

CABINET	AGENDA ITEM No. 8
16 JANUARY 2017	PUBLIC REPORT

Cabinet Member(s) responsible:	Cllr Holdich (Cabinet Member for Education, Skills and University)	
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UPDATE TO THE SCHOOL ORGANISATION PLAN (2015-2020)

R E C O M M E N D A T I O N S	
FROM : Children and Education Scrutiny Committee	Deadline date : N/A
<p>It is recommended that Cabinet:</p> <ol style="list-style-type: none"> 1) Note the 2016 update to the School Organisation plan (2015-2020); and 2) Agree its contents for publication. 	

1. ORIGIN OF REPORT

1.1 This report is submitted to Cabinet following the Children and Education Scrutiny Committee held on 14 November 2016.

2. PURPOSE AND REASON FOR REPORT

2.1 The purpose of this report is to update the Cabinet further to the School Organisation Plan (2015-2020) which was published in December 2015. This update to the School Organisation Plan (2015-2020) describes the 2016 position with regard to school place planning and demography and proposals for expansion of primary and secondary schools.

2.2 The 2016 Update to the School Organisation Plan (2015-2020) was considered by the Children and Education Scrutiny Committee on 14 November 2016.

2.3 This report is for Cabinet to consider under its Terms of Reference No 3.2.4, "To promote the Council's corporate and key strategies and Peterborough's community strategy and approved strategies and cross cutting programmes not included within the Council's major policy and budget framework".

3. TIMESCALE

Is this a Major Policy Item/Statutory Plan?	NO	If Yes, date for relevant Cabinet Meeting	N/A
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4. KEY ISSUES

4.1 The key issues for Cabinet to consider are as follows :

4.1.1 The pressure for the authority in the **secondary sector** is as a result of increases in pupil numbers from primary schools which are beginning to work their way through into the secondary sector. Proposals are in place for dealing with some of the increase but it should be noted that assessment is ongoing and that further expansion proposals will also be required and these are presently being considered.

- 4.1.2 Although the recent expansions of **primary schools** has provided a significant increase to the Published Admission Number and that some further capacity will be required, the key issue to note in the primary sector is that ongoing In Year demand for school places is providing the greatest pressure. If volumes continue at present rates then bulge years will have to be considered and this often involves the installation of mobile classrooms.
- 4.1.3 During the summer holidays of 2016, 600 **In Year** applications were made for a school place. Of these 56% were new to Peterborough (ie from overseas or other parts of the UK). Schools notified the Council of 250 children who left their school during the summer holidays.
- 4.1.4 Another key pressure remains around **funding**. The council received £6.9m in Basic Need funding for 2017-2018 and early this year was allocated a further £14.7m for 2018-2019. Early in 2017 the Council will be notified of its Basic Need funding allocation for 2019-2020 but to deliver our proposals in full a bid has been put forward as part of the 2017-2018 budget proposals to support the ongoing needs for school places.

5. SCHOOL ORGANISATION PLAN

- 5.1 This report covers the current position on school places and the funding requirements.
- 5.2 The very significant growth of In Year school admission applications, in particular from those outside of the UK and from other parts of the UK, is placing a strain on the system and will continue to be a risk to meeting the Council's statutory responsibility to provide sufficient school places.
- 5.3 Our demography forecast show that sufficient capacity is available in reception year for children age 4 but is a key risk that requires some mitigation by expansion to appropriate schools.
- 5.4 The impact of the significant growth in primary school age children means that this will put pressure on the Council's secondary schools. Current forecasts suggest pressure for year 7 places which started in 2015 will be challenging by 2018 unless some schools are expanded.
- 5.5 Current Position on School Places (Primary)
- 5.5.1 Significant pressures remain where the number of 4 years olds in the city has risen from 2,165 in 2006 to 3,118 being allocated a reception year school place in September 2016 against the Published Admission Number (PAN) of 3,247 leaving just 129 vacancies. The number of reception year school places required is forecast to rise to 3,332 by September 2021.
- 5.5.2 As at September 2016 the number of primary school vacancies was as follows:

Reception	129
Year 1	65
Year 2	13
Year 3	58
Year 4	120
Year 5	78
Year 6	114
Total vacancies	577

5.5.3 The future primary school reception forecast against the PAN is as follows:

Year	PAN	Forecast	Notes
2017/2018	3,251	3,131	Based on birth data up to 2015/2016 and then projections and spring 2016 school census PAN includes new builds at Roxhill, Hampton Gardens (x2), Great Haddon (x1) and Paston Reserve
2018/2019	3,251	3,067	
2019/2020	3,341	3,129	
2020/2021	3,401	3,177	Forecast excludes any allowance for 5% surplus places
2021/2022	3,401	3,225	
2022/2023	3,431	3,273	
2023/2024	3,431	3,414	

5.5.4 This indicates that sufficient capacity is available in reception year for children age 4 but is a key risk that requires some mitigation by expansion to appropriate schools. As a consequence, we are presently completing a full review of the estate of every primary school to determine which schools have the site capacity to expand. This will then be evaluated against the demographic data to ensure any proposed expansions are in the right areas of the city. Additionally, temporary mobiles may have to be an option to supplement any expansions.

