



EDUCATION FOR LIFE SCRUTINY COMMITTEE - 9TH JULY 2013

SUBJECT: PHASE 1: SECONDARY RATIONALISATION

REPORT BY: ACTING DEPUTY CHIEF EXECUTIVE

1. PURPOSE OF REPORT

- 1.1 To advise Members on the recommendation of the Cross Party Working Group (referred to as the working group) in relation to Phase 1 of Secondary Rationalisation which is due to be considered by Cabinet on 16 July and full Council on 23 July.

2. LINKS TO STRATEGY

- 2.1 The report links directly to the Education for Life, sustainability, regeneration and equality strategies.
- 2.2 The Caerphilly County Borough Local Development Plan (LDP) is the statutory framework for the development and use of land within the county borough. The LDP seeks to improve education facilities to 'up skill' the population and also seeks to increase the economic prosperity of people and communities through the provision of land for employment opportunities, supported by appropriate housing and ancillary facilities and services (including educational establishments).

3. SUMMARY

- 3.1 The report explains the detail of the deliberations of the Working Group and the rationale for choosing the recommended option outlined in the report.

4. THE REPORT

Working Group

- 4.1 Cabinet agreed a Phase 1 process at its meeting on 29 January 2013. 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.

- 4.2 The process commenced with a Members Seminar on Thursday 7 March 2013.
- 4.3 Scrutiny Committee received a presentation outlining a possible way forward at the meeting of 9 April 2013. It was acknowledged that this would require a significant investment of Members time and it was agreed to appoint a Cross Party Working Group with an interim report to Scrutiny on 5 June.
- 4.4 Following an invitation to Members, the working group was established with a core membership of 10 Members (7 Labour, 3 Plaid Cymru). An extra place was given to Plaid Cymru as the Independent representatives were unable to give the necessary time commitments. It was agreed to allow substitutes for each meeting, as relevant.
- 4.5 The working group met for the first time on 23 April and agreed a 10 week work programme which had been drafted in accordance with HM Treasury 5 Case Business Model which the Welsh Government has adopted for evaluation purposes. A copy of the work programme is attached as Appendix 1.
- 4.6 The working group initially reviewed and updated documentation produced in 2010 in association with the Strategic Outline Programme (SOP).

School Data

- 4.7 Individual school data was then analysed and reviewed in the context of 4 geographic 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)
- 4.8 This resulted in the working group agreeing a priority region list, based principally on projected surplus places, as follows:
- | | | |
|------------------------------|---|-----------|
| • Islwyn West |) | Joint 1st |
| • Mid & Upper Rhymney Valley |) | |
| • Islwyn East | | 3rd |
| • Caerphilly Basin | | 4th |
- 4.9 The working group at this stage wanted to endorse 2 principles for the future, whether included in Phase 1 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.

New Schools

- 4.10 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.
- 4.11 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 based on the detail outlined in Appendix 2. These costs are only provisional at this stage but would be worked up more fully in the event such a proposal was developed further.

- 4.12 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.
- 4.13 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.

Options Appraisal and Scoring Matrix

- 4.14 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 Trent	11%
Key Stage 4 Level 2+ & 3 Year Trend	11%
Inspection	6%
Banding	9%
Total	100%

- 4.15 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.
- 4.16 This matrix was then applied to individual school data which produced the following results:

Caerphilly Basin	Score	Ranking
Bedwas High	63	4
St. Cenydd	60	7
St. Martins	53	8
Mid & Upper Rhymney Valley		
Heolddu	72	2
Lewis Girls	75	1
Lewis Pengam	48	9
Rhymney	42	J10
Islwyn West		
Blackwood	36	13
Oakdale	39	12
Pontllanfraith	61	J5
Islwyn East		
Cwmcarn	61	J5
Newbridge	42	J10
Risca	66	3
NB. J = Joint ranking		

- 4.17 This analysis represents only a guide as it is dependent on a range of factors, e.g. relative % weightings, data used, dates used, etc., but gives an approximation.
- 4.18 As an example, higher scores/rankings tend to be associated with the red (traffic lights) coded data included in the Members information pack on 7 March and vice versa. The higher the score will tend to be associated with the greatest potential for school rationalisation.

