Member: Maggie Carter, Assistant Director for Services for Children and Young People.											

1.0 Introduction

1.1 For some time there has been a national decline in pupil numbers in state funded schools. This trend is turning and pupil numbers are projected to increase from 2011 onwards. The rise in the national pupil population is chiefly brought about from an increase in the birth rate, which is now feeding into early years and reception classes. Numbers in maintained nursery and primary schools have started to rise and are expected to continue to rise sharply. By 2018 numbers in the country are projected to reach levels last seen in the late 1970s. The numbers of children in maintained nursery and primary schools are projected to be around eight per cent higher in 2014 than 2010 and the number of pupils aged five and six is projected to increase by some 12 per cent.

1.2 The detailed analysis of the growth in Plymouth was considered at Cabinet on 19 October 2010 and approval was given to officers to begin consultation on proposals to meet this demand.

1.3 This cabinet paper sets out the results of this initial consultation and puts forward proposals to deal with the initial growth in 2011. It also sets out the implication of meeting this initial Basic Need in what is a first wave of investment. Finally the paper considers the processes necessary to monitor the growth and setting in place a timescale for coming back to Cabinet with further waves of investment to meet the growing demand post 2011.

2.0 Birth Rates in Plymouth

2.1 The live birth figures provided by the Plymouth NHS Trust are compared with the number of children arriving at school four years later and this data is used to produce a trend which is used to forecast future school years' reception cohorts.

2.2 The data was then used to look at each locality in detail and to analyse the pressure that has been experienced by the admissions team in placing children in certain hot spots around the city. The results of this analysis on a locality by locality basis are as follows:

North East and Central (NEC)

This locality has a capacity based on PAN that is higher than its actual capacity. This means that at full capacity the locality would be over by 288 places. NEC is an importer of pupils and a significant amount of pupils live outside the locality.

North West (NW)

The North West has traditionally exported pupils and has lost a significant number of pupils to surrounding localities, but as the birth rate has increased those spaces will reduce. Schools in the NW were significantly oversubscribed in September 2010 which resulted in a number of pupils being placed at differing schools to either their siblings or their three preferences.

Plymstock

Plymstock currently has surplus capacity and this is expected to remain, at least until 2014. The number of children born in Plymstock is always lower than the PAN and it therefore attracts pupils from neighbouring localities.

Plympton

The number of children born in Plympton is lower than the PAN and is expected to attract some pupils from neighbouring localities, based on the current pressure.

South East

In the South East, the number of children born each year usually exceeds the PAN and this locality exports a large number of children to neighbouring localities.

South West

The South West locality has seen the largest growth in the number of children born and even though this locality exports to other neighbouring localities, the number is increasing.

2.3 It is clear from this analysis that the localities that are in the highest need for additional school places are the North West, South West and the South East parts of the city. These localities need to be prioritised in basic need growth if the city is to have enough local places for parents to choose from. It was concluded that, if the city's aspiration for good quality local provision with healthy schools in the heart of their communities is to be sustained, these localities needed to be the first to be considered for expansion. This policy direction also supports the development of the city in sustainable neighbourhoods, reduced car journeys to school, reducing congestion and reducing the impact of the growth of carbon emissions.

3.0 Consultation with Schools

3.1 Following the approval of the recommendations contained within the 19 October 2010 cabinet report, a number of meetings have been held with schools and their governors. Certain schools were originally identified through their Net Cap data where accommodation within these schools could be utilised to meet the critical demand for the 2011 growth, which is very difficult to achieve by capital works due to the lead in time to arrange and deliver buildings works. Schools that have odd number PANs or half year groups have also been targeted so this growth offers the opportunity to rectify inefficiencies that lead to poor organisation of classes which in turn can lead to children missing out.

3.2 Meetings were then held to discuss and challenge schools in the use of buildings for efficient use, in order to create sustainable and viable schools able to gain maximum advantage through their size. Following consultation headteachers and chairs of governing bodies have been asked by letter to confirm their willingness to increase their PAN to support the additional need in 2011 and to agree to future building alterations as necessary.

3.3 The meetings looked at utilising existing space in schools in the first year (September 2011) with the minimum investment. It was acknowledged that this initial growth came with an implication that the school would need to have capital investment to its buildings to meet the 2012 demand as the increase in its PAN started to feed through the school years.

3.4 The results of the consultation are that each school has been cautious in their agreement to expand. Governors are concerned that the capital investment will either not be available to meet the demand, or be insufficient to provide the accommodation that will offer children a varied and rich curriculum. There is also concern that acceptance of growth will leave the school with a legacy of temporary accommodation that in the past has been hard to resolve with long term capital solutions.

3.5 Governors have also expressed considerable concern that due to the very limited capital investment available to Basic Need those schools which are expanded will have less space outside general teaching to offer an enriched curriculum which is considered as a negative on the current position.