5.5.5 The table below demonstrates the impact of the forecast and subsequent shortage of places available across each year group in each academic year:

Academic year	PAN	YRe c	Y1	Y2	Y3	Y4	Y5	Y6
2016/17	3,247	82	74	12	14	-14	110	229
2017/18	3,251	120	-13	43	11	-1	-29	89
2018/19	3,251	184	26	-46	42	-5	-16	-52
2019/20	3,341	212	92	-6	-47	26	-21	-39
2020/21	3,401	224	11 8	60	-7	-64	10	-45
2021/22	3,401	176	12 9	86	59	-24	-80	-14
2022/23	3,431	158	79	96	84	43	-40	-105
2023/24	3,431	17	-29	-69	-6	-52	-106	-141

5.5.6 The PAN detailed in the table above relies on the planned housing developments Hampton at Gardens, Paston and Roxhill going ahead. This means we have the opportunity to build 4 new primary schools which will cater the additional children form these houses and provide additional capacity for the city. Without these housing developments further pressure will be expected across all year groups.

5.5.7 Additionally, the Department for Education recommends local authorities allow for a 5% surplus of PAN to allow for parental choice. The table below shows that Peterborough does not have enough surplus capacity within primary schools across almost all year groups even with planned expansion:

Academic year	PAN	5% Surpluses of PAN	YRec	Y1	Y2	Y3	Y4	Y5	Y6
2016/17	3,247	162	-80	-88	-151	-148	-176	-52	66
2017/18	3,251	163	-42	-176	-120	-151	-164	-192	-73
2018/19	3,251	163	21	-136	-208	-121	-167	-179	-214
2019/20	3,341	167	45	-75	-173	-214	-141	-188	-207
2020/21	3,401	170	54	-52	-110	-177	-234	-160	-215
2021/22	3,401	170	6	-41	-85	-111	-194	-250	-184
2022/23	3,431	172	-14	-92	-75	-87	-129	-212	-277
2023/24	3,431	172	-154	-201	-241	-178	-224	-278	-313

5.6 Current Position on School Places (Secondary)

5.6.1 Expansion projects are planned for Ormiston Bushfield Academy and Nene Park Academy to increase their capacity by 2 forms of entry. Additional capacity will also be required regardless of the planned secondary schools for the new housing developments at Hampton East and Paston Reserve. As a consequence, the Council as a priority monitors very closely the demographic trends along with the growth in housing developments. We also monitor parental preferences and have analysed the post code data of children attending our schools to ensure expansions are taking place in the right parts of the City.

5.6.2 2,556 children were allocated a Year 7 school year place for September 2016 against the Published Admission Number (PAN) of 2,664, leaving just 108 vacancies of which 105 were at Voyager Academy.

5.6.3 As at July 2016 (academic year 2015/16) secondary school vacancies were as follows:

Year 7	178
Year 8	307
Year 9	253
Year 10	109
Year 11	62
Total vacancies (July 16)	909

5.6.4 The following table shows the forecast based on the spring 2016 school census. It was reported in Peterborough's School Capacity return to the Department for Education in July 2016, and it demonstrates the anticipated growth in secondary school pupils over the coming years:

Academic year	Y7 PAN	Y7	Y8	Y9	Y10	Y11
2016/17	2,664	2617	2523	2345	2287	2278
2017/18	2,739	2741	2637	2542	2363	2287
2018/19	2,919	2978	2761	2657	2561	2363
2019/20	3,069	3205	3000	2782	2677	2561
2020/21	3,129	3251	3229	3023	2803	2677
2021/22	3,189	3391	3275	3254	3045	2803
2022/23	3,189	3400	3416	3300	3278	3045
2023/24	3,189	3540	3426	3442	3324	3278

5.6.5 Forecast growth shows that pressure on secondary school places in Peterborough will reach challenging levels next year with a projected shortfall of 2 places and gets worse in September 2018 (shortfall of 59 places) despite the proposed extensions to OBA and NPA. Contingency plans are being developed to mitigate this whilst monitoring very closely the impact of in year admissions and leavers. Further expansions are however clearly likely to be required. Provision of additional places which involve a building programme typically

have a 2 year lead. The new accommodation providing the places however have to be guaranteed by the 31 March each year (ie National Offer Day) as part of the admissions allocation process.

