

PLYMOUTH CITY COUNCIL

Subject: Services for Children and Young People Basic Need Programme

Committee: Cabinet

Date: 27 March 2012

Cabinet Member: Councillor Samantha Leaves (Children and Young People)

CMT Member: Carole Burgoyne (Director for People)

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Ref: MC.JEG(CAB)01(01/03/12)

Key Decision: Yes

Part: One

Executive Summary:

In October 2010, March 2011 and in October 2011, Cabinet received reports on the rising numbers in primary schools and the developing need for primary school places in the city. This growth in demand is known as 'basic need'.

This report seeks to update members on the progress of the growth and report on the development of the Wave I and Wave II projects set out in the March and October Cabinet reports. This report also seeks authorisation to vary the proposals of Wave II in the light of development work and the results of public consultation, and continue to develop the projects in a manner that meets the Council's legal obligations.

The report sets out proposals for the development of Wave III and IV projects, to meet the increased number of primary age pupils with effect from September 2013 and September 2014; to seek authorisation to commence consultation with stakeholders on expanding schools for 2013 onwards; and to commence consultation on the statutory proposals for the expansions as appropriate.

The report also sets out the balance between the Council's obligation to meet basic need and to maintain the condition of schools. Consequently, the report seeks Cabinet's recommendation to Council to amend the Capital Programme in order to meet these obligations.

Waves I and II of the Basic Need programme are both delivering on or under the cost allocated in the Capital programme and are progressing well.

Due to concerns, raised during consultation, over access and the amount of available

external play space, a delegated decision has been taken by the Cabinet Member for Children and Young People to delay the expansion of Holy Cross Catholic Primary School, formerly in Wave II, outside of the current planned waves. To compensate for this delay, it is proposed that for September 2012: Montpelier Primary, St Mary's CE Infant School and Victoria Road Primary Schools introduce a 'bulge' year; an extra class of 30 pupils (additional to the PAN) allocated to one year group, which moves through the school's year groups until the pupils' transition to the secondary phase.

There have been two recent announcements regarding the establishment of Free Schools in the city. The Marine Academy Plymouth is developing proposals for a two Forms of Entry (FE) primary school, i.e. PAN 60, and Plymouth College of Art have announced proposals for an all-through (5 to 16) school; the proposal is for 300 primary pupils and 600 secondary pupils. This provision has also been taken into account in the forecasting.

Proposals for Waves III and IV include bulge years and expansions.

The two schools listed below, would be required to increase their Planned Admission Numbers (PANs) for reception admissions in September 2013 for permanent expansion.

Name of School	Current PAN	Proposed PAN September 2013	Additional Places per Year
Pilgrim (Community) Primary School (Wave III)	30	60	30
Lipson Vale (Community) Primary School (Wave III)	55	60	5

The School Admissions Team will consult and plan the full increase in the schools' PANs (not just the reception age) for 2014. This consultation will be in accordance with the statutory notices required in the Department for Education's School Admissions Code.

In addition, the governors at Laira Green and Woodfield (Community) Primary Schools have also agreed the introduction of a bulge year for September 2014.

The capital implications for the programme are as follows:

Name of School	Cost (£ million)
Montpelier Primary (Bulge Year Wave II)	£0.065
St Mary's CE Infant School (Bulge Year Wave II)	£0.020
Victoria Road (Community) Primary School (Bulge Year Wave II)	£0.010
Pilgrim (Community) Primary School (Wave III)	£2.450
Lipson Vale (Community) Primary School (Wave III)	£0.072
Laira Green (Community) Primary School (Bulge Year Wave IV)	£0.030
Woodfield Community Primary School (Bulge Year Wave IV)	£0.000
Austin Farm (Community) Primary School (Removal of temps Wave IV)	£0.010
Total	£2.657

The Basic Need programme has embraced condition work where it has been

necessary to repair buildings in order to facilitate the additional places. The Council has had to use grant allocated to the city for Capital Maintenance for these projects. However, in the October 2011 Cabinet, it was agreed that this was not sustainable over the long term. The proposals for Wave III and IV, set out above, along with the introduction of free schools, makes the Basic Need programme much more achievable within the funding the Council receives and consequently an additional programme of condition works of £3 million has been added to the Capital programme as approved by Cabinet on 27 February 2012. This funding is in addition to the programme of condition support for maintained schools that is set at £500,000 per annum, which schools bid into.

Projects have been selected through a combination of: identified need in condition reports, completed in autumn 2010; condition bids, submitted by schools against governors' prioritised need; and detailed technical surveys commissioned in 2011 to assess need. Consideration has also been given to addressing need where capacity and investment will be required in the future.