Building Bulletin (98) Regulations

- 4.19 In considering site options the initial assessment would have regard to BB98 regulations re site sizes. Typically for a 900 pupil 11-16 school the regulations provide for:
- a) Confined Sites (assumes off site play provision)
Range = 0.85 Ha – 1.04 Ha
 - b) Non Confined Sites
Range = 6 Ha – 7.4 Ha

NB. All weather pitches reduces site size requirements as typically each would be the approximate equivalent to 2 grass pitches.

School Site Options

- 4.20 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 (Appendix 3 provides a summary of the issues raised). More detailed investigations will now need to be undertaken to ensure the suitability of each of the preferred 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.
- 4.21 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.
- 4.22 The working group allocated 1 full meeting to evaluating all 9 sites and added comments to those provided by Planning and Valuation.
- 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 3 schools.

Pupil Projections

- 4.27 The Phase 1 preferred 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 3 school.
- 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>

SOP2 Bid

- 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 £60m 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.

Catchment Areas

- 4.32 To achieve 2 broadly similar sized schools in the future it is proposed to reallocate Islwyn West's catchment areas as illustrated in Appendix 4(i) and 4 (ii) 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.

Secondary School Capacities

- 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 working group concluded its deliberations on capacity on 27 June 2013 in week 9 and so the 2 scheduled meetings for week 10 were not required.

Summary of Phase 1 Recommendation

- 4.37 The working group's recommendation for Phase 1 may be summarised as follows:
- Selection of Oakdale Plateau 3 as the preferred site for the new school in the Islwyn West region
 - Closure of present Oakdale and Pontllanfraith secondary schools
 - Revised catchment areas (Appendix 4) proposed with the objective of achieving 2 broadly similar sized schools in the region in the future, i.e. Blackwood Comprehensive and Oakdale Plateau 3.
 - The proposed Oakdale Plateau 3 school to be designed for a capacity of 900 pupils, plus provision for pupils with additional learning needs.

Timescales & Way Forward

- 4.38 The Group endorsed the programme for the way forward, as follows:

Phase 1 Recommendation:

- Scrutiny 9 July 2013
- Cabinet 16 July 2013
- Council 23 July 2013
- Autumn term 2013:
 - Consultation Document
 - Formal Meetings
- Spring Term 2014
 - Decision whether to proceed to Statutory Notice
 - Statutory Notice (1 month)
 - Cabinet (Final) Decision
- New school start date 1 September 2016

Secondary School Capacities

- Autumn Term 2013 – Review.

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	For 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
<u>400k</u>	Insurance savings 2013/14 not committed
<u>9265k</u>	

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 Members are requested to agree the Phase 1 proposal as in paragraph 4.37, endorse the way forward as outlined in paragraph 4.38 and recommend Cabinet (16 July) and Council (23 July) endorses its detail.

9.2 Members endorse the 50% match funding contribution for CCBC as outlined in paragraph 6.2.

9.3 Members also note the 2 principles of the working group as outlined in paragraph 4.9 and the proposal to progress Mid & Upper Rhymney Valley region for Phase 2

10. REASONS FOR THE RECOMMENDATIONS

10.1 To provide an improved teaching and learning environment as per Council Priority 3 (2nd outcome) and Directorate Priority 4 (2013/14).

10.2 To reduce English-medium secondary school places in line with WG's expectations to achieve a target below 15% by January 2015.

10.3 To fulfil ESTYN's recommendation 5 in the Post Inspection Action Plan and to proceed to statutory processes.

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).

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Background Papers:
Members Seminar Pack 7 March 2013

Appendices:
Appendix 1: Member Working Group: Work Programme
Appendix 2: School Build Estimated Costs (Based on a SUNESIS type model)
Appendix 3: Islwyn West & Mid & Upper Rhymney Valley maps and possible site options
Appendix 4: Map of Current and Proposed Catchment Areas