- 5.6.6 The table below shows the forecast shortfall in secondary school places. Secondary school place vacancies along with the forecast future shortfall demonstrate the limited options available to families and pupils in Peterborough:

Academic year	Y7 PAN	Y7	Y8	Y9	Y10	Y11
2016/17	2,664	47	186	302	330	129
2017/18	2,739	-2	27	167	384	330
2018/19	2,919	-59	-22	7	148	384
2019/20	3,069	-136	-81	-43	-13	148
2020/21	3,129	-122	-160	-104	-64	-13
2021/22	3,189	-202	-146	-185	-126	-64
2022/23	3,189	-211	-227	-171	-209	-126
2023/24	3,189	-351	-237	-253	-195	-209

- 5.6.7 This is emphasised further by the table below, which shows the level of shortfall when considering the recommended 5% surplus figure as suggested by the Department for Education in order to provide choice. (to note that despite forecasting showing a shortfall of 86 places below for September 2016 there were 108 vacancies):

Academic year	Y7 PAN	5% Surplus of PAN	Y7	Y8	Y9	Y10	Y11
2016/17	2,664	133	-86	53	168	197	-4
2017/18	2,739	138	-140	-111	29	245	192
2018/19	2,919	146	-205	-168	-139	2	238
2019/20	3,069	153	-290	-235	-197	-166	-5
2020/21	3,129	156	-278	-317	-260	-220	-169
2021/22	3,189	159	-361	-306	-344	-286	-223
2022/23	3,189	159	-370	-387	-330	-368	-286
2023/24	3,189	159	-511	-396	-412	-355	-368

5.7 In Year School Admissions

- 5.7.1 These are applications for a school place outside the normal admissions rounds of starting primary or secondary school. During 2014/15 there were 3,505 applications with 60% being new children to the city. In 2015-16 the figures fell slightly to 3,320 with 54% being new to the city. To mid October 2016, 970 applications were received with new to city being just over 50%. On this latter point, schools notified us of 250 leavers during the summer holidays which overall created a net increase in the school population of 175 children. As a further illustration of the In Year growth and challenge in recent years, the 2015/16 reception cohort was 3,037 children compared to the Year 11 cohort of 2,278.

- 5.7.2 Given the unpredictability of both migration into the city and the number of children who leave the city, meeting the demand for In Year admissions and providing places for children in the area in which they live without having to provide transport is our greatest challenge.

5.8 School Organisation Plan

- 5.8.1 We have some clear objectives in terms of school place planning:

- Offering local places for local children, with the aim to meet parental preference for catchment schools.
- Offering a range of different schools for all parts of the city including community schools, foundation schools, trust schools, faith schools and academies.

- Offering high quality places for children to learn that encourage high levels of achievement.
- Avoiding significant changes to catchment areas.
- Limiting the use of mobile classrooms to areas where demand is temporary.

5.8.2 The 2016 Update to the School Organisation Plan (2015-2020) is attached to this report.

5.8.3 As previously stated predicting school places is very challenging especially in a city where migration is so prevalent, consistent and long established and with no evidence of a change to this. We have increased capacity in primary schools and are holding the position but this does require mitigation by some expansion to appropriate schools and this will also allow for continued in year growth. In the shorter term we must have a contingency for bulge year classes, possibly with temporary accommodation. We are also conscious of the Local Plan and the impact on the rural primary schools from both recent developments and proposed further developments. Some expansion is likely to be required and this is under review as part of the Primary Review.

5.8.4 As a result of the primary growth the significant challenge remains to ensure sufficient secondary school places are provided. We have plans in place to deal with these issues through a combination of new developments at Hampton Gardens and Paston Reserve absorbing additional numbers and expansion of Ormiston Bushfield Academy and Nene Park Academy but further expansions will be required given the forecast figures. Hence funding is sought for creating a further 4 forms of entry.

