



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 24TH SEPTEMBER 2013

**SUBJECT: PROGRESS MADE TOWARDS RECOMMENDATION 5 OF POST
INSPECTION ACTION PLAN (PIAP)**

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 The report is to inform Members of the progress made towards meeting Recommendation 5 within the Post Inspection Action Plan (PIAP).

2. SUMMARY

- 2.1 Following the Estyn inspection in July 2012, there was a recommendation to reduce surplus places within schools. Since that time, much work has been undertaken to address this and this report outlines actions taken and the progress made.

3. LINKS TO STRATEGY

- 3.1 The reduction of surplus places in schools is a current priority within the Directorate Improvement Plan.

4. THE REPORT

- 4.1 During the inspection, it was acknowledged that the Local Authority (LA) *had clear priorities in the strategic plans to transform the educational opportunities for learners through improved learning environment*. However, there was a judgement that there was *unsatisfactory progress in reducing the number of surplus places in both secondary and primary schools*.
- 4.2 The PIAP focused on the urgent need to take action to address issues raised, in particular to implement phase 1 of secondary rationalisation to reduce the number of secondary schools.
- 4.3 During the Autumn of 2012, a thorough review of individual secondary school capacity was conducted to ensure accuracy and compliance with present usage.
- 4.4 Following this, the Schools Asset Management Plan and the School Places Plan were updated to reflect the most recent data available.
- 4.5 In the Spring of 2013, a thorough review of individual primary school capacity was also conducted.
- 4.6 On 29th January 2013, Cabinet agreed a Phase 1 process in relation to secondary rationalisation. This was agreed as follows:

- Arrange a Members Seminar to explain the present position in more detail.
- Share key data from strategic plans, including for example curriculum data, and confirmation of key issues to address in determining an initial phase of secondary rationalisation.
- Consult with Education for Life Scrutiny Committee on a way forward.
- Agree specific proposals for an initial phase to be considered by Cabinet, to permit commencement of consultation and statutory processes.

- 4.7 The process commenced with a Members Seminar on Thursday 7 March 2013.
- 4.8 Scrutiny Committee received a presentation outlining a possible way forward at the meeting of 9 April 2013. It was acknowledged that the process would require a significant investment of Member time and it was agreed to appoint a Cross Party Working Group and a report on progress would be provided to Scrutiny on 5 June.
- 4.9 The working group was established with a core membership of 10 (7 Labour, 3 Plaid Cymru). An extra place was given to Plaid Cymru as the Independent representatives were unable at that time to give the required time commitment. It was agreed to allow substitutes for each meeting.
- 4.10 The working group met for the first time on 23 April and agreed a 10 week work programme. The programme was drafted in accordance with HM Treasury 5 Case Business Model.
- 4.11 The working group initially reviewed and updated documentation produced in 2010 in association with the Strategic Outline Programme (SOP).
- 4.12 Individual school data was analysed and reviewed in the context of 4 geographical areas, namely:
- Caerphilly Basin (Bedwas, St. Cenydd, St. Martins)
 - Mid & Upper Rhymney Valley (Lewis Girls, Lewis Pengam, Heolddu & Rhymney)
 - Islwyn West (Blackwood, Oakdale & Pontllanfraith)
 - Islwyn East (Newbridge, Cwmcarn & Risca)
- 4.13 This resulted in the working group agreeing a priority region list, based principally on projected surplus places, i.e.:
- | | | |
|------------------------------|---|-----------|
| • Islwyn West |) | Joint 1st |
| • Mid & Upper Rhymney Valley |) | |
| • Islwyn East | | 3rd |
| • Caerphilly Basin | | 4th |
- 4.14 The working group at this stage wanted to endorse 2 principles for the future, whether included in the Phase 1 proposals or not. These were:
- Need to review post-16 provision in the context of 11-18 schools
 - Review single sex schools vis a vis co-educational provision.
- 4.15 The working group also considered a new lower cost approach to school build in the context of a recent private/public sector initiative in the Midlands involving Willmott Dixon Construction and Scape. The school specification is flexible and can be organised in a number of ways. The working group reviewed details via the SUNESIS website.
- 4.16 The SUNESIS examples for secondary identify base line costs for a 900 pupil 11-16 school of £11.5m or £12.4m for a 1050 pupil school. This would be considerably cheaper than a traditional new build. A number of enhancements would be required to complete the school, hence an indicative cost of circa £18m has been assumed. These costs are only provisional at this stage but would be worked up more fully in the event such a proposal was developed further.

