

**CHILDREN AND FAMILIES**  
**OVERVIEW AND SCRUTINY COMMITTEE**

**9 SEPTEMBER 2013**

**PROVISION OF SCHOOL PLACES IN LEICESTERSHIRE**

**REPORT OF THE DIRECTOR OF CHILDREN AND YOUNG  
PEOPLE'S SERVICE**

**Purpose of Report**

1. To provide the Overview and Scrutiny Committee with an overview of the current position regarding the provision of Primary and Secondary School places in Leicestershire, and seek comment on the challenges ahead.

**Policy Framework and Previous Decisions**

2. The Education Act 1996 places a statutory duty on the Local Authority (LA) to:
  - (a) ensure a sufficient supply of school places with a view to securing diversity of provision and increasing opportunities for parental choice;
  - (b) exercise it's education functions with a view to promoting high standards.

More recently the LA's duties have been re-enforced in 'The Importance of Teaching – The Schools White Paper 2010' as champions for parents, families and vulnerable pupils, requiring that the LA promote educational excellence by ensuring a good supply of high quality school places, and co-ordinating fair admissions. This has resulted in a shift of emphasis in terms of school place planning, requiring more detailed consideration of the performance of schools and parental preferences when making decisions, set alongside the more practical considerations of cost, school locality and the availability of space to expand.

3. The Education and Inspection Act 2006 also makes changes to the arrangements for the establishment of new schools, with a presumption that any such schools will be Academies or Free Schools, secured if necessary through a competition.
4. The Overview and Scrutiny Committee previously considered, on 3 October 2011, the impact of Academies in relation to educational provision in Leicestershire schools. More recently, on 11 June 2012, the Committee have specifically considered the changing role of the Local Authority in relation to meeting future demand for school places in the context of the legislative change.

**Background**

5. As a consequence of new legislation, the educational system in Leicestershire is now undergoing substantial organisational change. The majority of secondary schools (95%), and a proportion (30%) of primary schools, have now converted to academy status or will soon do so, and by the end of this year, even more will have left the control of the local authority.
6. Coupled to the academies agenda, many schools have subsequently sought to progress age range changes to give either 4-11, 11-16 or 11-19 status, with sixteen schools (11 Secondary and 5 Primary) having received DfE approval for September 2013 or September 2014 change, and several others expected to follow shortly e.g. Brockington College, Roundhill College.
7. To add to this momentum of change, other types of secondary provision, for example Studio Schools have started to appear in Leicestershire, and from next year FE Colleges will be entitled to admit students from the age of 14.
8. The net effect of this change has been to enhance significantly the diversity and choice in our schools, but at the same time this has introduced an element of competition within the secondary sector which is expected to help promote improved standards.

**The statutory role of the Council**

9. The Council retains a statutory duty to ensure that sufficient school places are available within its area for every child of school age whose parents wish them to have one. This ensures that we are able to promote diversity, parental choice and high quality educational standards, to ensure fair access to educational opportunity and to help fulfil every child's educational potential.
10. There are well established and effective practices in the Council for the provision of additional school places, but these will need to be reviewed in the light of the above change, to recognise that there are new options that exist to satisfy increased demand; for example through the extension of academies or provision for Free Schools.
11. In the context of this change, the Council is therefore no longer a direct provider of places but a commissioner of them, taking on the role of promoting, enabling and influencing (through partnership and collaboration) the development of local solutions. This is firmly in keeping with the strategic aims of the Children and Young People's Service, and the findings of the Internal Audit of School Places conducted in December 2012, and the recent independent assessment of the Council's procedures, undertaken as part of the School Development Support Agency (SDSA) research project on school admissions and place planning.
12. The Government's changes have a significant impact on how the LA fulfils its statutory duty to ensure a good supply of high quality places are provided, with greater emphasis on the consideration of school

performance and parental preferences to identify suitable solutions. Rather than actively managing over-provision of places or identifying an existing local school to receive additional capital, the new responsibility is to ensure that, where new places are needed, the schools 'market' is stimulated to meet demand. In this context the LA will seek to avoid expanding schools that are not performing well, and where a suitable high attaining school cannot therefore be identified, the LA will invite other proposers to come forward, if necessary using a competition process to find the best solution.

### **Overall school demand and capacity**

13. The current number on roll in Leicestershire schools (including academies) is 94,356. This equates to 48,309 pupils in primary schools, 45,110 in secondary schools and 937 in special schools. Overall in the last academic year, to keep pace with increased births and housing development, the number of primary pupils increased by 798 (1.65%), and in secondary schools the number of places increased by 702 (1.56%).
14. Data for 2012/13 shows that there are currently 5,915(11.6%) surplus places available in Secondary Schools and 4,000 (7.65%) surplus places available in Primary Schools. To meet the forecast increase in primary age pupils there are plans to increase the number of primary places by 459 in 2012/13 with a further 270 proposed for 2013/14. This figure does not include any academy increases that have not yet been notified to the LA.  
Up until 2011, central government would penalise any LA having too many surplus school places but this is no longer the case and surplus places are now perceived as giving greater choice for parents and children.
15. Overall it would seem, therefore, that Leicestershire has sufficient school places across the county; however, the challenge is to have sufficient places in the right areas and the right schools. This means that in a particular locality there would continue to be a justified need stemming from a particular development for which a contribution would be sought if a shortfall in education provision was demonstrated.
16. In terms of provision for special educational needs, the development of the four area special schools (including the latest replacement for Ashmount in Loughborough, which is due for completion early next year), has so far helped the County Council to keep pace with demand. However there is a longer term trend towards increased demand which has necessitated extending capacity in the area special schools, and the satellite provisions based in units in mainstream schools. It should be noted that there is one area special school to be developed in the Oadby and Wigston area, to complete the area special school programme (at present there is no capital funding for this).