5.8.5 The table below shows the schemes that were proposed in last year's report to CMT with an update against:

Primary	
New 2 FE at Paston Reserve	A free school bid was submitted by Arthur Mellows Village College in September 2016. A decision is expected March 2017. This school will be on the same site as the Paston Reserve secondary school. It is proposed to deliver both schools concurrently and to open for September 2019
New 1 FE at Roxhill	This school is required to serve 610 housing units. The S106 was signed in October 2016. There is no developer to date. Last year it was estimated that the school could open from September 2019 but this is less likely now.
New 2 FE at Hampton Gardens	A free school bid was submitted by Hampton Academies Trust in September 2016. A decision is expected March 2017. It is proposed to open the school for September 2019. Initial discussions have been held with O&H Hampton, the landowners, and further meetings are arranged for the New Year

Secondary	
1 FE expansion to Jack Hunt Secondary School	The original objective was to open the expanded school from Sept 2017. However delays to the planning application has meant that the opening date has been deferred until Sept 2018
8 FE secondary School at Paston Reserve	The school will be on the same site as the primary school referred to above. Arthur Mellows Village College are to submit a free school bid in March 2017. The intention is to deliver both schools concurrently and for the secondary school to also open on September 2019
2 FE expansion at Nene Park Academy	A full feasibility study to expand the school has now been completed. The objective is to complete the expansion for September 2018
2 FE expansion at Ormiston Bushfield Academy	A full feasibility study to expand the school has now been completed. The objective is to complete the expansion for

	September 2018
1 FE expansion of Thomas Deacon Academy	This is an attractive option for consideration as the school is increasingly popular with local parents for their children
8 FE Secondary School at Great Haddon	It is unlikely that the Great Haddon development of 5,000 houses will require a secondary school until 2021 – 2022 at the earliest. This will be kept under review as information becomes available with regard to the house build

5.8.6 The following additional schemes are proposed:

1 FE expansion of Oakdale primary school	A feasibility study to expand the school by 1 FE has been completed. Expansion will cater for the demand being generated from the new Cardea housing estate. St Michaels school has already been expanded and is full. Persimmon still have more houses to build.
Primary Strategy	A study is presently being completed on every primary school to determine their capacity to expand. The outcomes will then be assessed against the demographic data to ensure any proposals for expansion will be to schools with the demand in the area. 4 additional forms of entry to the most appropriate schools will provide the mitigation to the overall demand.
Secondary Strategy	As a result of the primary growth the significant challenge remains to ensure sufficient secondary school places are provided. We have plans in place to deal with these issues through a combination of new developments at Hampton Gardens and Paston Reserve absorbing additional numbers and expansion of Ormiston Bushfield Academy and Nene Park Academy but further expansions will be required given the forecast figures. Hence, funding is sought for creating a further 4 forms of entry.
Heltwate Special School	It is proposed to build a new school on a new site off Newark Road. This is proposed to involve a land swap with Cross Keys. Feasibility studies have been completed for the proposed new site for the school and for housing on the existing Heltwate site. Confirmation of this scheme will be made once land evaluation negotiations complete in early 2017.
Marshfields Special School	With Heltwate's proposed new school, Marshfields will be the only special school not to have received capital investment. The school has absorbed additional children in recent years without investment and is now short of the specialist spaces required and parts of the site require investment to improve its condition
Free School Special School	A joint PCC/CCC Expression of Interest was submitted to the EFA in November 2016 for a new special school. Its emphasis will be on providing 50 day places with the possibility of some residential accommodation for children with ASD and SEMH (Social, Emotional and Mental Health) needs. Many of these children are presently placed out of county at a high cost.

5.9 Funding for School Capital

- 5.9.1 In 2016/17 the Council has received £1.9m School Condition Allocation Grant and Free Schools Grant of £21.9m to fund the Hampton Gardens project. The Council has not received any 'basic need' funding for 16/17 but had assumed £5.2m for 17/18. The Government have confirmed the Council will received £6.9m basic need funding for 17/18

and £14.7m for 18/19. Further submissions of pupil forecasts have been made for later years and the Council is waiting for confirmation of this future funding.

5.9.2 In light of the additional needs identified in the SOP and the need to minimise the council funding contribution, a full review has been undertaken of our capital programme. The changes to the funding requirements are outlined below:

	16/17	17/18	18/19	19/20	20/21	21/22
	£'000	£'000	£'000	£'000	£'000	£'000
Existing capital programme	40,425	18,508	23,375	13,975	6,058	0
Revised Capital requirements to meet schemes in SOP	31,018	58,065	58,925	21,075	6,267	1,725
Change in funding required (including slippage)	-9,407	39,557	35,550	7,100	209	1,725
Changes in Funding Sources:						
Corporate Resources	-7,460	35,951	20,915	7,147	714	1,267
Removal of grant not receiving	0	-47	-47	-47	-505	0
New grant/grant not built in to future yrs	0	1,706	14,682	0	0	458
S106	-1,948	1,948	0	0	0	0
Total change	-9,408	39,558	35,550	7,100	209	1,725
Additional capital bid (excluding slippage)		28,491	20,915	7,147	714	1,267
Overall revenue impact (slippage and new requirements)	-97	201	1,309	1,895	2,076	2,110

5.9.3 There are a number of assumptions in these figures:

- We have applied all S106/CIL/POIS funding to the 16/17 year to try and reduce the call on corporate capital funding.
- Estimates have been made of S106 funding for developments which will support the costs of building new schools.
- We continue to receive the Schools Condition Allocation grant (circa £2m). 17/18 onwards has not yet been confirmed.
- We have assumed no grant funding for 'basic need' beyond 18/19. We have no certainty around this and would not be prudent to include anything at this stage.