The following projects are proposed to be funded from this new £3 million Condition programme:

Funding Allocation	Purpose	Cost (£ million)
Knowle Primary School	Replace heating, water and electrical systems, fire doors and replacement of temps to cater for the negative bulge	£2.52
Holy Cross Catholic Primary School	Erect MUGA in Beaumont Park	£0.12
Dunstone Primary School	Replacement roof	£0.05
Woodfield Primary	Replacement of Kitchen and boiler	£0.31
	Total	£3.00

Corporate Plan 2012 - 2015:

This programme aligns with and supports the following Corporate Priorities:

- **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 report brings to Cabinet the next steps in a larger basic need infrastructure programme.
- **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.
- **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 report are targeted at narrowing the gaps in inequality of access to education places.

- 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 form the base for expansion so that investment costs are kept to a minimum and 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

Waves I and II of the Basic Need programme, which are delivering the expansion of eight primary schools in the city, have been approved in the Council's Capital Programme by Council on 20 June 2011 and 10 October 2011. These projects are all delivering on or under the cost allocated in the Capital Programme. The value of Waves III and IV will be £2.6 million as set out in Section 6 of this report.

The cost and anticipated timing of the revised proposals for Waves I to IV are set out in the attached appendix. The table below summarises the proposed changes and their affordability within the Capital Programme.

Services for Children and Young People - Capital Programme Affordability (Basic Need February 2012)

	2011/12 £	2012/13 £	2013/14 £	2014/15 £	
Total Funding Available (Actual + Estimated)	22,701,684	18,207,696	16,243,220	5,978,678	
Current Programme Commitments					
Total Current Programme	15,727,302	25,431,010	15,986,467	5,948,164	Per Approved Budget Book
Less Total Current Basic Need Waves	(1,269,251)	(7,918,976)	(2,298,888)	(4,015,000)	Total Basic Need per Budget Book
Net Commitments Excluding Basic Need	14,458,051	17,512,034	13,687,579	1,933,164	
Funds Available to Support revised Basic Need Programme	8,308,789	746,101	2,745,353	4,045,514	
<u>Cost of Revised Basic Need Proposals</u>					
Wave I	(1,052,660)	(4,924,113)	0	0	Revised contract cost / phasing to date
Wave II	(216,591)	(1,222,863)	(1,508,888)	(1,432,432)	Feasibility cost / phasing to date
Wave III and IV	0	(1,772,000)	(790,000)	0	Initial Project Estimates
Annual Surplus / (Deficit)	7,039,538	(7,172,875)	446,465	2,613,082	
Cumulative Surplus / (Deficit)	7,039,538	(133,337)	313,128	2,926,210	

It should be noted that surpluses in the programme shown in the table above will be the subject of further reports when Waves V and beyond are considered.

In addition to the expansion of schools, a number of 'bulge' classes have been finalised with selected schools, and their governing bodies, which have accommodation available to take up to 30 pupils for a one-year allocation. This achieves an expansion of provision with very little capital expenditure and has enabled Wave II expenditure to be reduced, and Waves III and IV expenditure to be kept as low as possible. There have also been two announcements recently regarding the establishment of Free Schools in the city. Marine Academy Plymouth is developing proposals for a 2FE primary school and Plymouth College of Art have announced proposals for an all-through (5 to 16) school; the proposal is for 300 primary pupils and 600 secondary pupils. Central Government funds free schools directly. Therefore, if delivered as predicted, they will increase the school places

available at no cost to the Council.

Across the primary sector the proposals for Wave III and IV will generate 1,225 permanent school places; this adds to the growth already put in place for Waves I and II and keeps the city on the trajectory to meet the longer term growth. The proposals are in excess of what is needed to create a buffer against the risk of free school places not being achieved.

As schools expand to deliver education to an increased number of pupils, new classes will need to be created, which will have a revenue cost relating to the employment of teachers, teaching assistants and other curriculum resources; costs funded from the ring-fenced Dedicated Schools Grant (DSG), which is allocated to the Council based on actual pupil numbers. Therefore, the Government formula meets the budgetary growth in revenue.

The number of pupils registered on the January census, preceding the start of a financial year, is the basis for schools' funding. Individual schools will receive an increase to meet these additional revenue costs from the financial year following the pupil number increase in the previous September. The Budget Modelling Group, set up by the Plymouth Schools Forum, have considered and approved a model to enable the local schools funding formula to support schools facing increased revenue costs from the September rather than the following financial year.

This report also proposes allocations for condition projects totalling £3 million, as set out in Section 8. These allocations can be met within the approved budget for condition works and will be phased appropriately to ensure that the overall programme affordability (set out in the table above) is not adversely affected.

Other Implications: e.g. Community Safety, Health and Safety, Risk Management and Equality, Diversity and Community Cohesion:

Schools are a key facility in their local communities and support wider cohesion in the area. An equality impact assessment has not been completed as the additional school buildings would be designed to current building regulations, which are fully DDA compliant. In addition, these are community facilities, which are open to all; therefore issues surrounding discrimination on the basis of age, faith, gender, race, or sexual orientation are not applicable.

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.

There is a risk that the two Free Schools will not be approved by the Secretary of State or indeed that the schools will be unable to find and establish premises for their proposed opening of September 2013.