- 4.17 SUNESIS merely represents one option for the future. It is available via a framework but the Authority could choose to devise its own specification and tender, e.g. on a design and build option.
- 4.18 The working group strongly favoured an option to close 2 schools in a region and open a new school rather than close 1 school per region which was the basis of CCBC's SOP2 bid in November 2011. This would result in substantially reduced costs re 25 year maintenance.
- 4.19 The next stage for the working group was to consider an options appraisal process. This commenced with the identification of potential trigger points (e.g. areas for analysis of key factors) to use in a scoring matrix model. The working group were given 5 core examples to consider and chose to add accessibility, asbestos and inspection as well as expanding on the first 3 curriculum data options. These were therefore agreed as follows:

School/Buildings	
Surplus Places	20%
Overall Condition Factor	10%
25 Year Building Maintenance	9%
Accessibility	6%
Asbestos	5%
Curriculum Data	
Key Stage 4 Level 2+ %	13%
Value Added & 3 Year Trend	11%
Key Stage 4 Level 2+ & 3 Year Trend	11%
Inspection	6%
Banding	9%
Total	100%

- 4.20 The weightings represented average scores from the working group members present at that particular meeting. Members will note that the schools/buildings and curriculum data split amounted to 50/50. Whilst the precise 50/50 split is fortuitous, this is entirely appropriate given WG's 21st Century Schools Programme aims are to raise standards and improve the condition of school buildings.
- 4.21 The group chose to concentrate on the 2 joint highest regions. In this context, the Planning Division was asked to comment on the suitability of 9 sites for the development of replacement secondary schools. It should be noted that the development of the majority of the sites for educational use would be contrary to adopted local development plan policies for various reasons, most notably that the sites in question were either allocated for an alternative land use or were outside of settlement boundaries. However notwithstanding the policy position, advice has been given on the suitability or otherwise of each of the sites for educational use. It is also worth noting that the future needs of the Education Service could potentially serve as a trigger for the first review of the adopted Caerphilly County Borough Local Development Plan. The Valuation section were also involved in initially assessing the 9 sites.
- 4.22 In addition the group considered two base line options, typically used in 5 case business modelling, as follows:
- Do nothing. The working group dismissed this given the extent of secondary surplus places, the SOP2 bid in November 2011 and the subsequent ESTYN report of 2012 (recommendation 5) and CCBC's post inspection action plan.
 - Do minimum. This would likely entail reducing capacities on site. The group were of the view this again was contrary to recent actions and would leave most schools below the viability thresholds determined by CCBC in 2010. i.e. 750 pupils for 11-16 schools and 900 pupils for 11-18 schools.

4.23 The working group concluded its initial deliberations with 3 short listed options, namely Oakdale Plateau (Islwyn West) with 9 votes in favour, 1 abstention, plus Aberbargoed Plateau (Mid & Upper Rhymney Valley) as a unanimous decision. These were the favoured options in each region. Duffryn Business Park (North) was a 2nd option, (Mid & Upper Rhymney Valley) but a number of working group Members were reluctant to chose this site acknowledging there were a number of significant constraints. e.g. safety, noise, odours.

4.24 In seeking to recommend a preferred site, the working group dismissed Duffryn Business Park (North) for the reasons outlined above. Oakdale Plateau 3 was preferred over Aberbargoed Plateau for the following reasons:

- Aberbargoed Plateau not strategically placed within the Mid & Upper Rhymney Valley region, especially given its close proximity to Lewis Pengam.
- Need for continuing WG liaison re potential clawback values (both preferred sites). The Oakdale Plateau 3 appears significantly lower value/risk.
- Oakdale Plateau 3 represents industrial value and Aberbargoed Plateau largely residential.
- The preferred site (Oakdale Plateau 3) would still leave circa 36 hectares of presently unused industrial land in the area and only circa 4 hectares planned for school (10% of total). i.e. 4 hectares of 40 hectares available.

4.25 The working group recommendation to Council was agreed as Oakdale Plateau 3 in Phase 1. The working group also wished to identify the Mid & Upper Rhymney Valley region for Phase 2, albeit this would be a later date as the remit extended only to Phase 1.

4.26 This would result in the closure of the present Oakdale and Pontllanfraith schools with the resultant Islwyn West region comprising Blackwood plus the Oakdale Plateau, i.e. 3 schools.

4.27 The Phase 1 option will have the following impact on Islwyn West:

- Over time the 2 schools would have projected pupil numbers of circa 800-900 pupils, with the Oakdale Plateau 3 site incorporating the present Pontllanfraith SEN Unit of circa 50 pupils.
- The secondary surplus places projected for September 2013 for CCBC of 22.1% would reduce to 16.9% based on the rationalisation proposal.
- The potential to save circa £8m 25 year backlog maintenance over time which would have only brought the 2 (Oakdale & Pontllanfraith) schools up to EXISTING standard, as opposed to the construction of a NEW school instead.

4.28 A new school build would immediately improve the condition rating from the present Oakdale & Pontllanfraith (both C) to an A for the Oakdale Plateau new build.

4.29 Similarly most of the present circa £7.8m 25 year backlog maintenance amounts would be saved in relation to the 2 existing schools. These amount to:

Oakdale Comprehensive	£2.262m
Pontllanfraith Comprehensive	<u>£5.692m</u>
Total	<u>£7.954m</u>

4.30 Members have previously agreed £16m match funding (50%) for priority 1 and 2 schemes, namely:

Priority 1 Welsh Medium (St. Ilan)	20m
Priority 2 Rhymney 3-18	12m

This money has been earmarked for 21st Century Schools.