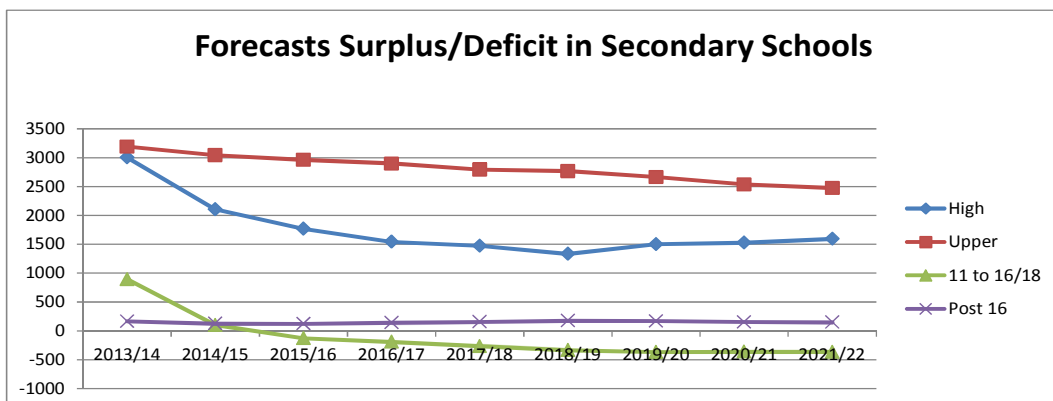
### **The Position in Secondary Schools**

17. The current capacity in Secondary Schools is 51,025 places. The numbers on roll are forecast to rise to 47,177 in 2021/22 which will leave 3,848 surplus places (7.5%), possibly more as additional capacity

currently being created in 11 – 16/19 schools and academies becomes available. The table below shows the breakdown of the position by category of school. The forecasts include pupils expected to require provision as a result of housing gains from developments with planning permission, but not those developments at an earlier pre-permission stage of the process.

Type	Capacity	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22
High	20559	17559	18457	18791	19019	19086	19227	19060	19032	18967
Upper	18672	15481	15630	15711	15774	15879	15905	16009	16135	16198
11 to 16/18	11154	10263	11054	11282	11345	11419	11491	11523	11517	11520
Post 16	640	474	516	519	499	485	466	471	486	492
<b>Total</b>	<b>51025</b>	<b>43777</b>	<b>45657</b>	<b>46303</b>	<b>46637</b>	<b>46869</b>	<b>47089</b>	<b>47063</b>	<b>47170</b>	<b>47177</b>
<b>% Increase or decrease from Previous Year</b>		<b>-3.04%</b>	<b>4.29%</b>	<b>1.41%</b>	<b>0.72%</b>	<b>0.50%</b>	<b>0.47%</b>	<b>-0.06%</b>	<b>0.23%</b>	<b>0.01%</b>

18. Analysis of data indicates that there is an overall surplus of secondary school places available across Leicestershire. However, it is of interest, as illustrated in the table below, that there is forecast to be a deficit in 11-16/18 schools by 2015/16. This is due to complex factors relating to age range changes, for example due to admission changes, managing pupil numbers through transition, and housing development. In most cases, each academy has plans in place for extensions to accommodate the extra pupils. The graph below shows the forecast surplus/ deficit of places by type of school.



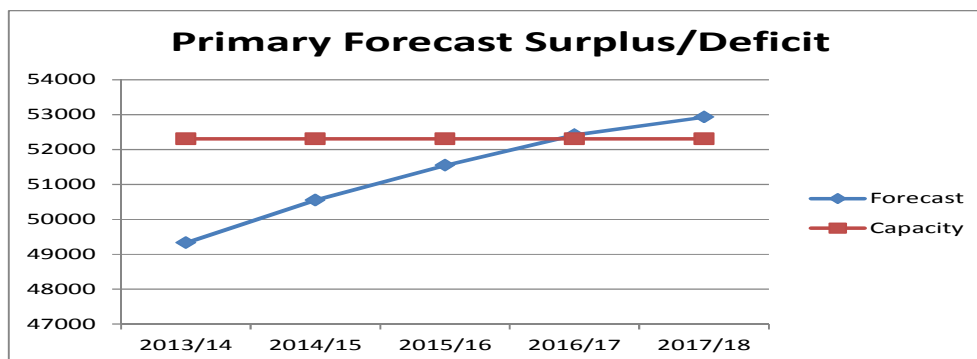
19. Apart from schools with age range changes, forecast deficit of places are limited to popular and oversubscribed schools, for example Ashby School and Beauchamp College or those where there is a considerable amount of housing gain, such as in Market Harborough, for which S106 monies are held or awaited.
20. The overall figures do not show that at a local level in some areas of the County, most notably Loughborough, Wigston and Birstall, there are significant surpluses in some upper schools, above the 25% threshold at which a school would become a source for concern in terms of the school's ability to effectively plan and deliver the curriculum, and it's longer term financial viability.