Recommendations & Reasons for recommended action:

- I. That due to the delay to the expansion of Holy Cross Catholic Primary School,

Cabinet vary the proposals of Wave II by the addition of 'bulge' years at Montpelier Primary School, St Mary's CE Infant School and Victoria Road Primary School; an extra class of 30 pupils (additional to the PAN) at each school, allocated to one year group, which move through the schools' year groups until the pupils' transition to the secondary phase.

2. That Cabinet approve the in-year expansion of Pilgrim Primary and Lipson Vale Primary Schools' PANs for reception age pupils; and :
 - approves the public consultation on the statutory proposals to expand the above two schools; and
 - authorises the Cabinet Member for Children and Young People, in consultation with the Director for People, to consider the outcomes and responses to any statutory notices, published as part of statutory school organisation processes, and in light of them to make a final determination on proposals.
3. That Cabinet recommend Council to amend the Capital Programme to include the allocations for Waves III and IV of £2.657 million as set out in Section 6 of this report.
4. That Cabinet recommend Council to amend the Capital Programme to include the allocations for condition, of £3 million as set out in Section 8 of this report.

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 Waves III and IV schools, presented in this Cabinet report, all 92 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 developed criteria.

Consideration has also been given to the two Free School proposals in the city to meet part of the growing demand.

In the October 2011 Cabinet report it was concluded that the expansion of schools in whole forms of entry was unaffordable in the long term and it was requested that consideration should also be given to the use of bulge classes. This has been included in the analysis and is detailed in this report.

All the projects, as they develop, are analysed for alternative building procurement routes; this includes the use of temporary buildings, system buildings and also more permanent traditional building techniques.

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](#)
4. [Basic Need Cabinet Paper 8 March 2011](#)
5. [Basic Need Cabinet Paper 10 October 2011](#)
6. [CIL and PINA Cabinet Report July 2011](#)

Sign Off:

Fin	ChS0 379	Leg	LT 1302 4(3)	HR	N/A	Cor p'Pr op	CJT/ 099/ 0803 12	IT	N/A	Stra t'Pr oc	JK/SP U/CP /273/ 0312
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Originating SMT Member: Maggie Carter, Assistant director for Education, Learning and Families (Interim)
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1. Introduction

1.1. In October 2010, March 2011 and October 2011, Cabinet received reports on the rising numbers in primary schools and the developing need for primary school places in the city. This growth in demand is known as 'basic need'.

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. A further report was presented to Cabinet on 8 March 2011, which approved the expansion of five schools with effect from September 2011. In total five schools' PANs were increased giving an additional 120 places available at reception age for the September 2011 admissions. Whilst this has been extremely tight, the School Admissions Team has experienced that some parents have chosen not to take up places offered, which means that over the year all parents that want them have had places offered. There always remains a risk for future years that there will be insufficient reception places and children would have to be offered non-reception classes.

1.3. In October 2011, Cabinet gave approval for the statutory consultation to take place on a further expansion of four schools: Stoke Damerel Primary, St Joseph's Catholic Primary, Salisbury Road Primary and Holy Cross Catholic Primary Schools. Following the consultation, it was agreed to go to Public Notice on all the schools, with the exception of Holy Cross Catholic Primary School, which would require more discussions with the Governing Body, parents, staff and the local community with regard to access and play space.

1.4. The capital projects to expand the buildings, or in some cases reorganise accommodation to increase capacity, have been progressed sufficiently to make classrooms available in September 2011 and in September 2012. There is expenditure planned for building works over 2011/12, ready for completion in September 2012. This will conclude the building works for Wave II phase one, making rooms available in these schools for the rise in PANs to feed through the schools. The bulk of the building work will then be carried out during 2012/13 in readiness for completion in September 2013, this concluding Wave II phase two.

1.5. There has been an ongoing consultation with schools to put forward proposals to deal with the future growth in 2013 and 2014.

2. 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 School 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 a 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 as it contains a high number of popular schools.

North West (NW)

The North West has traditionally exported pupils and has lost a significant number of pupils to surrounding localities. Wave I has increased the PANs of three schools in or near the boundary to the NW, which has reduced the number of children attending schools outside of the locality they live in. The most recent data up to July 2011 continues to show an increase in the number of children born within the NW.

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. Wave I of the Basic Need programme included a PAN increase at Prince Rock Primary School, which has reduced the pressure on neighbouring localities by retaining children that were expected to attend schools outside the South East, particularly in Plymstock.

South West

The South West has seen the largest growth in the number of children born since 2008. The most recent data indicates that these numbers are still increasing, with the total number of births for the academic year 2010-2011 expected to be the highest seen in the last 20 years.

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. The first wave of investment, which was approved in the March 2011 Cabinet report concentrated on the North West and northern part of the South West locality. The analysis of the 2011 admissions data indicates that the acute need of the North West locality has largely been met and that the greater need now switches to the South West and South East localities. The proposals for Wave II, approved in October 2012, were set to address this need. Data analysis for 2012 will indicate whether these proposals will have been as successful as those for Wave I.