5.9.4 The above figures do not include bids currently made or will be made for funding from the Government for the following projects:

Paston Reserve Primary Hampton Gardens Primary	Application for free school grant to EFA has been made, decision expected March 2017
Paston Reserve Secondary	Application for free school bid to the EFA to be submitted March 2017, decision expected September 2017
Marshfields Special School	EFA to announce a new capital funding scheme for special schools, expected by March 2017
Free School Special School	A joint PCC/CCC Expression of Interest was submitted to the EFA in November 2016 for a new special school

5.9.5 If these bids for funding are successful then the requirement for corporate borrowing will reduce by £44m. This will have the following impact of funding requirements:

	16/17	17/18	18/19	19/20	20/21	21/22
	£'000	£'000	£'000	£'000	£'000	£'000
Additional capital bid as above		28,491	20,915	7,147	714	1,267
Successful grant bids	-1,637	-9,900	-21,052	-11,500	0	0
Revised capital funding requirements	-1,637	18,591	-137	-4,353	714	1,267
Overall revenue impact (slippage and new requirements)	-119	13	616	556	461	495

5.9.5 The largest risk we run in setting budget is around the cost of contracts. Between 2012 and 2015 we saw a minimum increase of 13% in building costs on a like for like basis. Following Brexit uncertainty remains regarding the impact on construction costs but it is reasonable to assume costs are more likely to increase than reduce. There is no factor in these figures for inflation although we continue to push procurement processes to make these savings.

5.9.6 Typically a 1 FE primary expansion, subject to site abnormalities and highway works, would cost between £4m- £5m. A 2 FE secondary expansion, subject to site abnormalities and highway works, would cost between £6m - £8m.

6. CONSULTATION

6.1 The School Organisation Plan (2015-2020) was developed to be regarded as a fluid document which is updated when new information is forthcoming and to be updated annually to reflect and new challenges and how pressures are being met. The purpose of the 2016 Update is to provide that information.

6.2 Primary school and secondary school head-teachers were briefed on 6 October 2016 and 20 September 2016 respectively explaining to them the latest demographic data, demand for school places and specific areas of challenge.

5.3 The People and Communities Extended Departmental Management Team were similarly briefed on 15 September 2016.

6.4 The Children and Education Scrutiny Committee reviewed the 2016 Update to the School Organisation Plan on 14 November 2016.

7. ANTICIPATED OUTCOMES

7.1 The 2016 Update to the School Organisation Plan (2015-2020) will be published on the Council's web site.

7.2 The funding requirements to support the proposals to ensure sufficient school places are delivered have been included in the Medium Term Financial Plan (2017/18 – 2021/22). These proposals were submitted to Corporate Management Team on 16 December 2016 and to Cabinet Policy Forum on 19 December 2016.

8. REASONS FOR RECOMMENDATIONS

8.1 The challenge of meeting the demand for school places remains a constant pressure. Peterborough has the 3rd highest birth rate in the country and one of the highest rates of In Year school admissions in the country. The 2015 – 2020 School Organisation Plan has been reviewed and an Update was submitted to the Creating Opportunities and Tackling Inequalities Scrutiny Committee in November 2016. The demographic forecasts have been updated and a strategy is in place to ensure that Peterborough fulfils its statutory responsibility to provide school places. The 2016 Update outlines how we meet this need.

9. ALTERNATIVE OPTIONS CONSIDERED

- 9.1 Do Nothing – The consequences of not responding to the recommendations will mean that the Council will be unable to provide sufficient school places and will be in breach of its statutory responsibility.

10. IMPLICATIONS

- 10.1 Financial – The capital funding requirements to support the proposals to ensure sufficient school places are delivered have been included in the Medium Term Financial Plan (2017/18 – 2021/22).
- 10.2 Legal – Legal implications are contained within the body of the report.

11. BACKGROUND DOCUMENTS

Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985)

- 11.1 School Organisation Plan (2015-2020)

12. APPENDICES

- 12.1 School Organisation Plan Update 2016

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