### The position in Primary Schools

21. The current capacity in Primary Schools is 52,309 places. The number on roll is forecast to rise above the available capacity to 52,928 in 2017/18 which would leave a shortfall of 619 places (-1.18%). The table below provides an overview of the position within each District. Once again, the forecasts include pupils from housing gains from developments with planning permission, but not those that have not progressed this far.

District	Capacity	2013/14	2014/15	2015/16	2016/17	2017/18
Blaby	7776	7726	7932	8047	8192	8266
Charnwood	12631	11697	12047	12286	12562	12800
Harbrough	7235	6779	6914	6992	7114	7167
Hinckley & Bosworth	8106	7753	7993	8201	8373	8454
Melton	4158	3697	3751	3791	3823	3834
North West Leicestershire	8026	7390	7559	7817	7960	8028
Oadby & Wigston	4377	4285	4352	4412	4396	4379
<b>Total</b>	<b>52309</b>	<b>49327</b>	<b>50548</b>	<b>51546</b>	<b>52420</b>	<b>52928</b>
<b>% Increase from previous year</b>		<b>2.11%</b>	<b>2.48%</b>	<b>1.97%</b>	<b>1.70%</b>	<b>0.97%</b>

22. The graph below further illustrates the expected surplus and deficits in Primary schools over the next few years.



23. Appendix A attached provides details for the primary phase for each of the seven Leicestershire Districts, an analysis of current pupil numbers, and expected change in demand for the period 2013/14 to 2017/18. A brief narrative is also provided of the key challenges and potential solutions for providing additional places in each District. The analysis takes account of a number of factors, including; population growth; and demographic trends related to housing growth. In terms of housing it takes account of known development where approved planning consents have been given.

### Meeting demand for future school places

24. There are normally three basic factors that influence the need for additional school places:
- i) New housing developments, their scale, and the speed at which they progress.

- ii) Natural demographic change in the population, arising from population movement, increased births etc.
  - iii) The popularity of successful schools, or conversely a decline in popularity for schools with long term performance issues.
25. Set alongside the above, there are several other factors, at a national and local level, and some quite significant, that will have a bearing on the future planning of school places. These factors are considered in the following paragraphs.

### **The Challenges ahead**

#### **Capital Funding (Basic Need)**

26. The amount of capital funding allocated to the Local Authority by the DfE has been significantly reduced in recent years. The allocation in 2011/12 for basic need was £8.79 million, reducing to £8.13 million for 2012/13. For the combined years 2013/14 and 2014/15 the allocation has been cut to £6.89 million overall i.e. an average of £3.445 million each year. This reduction will bring added pressure in terms of meeting the need for new school places, and place greater emphasis on the identification of affordable and sustainable solutions. In the short term any proposals for new school builds would be seriously constrained unless additional funding could be obtained (by the LA or a proposer) direct from the DfE in order to make their development a viable proposition.

#### **Section 106 Contributions**

27. Developer contributions for new school places are normally secured through planning obligations, which are also known as Section 106 agreements. These agreements are negotiated between the planning authority (normally the District Council) and the developer. The process requires the justification by the County Council for the need for additional school places generated as a consequence of the new development by applying legal tests that sets out why it is necessary to make the development acceptable in planning terms, that it directly relates to the development and that it is reasonably related in scale and kind to the development. The developer would normally be required to provide a financial settlement to fund the required school places at specific schools named in the S106 agreement.
28. The Community Infrastructure Levy (CIL) provides for a new mechanism for developer contributions. Where local planning authorities have adopted a core strategy they can choose to adopt a CIL charge within their area. The CIL will be set at a level based on the gap in funding to provide infrastructure identified to service the planned new development, provided it does not affect the viability of those developments. School place planning will need to ensure that where particular needs have been identified as a consequence of planned development then a specific project is identified on the CIL infrastructure list. However in many circumstances this may not be possible in which case it may be preferable to continue with S106 contributions.

29. Where age range changes are introduced there may be requirements to direct S106 funds to specific schools. Where viability of a development may arise for example in the case of brownfield development where there are exceptional cost incurred in realising development, then a developer may submit a viability assessment to the local planning authority which is normally independently assessed. This might mean developer contributions are reduced and in a recent case in Hinckley and Bosworth Council, a housing developer in negotiation with the District reduced the full level of contributions including the education contribution. However it should be expected that in these exceptional circumstances that the opportunity is afforded to the County Council to determine our priorities for the contributions.