2.4. It remains a priority to deliver the city's aspiration for good quality local provision with healthy and sustainable schools in the heart of their communities. 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. Housing Growth

3.1. Housing growth is now beginning to have an impact on basic need as the city continues with its aim to provide 17,250 new dwellings by 2021. The most recent Annual Monitoring Report (AMR) indicates that the production of new dwellings has reduced over the last two years due to the unstable economic climate; however this target still remains on track and current market stimulation is helping to kick start developments with completion rates gathering pace again. These housing growth

targets are fully built into the predictions of need for each locality and have aided the decision making process for each basic need project. Particular consideration has also been taken to the major housing developments of North Prospect, Plymstock Quarry, Barne Barton, Widewell, Devonport, Millbay, and the Northern Corridor.

4. Consultation with Schools

4.1. In the same way as was reported in the March and October Cabinet reports, analysis of schools data for capacity, standards, popularity, site and building area as well as neighbourhood growth data has been used to target schools for potential growth. As with Waves I and II, schools that have odd number PANs or half year groups have again been targeted to ensure that the growth offers the opportunity to rectify inefficiencies that lead to poor organisation of classes. A number of further meetings have been held with schools and their governors to establish their appetite for growth. All the meetings held with schools and their governors have received a positive response to growth.

4.2. The results of the consultation held to date remains as reported to Cabinet in October 2011, which is that schools are cautious in their agreement to expand. Governors remain 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 also remains concern that acceptance of growth will leave a school with a legacy of temporary accommodation that in the past has been hard to resolve with long term capital solutions. Although, this perception is beginning to be dispelled as schools see the capital commitments the Council is making to build new classrooms in response to growth.

4.3. As in Waves I and II, concern has been expressed regarding the very limited capital investment available to basic need. Those schools which are expanded will have less space outside the general teaching classroom to offer an enriched curriculum. This is a common concern, which is considered as a negative on the current position. However, there is an understanding that the financial constraints are a consequence of the economic climate, and as tender returns are also lower, schools recognise they are receiving value for money solutions.

4.4. As a result of the above discussions, the following schools have been identified as achieving permanent expansion for Wave IV:

- Pilgrim Primary School – South West Locality
- Lipson vale Primary School – South East Locality

In addition, we are consulting with Montpelier Primary, St Mary's CE Infant, Victoria Road Primary, Woodfield Primary and Laira Green Primary Schools on 'bulge' years in 2013 and 2014; an extra class of 30 pupils (additional to the PAN) in each school, allocated to one year group, which move through the schools' year groups until the pupils' transition to the secondary phase.

4.5. The next stage is to continue to meet with headteachers and their governing bodies to enable more work to be carried out in relation to the detail of the investment needed to resolve the building capacity issues at these schools. However, initial costs allowed for in this report have already been discussed with the schools.

4.6. The final stage will be to meet the requirements of Schedules 2 and 4 of The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 (as amended); these set out the alterations that can be made by

governing bodies and local authorities. The following sets out the changes:

Enlargement to premises:

Statutory proposals are required for a proposed enlargement of the premises of a school which would increase the capacity of the school by both:

- a. more than 30 pupils; and
- b. by 25 per cent or 200 pupils whichever is the lesser.

Subject to approval by Cabinet, it is proposed to commence consultation in the summer term to ensure all approvals are in place early in the spring term 2013.

5. Planned Admission Number (PAN) increases

5.1. Following the public consultation held in December and January, a delegated decision was taken by the Cabinet Member for Children and Young People to delay the expansion of Holy Cross Catholic Primary School. This was due to the concerns at the school over access and the amount of available external play space. As a consequence, proposals have been brought forward to create additional bulge years in September 2012 at Montpelier Primary School, St Mary's CE Infant School and Victoria Road Primary School to compensate for the expansion that will be delayed at Holy Cross.

5.2. Both of the schools listed below, would be required to increase their PANs for reception admissions in September 2013 for permanent expansion.

Name of School	Current PAN	Proposed PAN September 2013	Additional Places per Year
Pilgrim (Community) Primary School (Wave III)	30	60	30
Lipson Vale (Community) Primary School (Wave III)	55	60	5

5.3. In total this would generate 35 extra reception places for 2013 from school expansions; the remainder will be met from the inclusion of 'bulge' classes and the introduction of two free schools. The School Admissions Team will consult and plan the full increase in the schools' PANs (not just the reception age) for 2014, which will follow the full statutory processes as is being completed for Waves I and II.

5.4. There is a risk that the two free schools will not be approved by the Secretary of State or indeed that the schools will be unable to find and establish premises for their proposed opening of September 2013. The number of reception places has been modelled if these circumstances occur and there would be sufficient reception places in the city; due to a flat lining of births in 2008. Extra capacity in reception creates a window of opportunity; that offers parents greater choice.

5.5. Predictions show a need for a potential 437 further reception places and 2,448 additional primary school places by 2018, which follows a further significant rise in the birth rate from 2009. These will be dealt with by an expansion of schools in Wave V to VIII and will be subject to further Cabinet reports.

