

The Cabinet – 12 December 2007

Report of the Director of Children's Services

Investing in the Future - Transforming Secondary Education

Purpose of Report

1. Dudley is preparing for inclusion in the national programme Building Schools for the Future (BSF). BSF is the largest ever capital investment programme for schools and is intended to transform the outcomes of secondary education for young people through the creation of world class schools fit for 21st century. Successful inclusion for Dudley will result in capital investment in excess of £200 million from 2010.
2. The report:
 - Summarises progress made with these preparations;
 - Seeks endorsement of the draft Strategy for Change as a basis for further discussion with the Department for Children, Schools and Families (DCSF) and;
 - Seeks the essential resources required to project manage the programme successfully.

Background

3. In 2003 the Department for Education and Skills (DfES) announced Building Schools for the Future, the largest ever capital investment programme for schools. BSF aims to transform the outcomes of secondary education for children and young people through the creation of world class schools fit for 21st century learning. Dudley along with many other local authorities submitted an expression of interest in taking part in the initial stages of this 15 year programme.
4. In early 2004, the DfES announced the first group of four pathfinder local authorities and the ten Wave 1 authorities. The DfES concentrated on local authorities with:

- low standards of attainment at GCSE;
- high levels of deprivation;
- intervention following a poor inspection report;
- a large number of secondary schools

Dudley's prospects for inclusion in the first Waves were therefore not high.

5. In February 2005, Dudley received indicative information from the DfES that inclusion was likely to be in Wave 7 (2010/11), Wave 8 (2011/12) or Wave 9 (2012/13). The letter made clear that this was indicative only and would be subject to meeting the relevant criteria and approvals. There are about 66 local authorities already in the BSF programme including Birmingham, Wolverhampton and Sandwell. From the experience of local authorities already in the BSF programme, Dudley's inclusion will be dependent on being able to demonstrate a clear and effective strategy for transforming secondary education across the Borough and the capacity to deliver.
6. The DCSF has recently announced a review of the BSF programme to date which provides an opportunity for local authorities to revise their strategies. Dudley is taking full advantage by ensuring that its emerging strategy takes full account of the long term aims to transform the Black Country into a better place to learn, live and work. For Dudley to take advantage of these new opportunities it is essential that all children and young people gain the skills, knowledge and qualifications required for training and employment.
7. Dudley has been engaged with developing an emerging strategy since early 2005. Preparations have accelerated following an event at Himley Hall on 11 June with secondary schools, colleges, the Learning and Skills Council (LSC), other Council Directorates, and other partners including health. The programme described the timetable and process and posed a series of key questions that will need to be resolved within the strategy. Schools and partners were challenged to work in collaborative groups based on townships to address the key questions and generate local approaches to the strategy. Children's Services have facilitated these discussions and developed the draft strategy to date through regular interaction with individual schools, townships groups, Area Committee, Select Committee, MPs and councillors, partner meetings such as Clinical Forum and trade union secretaries. To date there have been around 30 facilitated meetings. Additional meetings have been arranged by schools that have not been facilitated by Children's Services. Overall, there has been consistent support for engagement in the TSE programme and a set of principles is beginning to emerge (see paragraph 19).
8. Arrangements will be made to consult further with Area Committee and select Committee in spring 2008 on the draft Strategy for Change.

9. The draft Strategy for Change will be discussed with the DCFS early in 2008 to ensure that Dudley's approach will meet requirements and avoid delay in implementing the programme. Dudley will be asked to submit a final Strategy for Change following announcement of Dudley's inclusion in Wave 7. It is anticipated that the DCSF will announce Wave 7 local authorities in autumn 2008 with a requirement to submit the final Strategy for Change in spring 2009.
10. Any proposal to change the size, status or location of a school will require the local authority to follow the process described in legislation and guidance. A full programme of public consultation on the Strategy for Change will be carried out following Dudley's inclusion in Wave 7. It is anticipated that this will be during late autumn 2008 and spring 2009. Consultation will also be required for individual school proposals in Dudley's first phase of proposals. It will be essential to phase the proposals to manage the process effectively and ensure that there is sufficient capacity within the local construction industry to deliver the volume of work required in each phase.
11. The government target to establish 400 academies in England is now central to the BSF programme. Local authorities are strongly encouraged to include one or more academies in their BSF programmes to ensure diversity. Academies were proposed initially to replace failing schools in urban areas where previous initiatives had not achieved sustained improvement. Academies were resisted in Dudley because secondary schools have consistently performed above the threshold of qualification to become an academy and there have been concerns about the potential impact on other schools particularly those most likely to be affected in the local area. The academies position has changed in recent months in three key areas:
 - The government is prepared to consider any secondary schools where in 2006 fewer than 30% of pupils gained 5 or more GCSE grades at A*-C including English and mathematics.
 - Academies are expected to play a full role in the family of schools in each local authority. Dudley would expect any local academy to enhance the opportunities for all pupils in the borough in the same way as every other secondary school though their specialist status and collaborative working.
 - Universities and locally committed sponsors are expected to add value to the development of an academy by making a significant contribution in cash and kind.
12. There are three significant advantages to including an academy in the draft Strategy for Change. These are:
 - An academy can start before the main BSF funding is available which means that Dudley people will begin to benefit earlier.
 - The capital is made available as a one-off capital grant with no financial

liability to the Council.