#### Impacts of Age Range Changes

30. When academies propose age range changes they will seek consent directly from the Department for Education (via the Education Funding Agency). In this context the LA will be consulted and invited to make comment on the proposals for age range change, by the EFA, but is not the decision maker as to whether such change should proceed or not. As a general principle the Local Authority welcomes schools proposing age range changes. Making such changes, where carefully planned by schools, and supported by their communities, has the potential to improve standards and widen choice for parents/pupils. However, making such changes serve to increase the number of surplus places in secondary schools, in particular Upper Schools. There is a serious concern about the likelihood of an Upper School failing due to viability issues created by age range changes. This is in part due to the DfE requiring Leicestershire to recognise school reorganisation within its funding formula, so as to fund schools expanding as a result of age range changes from the point of change and, reduce funding for schools with associated falling rolls., This will mean that not only will Upper Schools have a significant decline in numbers, they will have little time to adjust resources to plan for that reduction and may become financially vulnerable, which in turn may have a detrimental impact on school performance.
31. In addition the forecasts include the assumption that the post 16 transfer rates will stay at the same level as previously. This may not be the case if pupils no longer have allegiance to a school that they have not attended from an earlier age, and chose alternatives elsewhere. This is at the same time as funding rates for post 16 are being reduced nationally.
32. The impact from age range changes may also be manifest in schools other than the group immediately affected. For example any change in the Ashby area may affect Coalville or Shepshed Upper Schools rather than Ashby itself given that Ashby School is over subscribed.
33. Usually schools proposing age range changes will also seek to reduce their admission number (at year 7) to accommodate additional year groups. In certain circumstances, this could give rise to a situation where there are insufficient KS3 places within the locality. The recent pre-consultation at Kibworth High School serves to highlight this concern. In this particular instance, displaced pupils would have been expected to

move to other schools nearby, however the primary schools in Oadby are practically full (and operate to a different age range) and the alternative option would be Market Harborough, which if acceptable to parents/pupils, could incur extra transport costs.

#### New types of provision

34. New types of educational provision, where strategically influenced by the Local Authority, provide the potential to help meet future demand for school places; this could be of particular benefit to finding solutions for Primary schools. However, at present most of the new provision has occurred in the secondary sector, whilst therefore widening opportunities for learners, their impact in the context of planning school places, has been less helpful. The current position in terms of new types of provision is as follows:

a) **Free Schools**

These are all-ability state-funded schools set up in response to local demand. There are presently none in Leicestershire; however, there has previously been an expression of interest in providing a secondary free school in Market Harborough.

b) **Studios Schools**

Studio Schools are designed for 14-19 year olds of all abilities. They are generally small schools, working closely with local employers, to offer a range of academic and vocational qualifications, as well as paid work placements linked directly to employment opportunities in the local area. There are two Studio Schools open in Leicestershire, the Stephenson Studio School in Coalville (opened in 2011) and the Midland Studio College in Hinckley (opened in October 2012). A further Studio School: the Sir Frank Whittle Studio School in Lutterworth, is due to open in September 2014.

c) **University Technical Colleges (UTC's)**

UTC's offer 14-18 year olds; full time, technically-oriented, courses of study. They are sponsored by a university and are sub-regional, taking students from a wide geographical area. The Leicester and Leicestershire Enterprise Partnership has recently commissioned a feasibility study (via the Leicester City Council) to ascertain the potential to establish a UTC in Leicester, but no further details are yet available.

#### Transport Policy Changes

35. The recent agreement by Cabinet to introduce a change in charges for post 16 and denominational transport will have effect on many secondary schools, although the possible impacts in each case are not predictable.

It is expected that the longer term consideration of changing transport policy to move from a catchment entitlement to a nearest distance entitlement i.e. nearest school having a place, could dramatically affect the distribution of pupils in the county. This may be particularly so for Upper Schools, which by their nature cover wider catchment areas.



Impact of Sustainable Urban Expansions (SUE's)

36. Nearly all of the Districts have proposals for SUE's within their Core Strategy. Some, for example the Lubbethorpe development have planning consent and are close to starting work on site, whereas others, as is the case for the Melton SUE have gone back to the drawing board. In all cases the SUE proposals make adequate provision for new primary/secondary places, delivered through new school builds or extensions to nearby schools.
37. The challenge that SUEs present in terms of planning school places is that there is a lack of clarity about the scale and speed of development (which is driven by the economy and housing market), and at what point new schools will be built. Having effective transition arrangements to manage pupil numbers during the early years of construction is of paramount importance. In the short term this will mean finding solutions for pupils from new housing to be absorbed in nearby schools, and ensuring that where these need to be extended sufficient funds are available for this.

**Key Areas for Action**

38. In the context of the challenges set out in this report, three key areas for priority action have been identified;

Strategic Planning

39. The statutory requirement for LA's to have a strategic plan for school organisation was removed in 2008. If the LA is to successfully deliver and influence the provision of new school places in the changing environment, then a strategic plan is necessary to set out our expectations for growth/demand, policy drivers and preferred solutions.