5.6. This is best illustrated in the graphs fig 1 and 2 below.

Fig 1

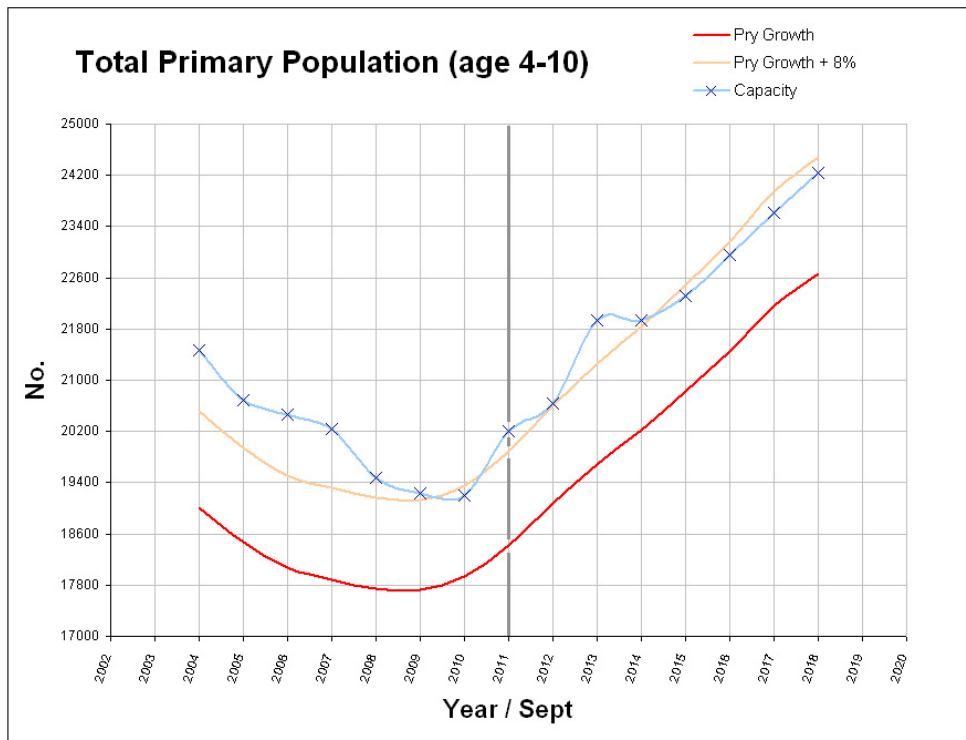
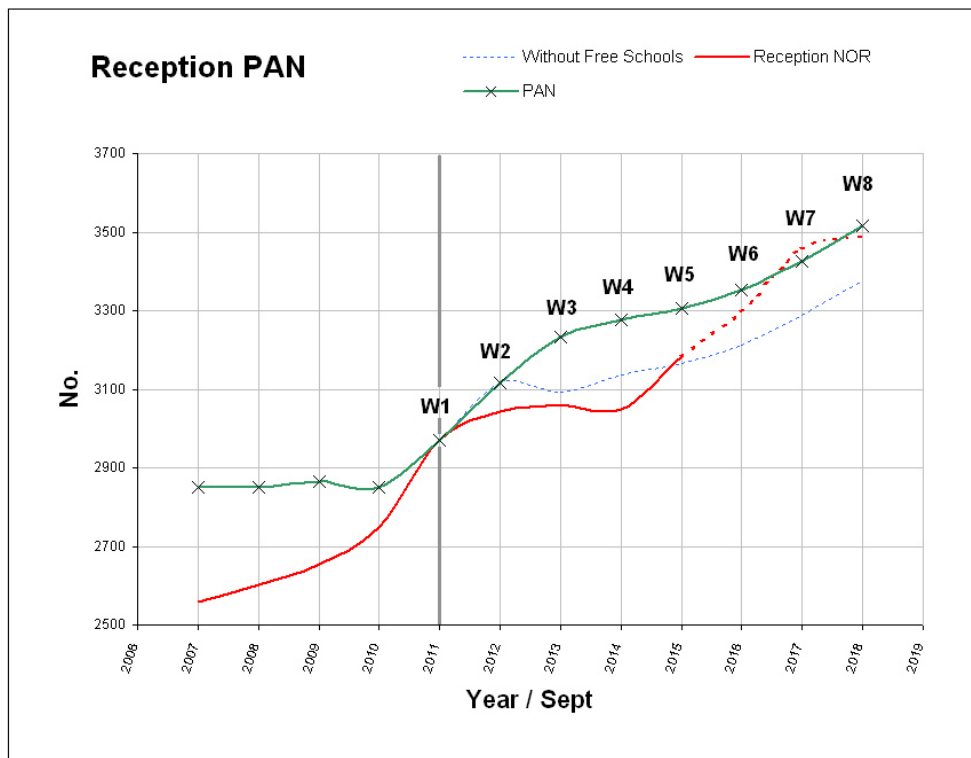