- 4.31 The remaining Priority 3 (secondary rationalisation) bid of £52m has no match funding allocated at present. The financial implications section provides for £9.265m which can be identified and earmarked for Phase 1 subject to council approval. Capital receipts from the 2 schools due to close can also facilitate much of the match funding requirement for Phase 2.
- 4.32 To achieve 2 broadly similar sized schools in the future it is proposed to reallocate Islwyn West's catchment areas between Blackwood and the Oakdale Plateau 3 schools.
- 4.33 This involves the addition of Markham and Libanus Primary schools to Blackwood (from Pontllanfraith) with the remaining schools incorporated into the new Oakdale Plateau 3 school.
- 4.34 The new school is intended to have a capacity of 900 pupils, plus provision for pupils with additional learning needs.
- 4.35 The latter part of the working group's deliberations involved reviewing WG's secondary school's methodology for calculating capacity and surplus places. The present capacity reviews are undertaken annually, involving Headteachers certifying room usages to ensure accuracy of data. WG makes provision for LAs to propose discretionary reductions to capacity values, subject to WG approval. It was agreed to undertake a more detailed review in the Autumn term 2013, to incorporate individual school visits to assess whether such discretions should be recommended for the future.
- 4.36 The Group's recommendations were presented to Scrutiny (9th July), where they were endorsed. Proposals were approved by Cabinet on 16th July and Council on 23rd July.
- 4.37 In conclusion, it is the view of the Directorate Senior Management Team that urgent action has been taken to reduce surplus capacity in schools generally and secondary schools in particular and therefore recommendation 5 has been met.

5. EQUALITIES IMPLICATIONS

- 5.1 Impact Assessment screening has been completed in accordance with the Council's Strategic Equality Plan and no potential for unlawful discrimination has been initially identified affecting one or more of the target equality groups.
- 5.2 This will require more detailed work as the proposal evolves. An Equalities Impact Assessment will be formulated during the formal consultation process and will evolve through the process to school opening which is anticipated for 1 September 2016.

6. FINANCIAL IMPLICATIONS

- 6.1 It is anticipated that a new school, based on a SUNESIS or similar build and for 1050 pupils (900 pupils plus circa 50 SEN pupils), would amount to circa £18m with a resultant match funding requirement from CCBC of circa £9m (50%). Discussions have commenced with WG officials re clawback implications and these will be ongoing for the next few months including Valuation staff.
- 6.2 In this regard, a total of £9.265m has been identified as possible 50% match funding, as follows:

730k	Ifor Bach reclamation clawback
3400k	Prudential Borrowing (comprising pupil demographic savings plus lump sum savings)
600k	Education service reserves
135k	Release of provision for Assembly Learning Grant
2000k	General fund (assumes overall reduction from circa £12m to £10m)
2000k	Insurance Fund re-evaluation
400k	Insurance savings 2013/14 not committed
9265k	

- 6.3 As regards running costs, each secondary school presently receives a lump sum allocation amounting to 116k at 2013/14 prices. The resultant saving of 1 less school of 116k has been assumed above in the prudential borrowing line. It is anticipated there will be additional costs re school transport (circa 250k), plus rateable values/rates (circa 100k) which would be offset by corresponding savings re premises costs from 1 less school (circa 350k).
- 6.4 It is anticipated that future capital receipts from the disposal of the present Oakdale & Pontllanfraith school sites would largely assist towards meeting the 50% match funding requirements for Phase 2.
- 6.5 The preferred Oakdale Plateau 3 site could result in the loss of a potential capital receipt but the site is subject to WG clawback provisions associated with the reclamation of the land. These details will be assessed on an ongoing basis by Valuation staff.

7. PERSONNEL IMPLICATIONS

- 7.1 It is proposed to develop a voluntary agreement amongst the 3 schools with the intention to minimise any compulsory redundancies. This agreement would typically involve limiting permanent appointments over the next 3 years.
- 7.2 The Council will also deploy its other procedures in conjunction with this agreement, e.g. redeployment, cross-matching arrangements.
- 7.3 It is expected that these initiatives will minimise costs for CCBC but it is too early to quantify such details. These will become more evident following conclusion of the statutory processes and in the lead up to September 2016.

8. CONSULTATIONS

- 8.1 All comments received have been reflected in the report.

9. RECOMMENDATIONS

- 9.1 That Members note the content of the report and the progress made to meeting Recommendation 5 of the Estyn report July 2012.

10. REASONS FOR THE RECOMMENDATIONS

- 10.1 To inform Members of the progress made in relation to Estyn recommendation 5.

11. STATUTORY POWER

- 11.1 The School Standards and Framework Act 1998
The Education (Maintained Special Schools) (Wales) Regulations 1999
The Learning and Skills Act 2000
The School Organisation Code Welsh Government (2013)
Education Act 2005

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