Shortfall of Primary places

40. Appendix A shows that in terms of primary places, there are distinct pockets of need, and some quite immediate, arising from increased births, planned new housing development and demographic change. This is particularly so for the Blaby District, where there is a serious shortfall of places within the Braunstone area, and Hinckley and Bosworth, specifically emerging issues within Hinckley town. Options are now under investigation in each case, with a view to having early solutions in place.

Surplus places in Secondary Schools

41. Early conversations are necessary with certain secondary schools, their governors, the DfE and EFA to identify suitable strategies to address the impacts of falling student numbers. It should be noted that nearly all of these schools are academies.

Schools capacity data (SCAP) and build costs

42. In 2012 the DfE introduced a new process for obtaining the annual school capacity data from LA's. As part of this process the DfE

confirmed that future basic need capital allocations to LA's will be based on an agreed allocation per pupil. The unit allocation figure provided by the DfE for 2013/14 is £5,079 per pupil, which is significantly less than the current per pupil build costs used by the LA. This will therefore require that in order to close the gap, and for the LA to make effective use of basic needs funding/ to ensure best value, the LA (CYPS and Corporate Resources – Property Services) will need to explore ways of reducing costs, for example reviewing the specification for building works, looking at temporary building solutions, or seeking to re-negotiate build costs with contractors. As part of the changes made by the DfE, from 2013/14 they have also introduced a monitoring system requiring local authorities to record and report where additional school places have been created and their cost.

### **Resource Implications**

43. The development of a school place planning strategy and potentially managing the process (and possibly competitions) for new schools will be resource intensive. In the short term this requirement will be met from the re-allocation of officer time and non staffing costs from within existing resources. Whilst there are therefore no immediate additional resource requirements, longer term there will be a need for both additional revenue and capital resources.
44. Until such time as the capital allocations for 2015/16 and beyond are known, it is difficult to quantify the shortfall in funding. However, there is presently no specific budget identified for the longer term implications of this work, for example the cost of the competition process, should this become a routine occurrence, and set up costs for new schools; this will be dictated by the speed of demand for additional places. An assessment of future demand, as the new school place planning model matures, need to be considered as part of the County Council's Medium Term Financial Strategy (MTFS).
45. In the event of closure of a LA maintained school, any deficit on a school budget plus any costs of closure such as redundancies, decommissioning buildings etc would revert to the local authority. A one off provision exists with Dedicated Schools Grant to help the County Council to meet some of these costs.

### **Equal Opportunities Implications**

46. The underlying purpose of developing new school places should be to improve standards for all children and young people, and to offer greater choice and diversity of educational provision. All schools are encouraged to undertake an Equality Impact Assessment as part of any proposals for organisational change. Any strategic plan adopted by the Council in due course, will be subject to the Public Sector Equality duty to have due regard to the need to eliminate discrimination, advance equality of opportunity and, foster good relations between persons who share a relevant protected characteristic and persons who do not.

**Risk Assessment**

47. The risks to the County Council arising from increased demand for school places are kept under regular review by the CYPS School Admissions and Pupil Services team; and for matters relating to wider organisational change by the Head of Strategy for Education Sufficiency.

**Conclusions and Next Steps**

48. The County Council has robust and effective arrangements in place for the planning of school places, as confirmed by independent assessment, but recognises that the education environment is now changing quite dramatically, and needs to keep pace with this
49. In the context of the above, whilst the LA maintains a statutory role for the provision of a strong supply of high quality school places, the reality is that within the evolving market, our degree of influence has diminished. Whilst the change underway has capacity to raise standards, if not carefully managed between the LA, the DfE /EFA, academies and maintained schools, it could serve to de-stabilise the educational system, to the point where the viability/sustainability of some schools could become a critical issue. The actions set out in this report are intended to mitigate against this, and to ensure that the LA continues to have a strong strategic influence.

**Circulation under the Local Alert Issues Procedure**

50. None

**Background Papers**

- Academies Act 2010 and Education Act 2011
- Report to Cabinet 12 June 2012 – Policy on the Provision of New School Places
- Report to CYPS Overview and Scrutiny Committee 21 January 2013 – Medium Term Financial Strategy 2013/14 to 2016/17
- Reports to CYPS Overview and Scrutiny Committee 3 October 2011, Academies in Leicestershire and, 11 June 2012, Policy on the Provision of New School Places
- Academy, Free Schools and Studio schools guidance, and guidance relating to the establishment of new schools on Department for Education website [www.education.gov.uk](http://www.education.gov.uk)

**Officers to Contact**

Lesley Hagger, Interim Director of Children and Young People's Service  
Tel 0116 265 6300 email: [lesley.hagger@leics.gov.uk](mailto:lesley.hagger@leics.gov.uk)

Gill Weston, Interim Assistant Director Education and Learning, Children and Young People's Service  
Tel 0116 305 7813 email: [gill.weston@leics.gov.uk](mailto:gill.weston@leics.gov.uk)