Fig 2



6. Capital Implications

6.1. As reported to Cabinet in March and October 2011, delivering additional school places can potentially have a high capital cost if they are all created by building new classes. Some schools have spaces that do not count towards the available net capacity of the building and these can be converted to classrooms that meet initial basic need growth. The conversion of this space is proving to be at relatively low cost, or indeed in some cases, no cost at all. This means that even in this second year of growth it has been relatively easy to find primary schools that can take an extra reception class in September 2012. This means that the initial growth has relatively low capital impact. However, as reported in March and October there are implications for using this accommodation because, as places are offered to parents with children in reception year a commitment is being made that the 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 2013. This approach has been achieved through out Waves I and II and capital projects are currently on site achieving the follow on capacity.

6.2. In the October 2011 Cabinet report the long term effect of the above approach was considered in some detail and it was concluded that it would only be affordable by the longer term allocation of condition funding to the Basic Need programme. It was concluded that this approach is not achievable over the long term so a change of policy direction was considered that suggested that basic need growth could also be achieved through the use of bulge years and phased building programmes to spread the capital infrastructure cost.

6.3. This Cabinet report recommends a different capital approach, introducing the use of bulge years and the predicted expansion of free schools to meet a significant proportion of Waves III and IV growth.

6.4. The infrastructure investment needed to expand the schools as set out in Section 5 above is as follows:

Name of School	Cost (£ million)
Montpelier Primary (Bulge Year Wave II)	£0.065
St Mary's CE Infant School (Bulge Year Wave II)	£0.020
Victoria Road (Community) Primary School (Bulge Year Wave II)	£0.010
Pilgrim (Community) Primary School (Wave III)	£2.450
Lipson Vale (Community) Primary School (Wave III)	£0.072
Laira Green (Community) Primary School (Bulge Year Wave IV)	£0.030
Woodfield Community Primary School (Bulge Year Wave IV)	£0.000
Austin Farm (Community) Primary School (Removal of temps Wave IV)	£0.010
Total	£2.657

6.5 It is therefore recommended that Cabinet recommend Council to amend the Capital Programme to include the allocations for Waves III and IV of £2.657 million.

7. Government Grant Settlements

7.1. The Comprehensive Spending Review (CSR) announcement in October 2010 that the capital settlement for the Department for Education (DfE) would be

reduced by just over 60 per cent for the spending review period, which was the highest cut across all Government. There has been an easing on this position throughout 2011 and announcements, in July 2011, of an additional £500 million basic need funding along with the introduction of a Private Finance Initiative (PFI) based Priority School Building Programme (PSBP), and a further £500M capital spending on schools in the autumn budget statement, have indicated that capital spend for schools is now increasing.

7.2. In October 2011, on the basis of the announcement made by Michael Gove in July 2011, Cabinet recommended to Council that the SCYP Capital programme be increased by a sum of £2.1million for basic need. On the 3 November 2011, the Government confirmed the detail of the announcements and that Plymouth's allocation was in fact £2.525 million. This total sum has now been added into the Capital programme.

7.3. On the 13 December 2011, the Government announced all capital grant allocations for councils across the country. Plymouth City Council's grants for all maintained schools amounted to £7.260 million for the year 2012/13. This represents an overall net reduction of £1.134 million against the 2011/12 settlement, but is in line with our expectations, representing no significant change from the total Local Authority (LA) forecast of £7.278 million used to set our current Capital programme budget at the beginning of 2011.

7.4. Whilst the DfE has made capital announcements for the coming financial year 2012/13, there is no indication of 2013/14 and beyond, which is subject to the outcomes of the James Review of Education Capital, which was published on 8 April 2011. Local authorities have indicated to Government that a single year's allocation is insufficient to plan capital expenditure. However, there seems little change to this in the current economic climate. The Council is over coming this by making an estimation of future capital settlements as indicated above. However, this puts the capital programme at risk should future capital settlements vary significantly.

7.5. Whilst the overall total of the recent announcements was as anticipated, there is a shift in the allocations, with a reduction in Maintenance Funding being offset by an increase in basic need support. This changes the balance of allocations closer to the Council's expenditure profile between these two programmes.

7.6. From the CSR, we know the profile of national spending over a four year period, which drops slightly over the first three years and increases, again slightly, in the fourth year. As a consequence, an assessment of 2013/14 grant allocations can be determined if we assume that Plymouth continues to receive the same proportion of the national expenditure. This method doesn't take into account the increases in funding announced in the Autumn Statement, or the affect schools transferring to academy status. Both these factors will alter the DfE algorithm and will change the allocations. The estimates made early in 2011 for 2012/13 proved to be correct and the Capital programme has remained stable this year. However, until the Government is able to secure more long term funding security, the Council will continue to be cautious in making capital commitments due to potential instability

7.7. The grant allocations made by the DfE are as follows:

Funding Allocation	Value £ (million)
Basic need (non ring fenced)	£3.9
Capital Maintenance (non ring fenced),	£2.8
Devolved Formula Capital (ring fenced including VA)	£0.6
Locally Controlled Voluntary Aided Pot (LCVAP- ring fenced)	£0.6

7.8. It can be seen from these that the bulk of the un-ring fenced funding continues in two grants, Capital Maintenance and basic need. These have been added to the Capital programme through the budget preparation process.