3.6 Governors have also expressed concerns about the progression of the growth in dealing with odd year groups and the deficit funding as the growth feeds into schools.

3.7 All governors, despite their concerns have responded positively to the need to ensure their communities are well served for school places and therefore welcome the growth, there remains more work to satisfy governors with the detail of investment as the programme is developed.

3.8 As a result of the above five schools have been identified, these are:

Riverside Community Primary School – NW Locality

Weston Mill Community Primary School – SW Locality

Mount Wise Community Primary School – SW Locality

Prince Rock Community Primary School – SE Locality

Ernesettle Community School – NW Locality

4.0 Planned Admission Number increases

4.1 Each of the schools would be required to increase their Planned Admission Number (PAN) from September 2011 for reception admissions. The Local Authority will complete an in-year variation for each of the schools to increase numbers as illustrated below:

Name of School	Current PAN	Proposed PAN – September 2011
Riverside Community Primary School	60	90 - additional 30 places
Weston Mill Community Primary School	45	60 - additional 15 places
Mount Wise Community Primary School	30	60 - additional 30 places
Prince Rock Community Primary School	30	60 – additional 30 places
Ernesettle Community School	45	60 – additional 15 places

4.2 In total this would generate 120 extra reception places for 2011 which meets the projected demand. The admissions team will consult and plan the full increase in the schools' PAN, not just the reception age, for 2012 which will follow the full statutory processes.

4.3 A further projection of 144 places are needed for 2013. These expansions will be dealt with by an expansion of schools in wave 2-4 and be subject to a further cabinet paper in summer 2011.

5.0 Capital implications

5.1 Delivering additional school places can potentially have a high capital cost if they are all created by building new classes. In the initial stages of growth however, there are many schools that have spaces that do not count to the available net capacity of the building. These can often be converted to classrooms that meet initial Basic Need growth. The conversion of this space can be at relatively low cost, or indeed in some cases, no cost at all. This means that in the first year of growth it is relatively easy to find primary schools that can take an extra reception class in September 2011. This means that the initial growth has relatively low capital impact. There are however implications for using this accommodation because, as places are offered to parents with children in reception a commitment is being made that this school would have spaces available as the child grows through the years while new reception classes are joining each year. It therefore follows that a decision to expand the PAN for reception is implying a capital project that follows on in the second year. The capital modelling for wave 1 makes allowance for five schools to increase their PAN's as listed in section 4.0.

5.2 After wave 1 there are fewer schools that have the opportunity to expand in the way described above and it is necessary therefore to begin expanding the school before the PAN is increased so it has the accommodation ready to meet the obligations of the school places offered. Clearly this means that capital costs are going to be higher and more front loaded.

5.3 The affordability of the Basic Need programme has been modelled based on the first two years which incorporates the wave 1 schools and the starting of some wave 2 projects. Further updates to the affordability of projects in 2014/15 and 2015/16 will become clear when the Government make announcements on the arrangements for capital investment in schools in the spring. This will form part of the corporate capital programme when monitoring papers are presented to Cabinet throughout the year.

6.0 Criteria for choosing waves

6.1 Chiefly the priority for demand has been in the hot spots of the NW, SW and SE localities and schools serving these localities have been given the highest priority for wave 1.

6.2 Careful consideration has been given to those schools that could offer space in the existing building for September 2011 as well as the opportunity to add either a whole or half a form of entry to the school by 2012. These schools were given a high weighting in the analysis as they offered the greatest opportunity to meet demand and would make the programme affordable in the short term.

Wave 1 schools and project allocations

The wave 1 proposals are as follows:

School Name	Project details	Funding allocation for 2011/12 £000	Funding allocation 2012/13 £000
Weston Mill	Refurbishment works to deliver changes to spaces to become classrooms	220	Nil
Riverside	Ph1 convert ICT room to class room Ph2 New build classrooms as a Early years	30	1,270
Mount Wise	Major refurbishment of aspects of the school to create teaching spaces alongside 187sqm of new build	30	720
Ernesettle	Major refurbishment of aspects of the school to create teaching spaces alongside 187sqm of new build.	30	880
Prince Rock	Major refurbishment of Floor 2, minor refurbishment to a small number of existing classrooms as well as roof repairs and addressing DDA accessibility	90	580
There will be a residual cost of £1,021,000 for these projects in FY2014 - 2016			
New starts		Nil	£820
Abnormals		100	1,030
Total		500	5,300

6.3 Schools involved have been made aware of the proposals however it is expected that there will be alterations as governors, staff and pupils are involved in shaping the proposals.

6.4 Further consultation will be undertaken in the spring over the distribution of growth and a further decision on wave 2-4 priority will be brought to Cabinet in the summer.

7.0 The method of calculating the Basic Need allocations

7.1 The Council has well established records on the costs of building schools from the recent investment programmes so is in a good position to assess building costs. It is this cost basis that has been used in setting the allocations.