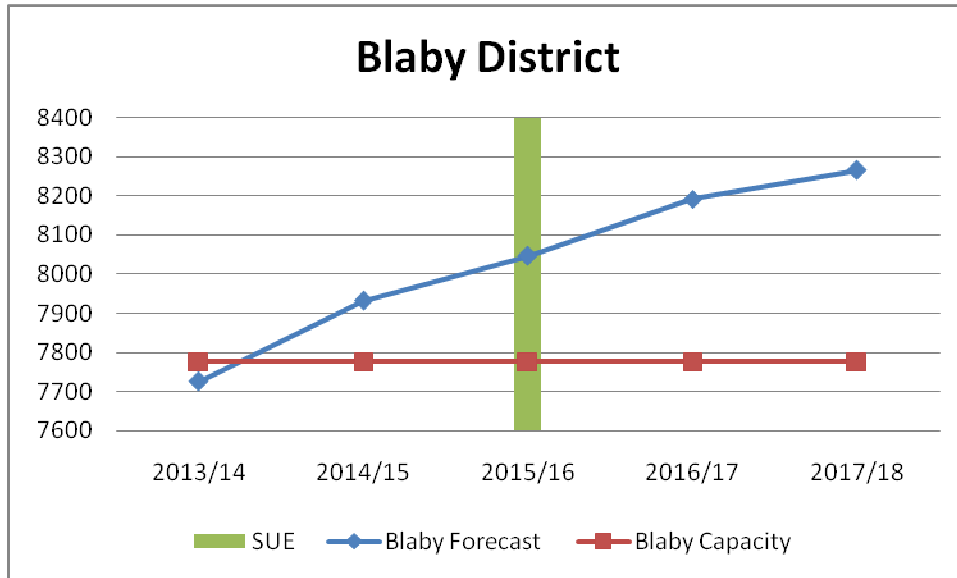
David Atterbury, Head of Strategy (Education Sufficiency) Children and  
Young People's Service Tel 0116 305 7729 email:  
[david.atterbury@leics.gov.uk](mailto:david.atterbury@leics.gov.uk)

### **Appendices**

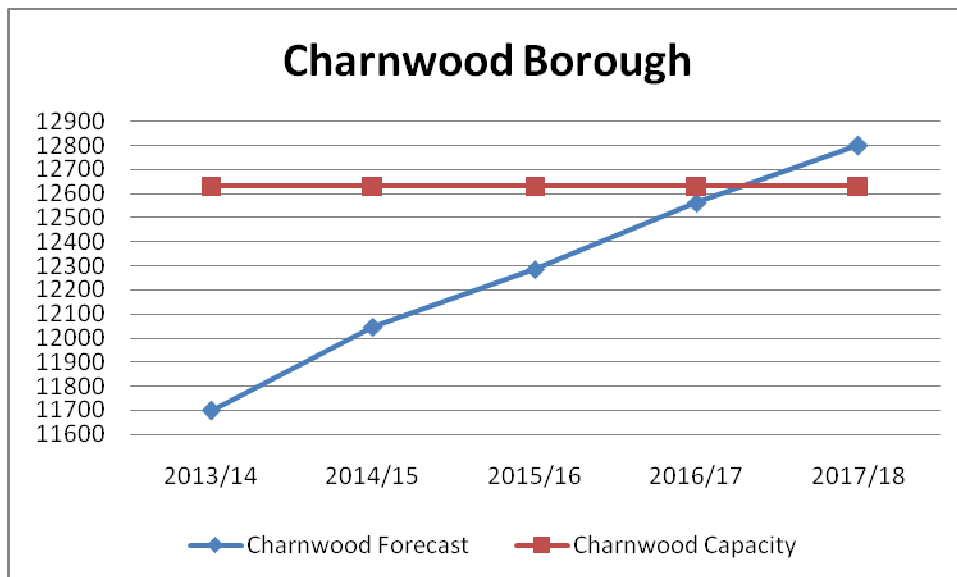
Appendix A Tables showing forecasted provision for primary places in  
each District 2013/14 to 2017/18.