8. Condition based projects

8.1. The Basic Need programme has embraced condition work where it has been necessary to repair buildings in order to facilitate the additional places. The Council has had to use grant allocated to the city for Capital Maintenance for these projects. However, in the October 2011 Cabinet, it was agreed that this was not sustainable over the long term as the number of schools experiencing critical condition issues outside the basic need growth programme was becoming an issue.

8.2. As a consequence the Government allocation, set out in Section 7, has been reconsidered in the Capital programme, and a programme of condition works of £3 million has been included in the Capital programme approved by Council. This funding is in addition to the programme of condition support for maintained schools that is set at £500,000 per annum, which schools bid into.

8.3. It is proposed in this report that the following projects are achieved from this programme:

Funding Allocation	Purpose	Cost (£ million)
Knowle Primary School	Replace heating, water and electrical systems, fire doors and replacement of temps to cater for the negative bulge	£2.52
Holy Cross Catholic Primary School	Erect MUGA in Beaumont Park	£0.12
Dunstone Primary School	Replacement roof	£0.05
Woodfield Primary	Replacement of Kitchen and boiler	£0.31
	Total	£3.00

8.4. These projects have been selected through a combination of: identified need in condition reports completed in autumn 2010, condition bids submitted by schools against governors' prioritised need, and detailed technical surveys commissioned in 2011 to assess need. Consideration has also been given to addressing need where capacity and investment will be required in the future.

8.5. It is therefore recommended that Cabinet recommend Council to amend the Capital Programme to include the allocations for condition, of £3 million.

9. Criteria for Choosing Basic Need Waves

9.1. Chiefly, the priority for demand has been in the hot-spots of the North West, South West and South East localities and schools serving these localities have been given the highest priority for Waves I and II.

9.2. Careful consideration has been given to those schools that could offer space in their existing building for September 2013 and 2014 as well as the opportunity to add either a whole or half a form of entry to the school by 2014. 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. In addition, for Waves III and IV, consideration has also been given to the popularity of and standards in schools, which complies with the Council's adopted policy to expand popular and successful schools. Following on from this policy, the Council has made major strides in making schools more efficient in their structure. In 1988/89, 75 per cent of schools had an off PAN (meaning multiples other than 30) by 2011/12 this will have been brought down to 20.9 per cent showing a significant improvement due to reorganisation.

9.3. The creation of 'bulge' classes, whilst being cost effective, can add administrative complexities to schools that could distract them from the core business of raising standards. There is the potential that siblings may not be able to follow older brothers or sisters who were successful at gaining a space within the bulge class. Timetabling, staffing and school routines will be impacted but often added benefits can result from opportunities to adapt to the changing class profile. Whilst KS2 standards in 2011 dipped and the number of schools falling below the floor standard increased significantly the expansion of primary places will not distract school leadership teams from ensuring that rapid improvement is secured. Schools with only one form of entry are more susceptible to fluctuations in results year on year as every pupil makes a bigger contribution to the overall school result. Larger school cohorts will allow schools to target resources more effectively to ensure that pupils benefit from a wider range of support.

9.4 Further consultation on the distribution of growth and a proposal for Wave V to VI priorities will be undertaken in the autumn; this will be brought to Cabinet once the development of the free schools is more advanced, enabling officers to assess the impact on growth.

10. The Method of Calculating the Basic Need Allocations

10.1. The Council has well established records on the costs of building schools from 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. The tender prices for Wave I have been received and analysed against costs for works tendered in 2009 and 2010. These show a 15 per cent reduction in rates that demonstrate the market fall, but also the reduction of quality and design of the proposals.

10.2. The formula to arrive at the allocations for each school has used the national guidance of floor area for primary schools (BB99) less five per cent. In the secondary sector, floor area reduction of up to 15 per cent is being achieved, however, it has proved very difficult to achieve below five per cent in the primary sector. 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 footprint to

which a new build cost per m² is applied. This method means that inefficiencies in the existing buildings need to be addressed in the proposal as the buildings are only just big enough to meet their purpose.

10.3. In addition to the new build area, a judgement has been made on the area of refurbishment that is needed; this has been divided into major and minor refurbishment, which uses different rates per m².

11. Abnormals

11.1. It is expected that each project will have the need to overcome some specific works that are necessary in order for the planned works to go ahead. Examples of these costs are: planning obligations, significant repair work to existing buildings, or costs associated with unforeseen work in the ground. These are known as abnormals. Such costs have been assessed and added to the capital allocation. Experience from Waves I and II are that these costs are averaging between one and 10 per cent of the works cost.