7.2 The formula to arrive at the allocations for each school has used the national guidance of floor area for primary schools (BB99), less 15%. This reduction is the new government assessment of reduced floor area needed in schools. The calculation takes the advised floor area for the proposed size of school and subtracts the measured area of the existing building. This creates a new build foot print to which a new build cost /m2 is applied. This method means that existing inefficiencies in the existing buildings need to be addressed in the proposal as the buildings will only just be big enough to meet their purpose.

7.3 In addition to the new build area a judgement has been made to the area of refurbishment that is needed, this has been divided into major and minor refurbishment which use different rates /m2.

7.4 The new build and refurbishment area assessments have been shared with schools in letters sent in January 2011.

8.0 Abnormals

8.1 It is expected that each project will have the need to overcome some specific works that are necessary for the planned works to go ahead. Examples of these costs are; planning obligations, or significant repair work to existing buildings, or costs associated with unforeseen work in the ground. These are known as abnormals. Such costs have been allocated to a separate capital line so that they can be assessed across the programme and allocated out using a virement once the issue has been properly evaluated by the Project Board.

9.0 Programme Governance

9.1 Officers have committed to reviewing the management of the overall capital programme and its governance by June 2011. This review will include future management of the Children's Services capital programme. In the meantime projects will continue to be managed and delivered through officers in Children's Services and Corporate Support, overseen by the Capital Delivery Board which will challenge and approve the capital expenditure in accordance with the Council's priorities. Projects will continue to be reported via the quarterly budget and performance reports.

9.2 Under the Capital Delivery Board delivery, responsibility for the programme will be given to the senior responsible person who will be the Programme Director for Learning Environments, who will chair a programme board which will have delegated authority to make all decisions affecting the procurement and management of the programme. This board will delegate the day-to-day responsibility for managing the programme to a programme manager.

9.3 It will be the senior responsible person who will be responsible for taking projects through the Council's project management processes and gain the relevant approvals through the Capital Delivery Board of the Council. All this authority shall be exercised in accordance with City Council standing orders and financial regulations.

9.4 Membership of the Board shall be drawn from the City Council and other major stakeholders. It shall be the responsibility of the senior responsible person to set up the programme team and board.

9.5 A detailed risk register has been developed that has informed the corporate risk register and a full communications plan is being developed.

10.0 PFI

10.1 One of the proposals in wave 1 would be to build at a PFI school site, this is due to the acute pressure for places in Barne Barton given the number of new houses that are being built in the area.

10.2 Building on a PFI site requires the PFI contract to be varied. Early and informal discussions with the Special Purpose Vehicle (SPV) suggest that they are keen to ensure that the city expansion is not hindered by the PFI contractual relationship. Modelling undertaken has assumed that the variation would be on a design and build basis. The Council would not be seeking to use the SPV to finance the project, and delivery of the facilities management would be negotiated based on an affordable level of service from the school's delegated budget. The purpose of this negotiated position would be to ensure that the level of the unitary charge is not increased beyond the value of the capital injection to deliver the project.

11.0 Section 106 and Tariff

11.1 Detailed analysis of all available Section 106 and Tariff money that is banked by the authority has been undertaken and all projects that could be funded through this infrastructure investment have been taken into account for wave 1. Future waves of projects will depend heavily on the allocation of Section 106 and Tariff funding as they seek to respond to not only the birth rate growth but also city growth and inward migration which is subject to major planning applications. Negotiations have taken place on substantial infrastructure need in Plymstock Quarry, Millbay and the Northern Corridor. There will however continue to be a tension between the tight government capital settlements and developers bearing the infrastructure costs through Section 106 and Tariff.

12.0 Use of temporary accommodation

12.1 A procurement option that is available to the authority would be to seek tenders for the new classrooms from system build or temporary classroom manufacturers, This option is from a market that is relatively untested in Plymouth although is a growing market across the country. It is intended to soft market test this option alongside a more traditional 50 year life construction to fully understand the advantages and disadvantages of this type of construction.

12.2 Given the ability in the initial stages to take advantage of existing buildings, in wave 1 options appear to be affordable in a traditional method, however the shorter term value for money option of using system build may prove attractive to make the programme as a whole affordable when phase 2-4 are included.

Recommendations

1. That Cabinet approve the in year expansion of PAN's for reception year as listed in section 4.0 and that by virtue of this, Cabinet also give approval to officers commencing the public consultation on the formal expansion of these schools by raising their PAN in 2012.
2. That Cabinet approve that officers continue to consult with schools to develop proposals for expansion after 2011 subject to available funding.
3. That Cabinet approve the provisional allocations in section 6.0 and delegate to the Cabinet Member for Children and Young People, in consultation with the Cabinet Member for Finance, Property, People and Governance and the S151 officer approval of virements within the Council approved programme as projects reach greater clarity.
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