**PRIMARY SCHOOL FORECASTS BY DISTRICT**

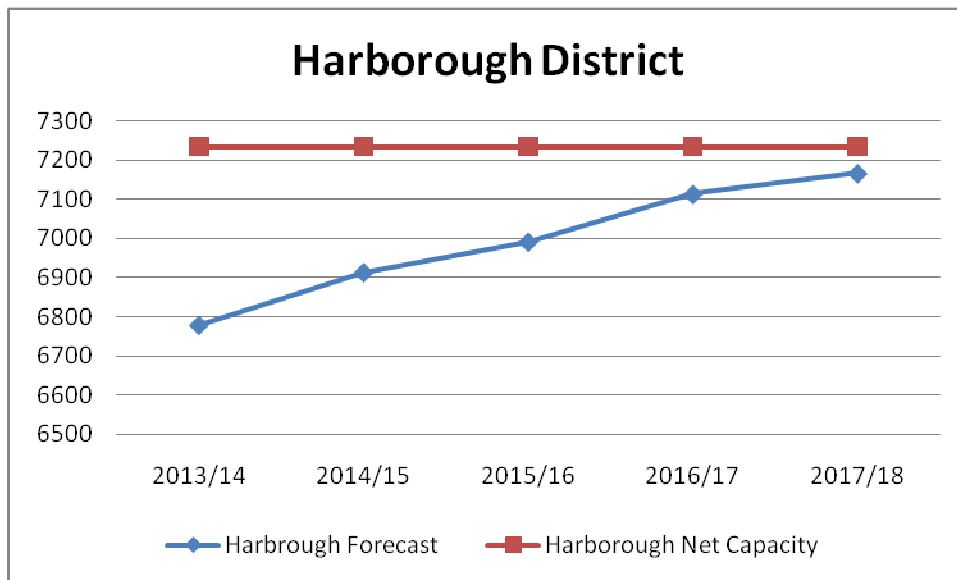
Forecasts include pupils for developments with planning permission. The horizontal scale indicates units of 100 pupils. The vertical banding indicates where planning permission for respective Sustainable Urban Expansions (SUE's) has been granted and the point at which they are expected to commence.



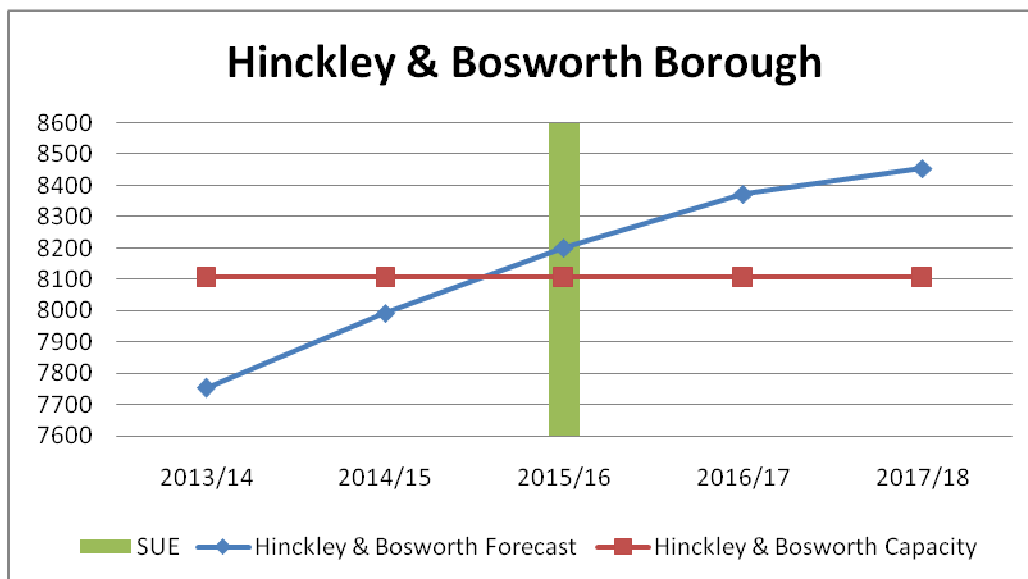
The S106 for the Lubbethorpe SUE(4250 homes) is in the process of being agreed and includes the provision of 2 new primary schools. The widening gap indicated between capacity and pupil numbers is largely attributable to Braunstone, but also demographic change in Kirby and housing growth in Leicester Forest East and Countesthorpe.



The North West Loughborough SUE(3,000 homes) and Thurmaston SUE(4,500 homes) will provide two new Primary Schools for each development. It is anticipated that an outline planning application will be submitted for the Thurmaston SUE in late 2013.

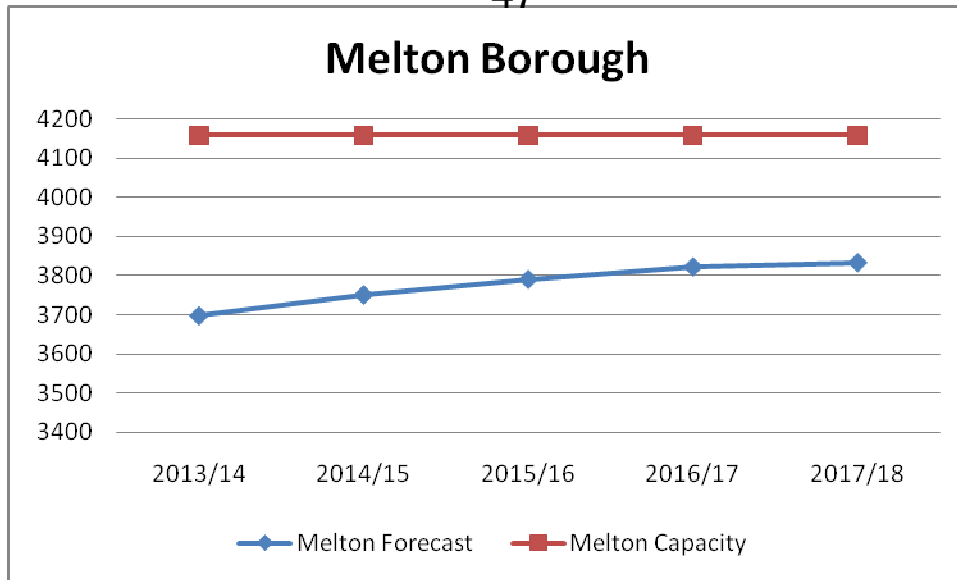


A planning application has been submitted for Airfield Farm, Market Harborough SUE(1,000 homes), however a review is underway as to the exact number of dwellings the SUE will contain, and when these will commence.