12. Programme Governance

12.1. The Wave III and IV projects will be managed and delivered through the governance arrangements approved by Cabinet in March 2011 for Wave I. This is 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.

12.2. Under the Capital Delivery Board, delivery responsibility for the programme will be given to the senior responsible person, the Programme Director for Learning Environments, who chairs the Programme Board, which has 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 the Programme Manager.

12.3. 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. This authority shall be exercised in accordance with Council's Standing Orders and Financial Regulations.

12.4. A detailed Risk Register has been developed that has informed the Corporate Risk Register and a Communications Plan and Engagement Strategy has also been developed.

13. Section 106 and Tariff

13.1. Detailed analysis of all available Section 106 and Tariff money that is banked by the Council has been undertaken and all projects that could be funded through this infrastructure investment have been taken into account for Wave I to IV. Increasingly, 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 the city growth and inward migration, which is subject to major planning applications. Negotiations have taken place on substantial infrastructure need in Morley Park, Millbay, and the Northern Corridor. However, there will continue to be a tension between the tight Government capital settlements and the need to agree planning applications where developers will not bear the total infrastructure costs through

Section 106 and Tariff.

13.2. In July 2011, the Council adopted the Plymouth Infrastructure Needs Assessment (PINA) and set out the development of the Community Infrastructure Levy (CIL). These documents contained the initial assessments of need. However, this Cabinet report develops the proposals and this detail will now be added to the PINA.

14. Use of Temporary Accommodation

14.1. In March 2011, it was reported to Cabinet that a procurement option could be available to the Council that would allow us 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 it is a growing market across the country. It had been hoped 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. Projects in Wave 1 were market tested for these types of building delivery, however, companies declined to tender; suggesting that the size of the market in the far south west is of insufficient interest.

14.2. Given the ability in the initial stages to take advantage of existing buildings, options remain broadly traditional in their method. However, the shorter term value for money option of using system build may prove attractive to make the programme as a whole affordable in future Waves, and indeed new schools needed as a result of housing development in the city.

Appendix

Basic Need Project Summary (Revised February 2012)

Wave I Summary

SCHEME	Current Approved Budget	Latest Forecast	Latest Forecast	Latest Forecast	Latest Forecast	Latest Forecast	Total Revised Programme
		2011/12	2012/13	2013/14	2014/15	2015/16	
Details	2010 - 15	Forecast					Forecast
	£	£	£	£	£	£	£
Weston Mill- Basic Need	341,033	341,033	100,000	0	0	0	441,033
Riverside-Basic Need	2,382,302	320,000	2,062,302	0	0	0	2,382,302
Mount Wise-Basic Need	1,312,479	137,627	1,174,852	0	0	0	1,312,479
Ernesettle-Basic Need	983,418	50,000	620,369	0	0	0	670,369
Prince Rock-Basic Need	1,170,590	204,000	966,590	0	0	0	1,170,590
See Note*	6,189,822	1,052,660	4,924,113	0	0	0	5,976,773

Wave II Summary

SCHEME	Current Approved Budget	Latest Forecast	Latest Forecast	Latest Forecast	Latest Forecast	Latest Forecast	Total Revised Programme
		2011/12	2012/13	2013/14	2014/15	2015/16	
Details	2010 - 15	Forecast					Forecast
	£	£	£	£	£	£	£
Salisbury Road - Basic Need	2,061,600	60,187	1,111,684	368,854	1,300,652		1,841,377
Holy Cross - Basic Need	-	0	0	0	0	0	0
St Peters CE - Basic Need	200,000	3,500	240,000	0			243,500
St Josephs - Basic Need	1,488,000	79,437	597,927	1,140,034			1,817,398
Stoke Damerel Primary - Basic Need	1,238,000	73,467	178,252	0	131,780	981,920	1,365,419
Montpelier Primary - Wave 2		0	65,000				65,000
St Mary's CE Infants - Wave 2		0	20,000				20,000
Victoria Road Primary - Wave 2		0	10,000				10,000
	4,987,600	216,591	1,222,863	1,508,888	1,432,432	981,920	5,362,694

Wave III and IV Summary

SCHEME	Current Approved Budget	Latest Forecast	Latest Forecast	Latest Forecast	Latest Forecast	Latest Forecast	Total Revised Programme
		2011/12	2012/13	2013/14	2014/15	2015/16	
Details	2010 - 15	Forecast					Forecast
	£	£	£	£	£	£	£
Pilgrim Primary - Wave 3		0	1,700,000	750,000	0	0	2,450,000
Lipson Vale Primary - Wave 3		0	72,000				72,000
Woodfield Primary - Wave 4		0	0				0
Laira Green Primary - Wave 4		0	0	30,000			30,000
Austin Farm Primary - Wave 4		0	0	10,000			10,000
	4,830,000	0	1,772,000	790,000	0	0	2,562,000

Total Revised Cost Wave I - 4	1,269,251	7,918,976	2,298,888	1,432,432	981,920	13,901,467
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