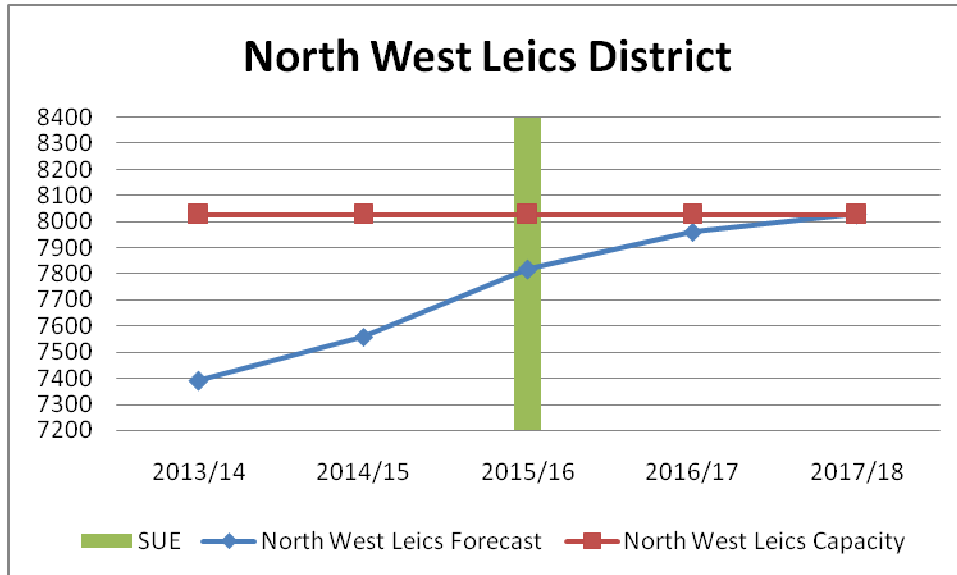


The Barwell SUE(2,500 homes) and Earl Shilton SUE(1,600 homes) will provide one new Primary School for each development. The Barwell SUE has been granted planning permission. It is anticipated that a planning application will be submitted for the Earl Shilton SUE in late 2013.

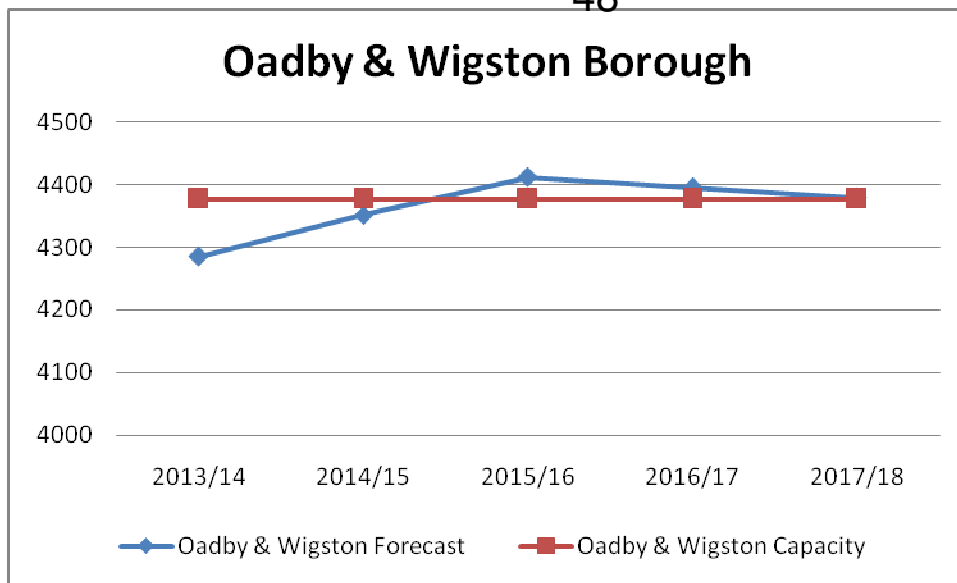
The gap indicated between capacity and forecast pupil numbers largely relates to Hinckley town centre, but there are also emerging issues in Barwell and Earl Shilton.



The proposed location of the SUE((1,000 homes) is being reviewed following the Inspectors rejection of the Salford Road site.



Planning permission has been granted for Phase 1 of Bardon Grange, Coalville SUE(3,500 homes), this includes the provision of a new Primary School . A planning application has been submitted for the Castle Donington SUE(975 homes) but has not yet been determined, this also includes provision for a new primary school.



There is no SUE allocation for this area.