- The Strategy for Change is very much more likely to be approved by the DCSF.

Based on the experience of local authorities in the BSF programme there is a significant risk of Dudley's programme failing to gain the relevant approvals if no academy is included.

13. The DCSF website www.standards.dcsf.gov.uk/academies describes academies as publicly funded independent schools that provide a first class free education to local pupils of all abilities. They are all ability schools established by sponsors from business, faith or voluntary groups working in highly innovative partnership with central government and local education partners e.g. Dudley schools. The DCSF meet the capital and running cost for the academy in full.
14. The statutory basis for academies differs from that of Dudley schools. Academies are established on the basis of a Funding Agreement signed by the Secretary of State and the sponsor. It is essential that details of admission arrangements, provision for pupils with special educational needs, staff, pay and conditions, collaborative arrangements with other providers and all other relevant areas, are fully described in the Funding Agreement. It is also essential that the selection of a sponsor (or sponsors) is based on commitment to these principles.
15. The Strategy for Change must address a series of criteria as part of the approvals process followed by DCSF, Partnership for Schools (appointed by DCSF to support the implementation of the BSF programme) and HM Treasury. The range of criteria was made available at the 11 June event and has been shared widely. In summary the Strategy for Change must demonstrate:
 - Base line analysis of the local authority and its context (the Black Country strategy is a key factor in developing Dudley's Strategy for Change.);
 - Effective place planning based on schools of sufficient size to meet local demand for places. (In January 2007 Dudley has 20,860 places in its secondary schools with 20,038 pupils on roll. As the lower numbers of children currently in primary schools work their way into secondary schools the anticipated demand for 11 – 16 places will fall to just over 18,000. The DCSF receives annual returns from every authority and will not approve capital investment resulting in excessive over provision.);
 - Transformation in outcomes for children, young people and their families (this includes educational attainment, personal development, health outcomes and programmes to ensure that all learners can acquire the relevant skills, training and qualifications to secure employment.);
 - Inclusion of all pupils particularly looked after and other vulnerable groups,

- those with special educational needs (SEN) in mainstream secondary schools, special schools or other settings;
- Extended provision beyond the traditional school day (this may include access for young people and their local communities for additional hours throughout the year. There are opportunities to improve access to public services such as leisure, information and e-access.);
 - Schools and other providers working collaboratively to ensure that the universal, targeted and specialist services that young people need are provided effectively;
 - Value for money both in capital investment and in the revenue costs of provision, (investment proposals should also demonstrate links with other funding streams such as Primary Capital Programme, Basic Need, and School Access Initiative.).

Other additions to the Strategy for Change will contain more detailed information and will form the basis of the Outline Business Case and subsequent procurement documentation. It is anticipated this or similar documentation will be required from late 2009 onwards.

16. In addition to the Strategy for Change Dudley will be required to submit a statement of readiness to deliver. This will need to demonstrate commitment by the Council and other stakeholders such as health and sufficient capacity to deliver in terms of personnel, time and financial resources. The DCSF do not provide start up or project management funding for BSF proposals.
17. Dudley has already taken a significant step in demonstrating readiness. In June 2005, Cabinet approved project governance and management arrangements. In summary:
 - a) the governance and management arrangements require a project board with Chief Executive, Directors of Children's Services, Finance and Law and Property. Following inclusion in the national programme it is anticipated that representatives will also be nominated by DCSF and Partnership for Schools,
 - b) Project Management arrangements will include Assistant Directors from each Directorate and relevant partners e.g. Dudley PCT, and
 - c) Dedicated resource described in paragraph 26
 - d) Individual school based project teams.

These arrangements will be fully detailed in the TSE project Plan.

Proposals

18. All schools with secondary age pupils are eligible for capital investment. This may involve complete replacement, refurbishment, extensions or combinations of all three. It is not possible to determine whether it is more cost effective to

replace, remodel, refurbish or extend schools until more detailed option appraisals have been completed. This process requires significant time and resource (please see section on finance).

19. The principles emerging from consultation so far can be summarised as:

- All providers to work together to improve outcomes for children and young people across the whole range set out in Every Child Matters
- All providers will work together and contribute to learning in Dudley.
- Provide for comprehensive, integrated childcare and education.
- Deliver the children's workforce development agenda.
- Secure borough wide inclusion by meeting the needs of all learners in the most appropriate setting to meet their needs.
- Raise standards through improved teaching and learning.
- Empower learners through greater personalised learning and choice.
- Establish a network of pathways and access points for the provision of opportunities for education, vocational skills and training and employment.
- Build on our successful ICT infrastructure to raise standards and improve access to public services.
- Be the local service delivery point for integrated multi-agency services through the involvement of strategic partners : Education, Children's Social Care, PCT, Police, Youth Offending Service, FE/HE providers and voluntary sector.
- Realise our aspirations for high quality sport, culture, leisure and community facilities.

There will be further opportunities throughout 2008 and early 2009 to be included in the final Strategy for Change.

20. The following proposals do not include provision for 14 – 19 as these will be detailed in the draft Strategy for Change. Similarly, proposals for how the SEN Strategy approved by Cabinet in 2005 and for joint working with partners such as health will be included as the draft Strategy for Change develops.

21. It is not possible to start all of the projects simultaneously due to:

- Some building work will be needed first to enable further stages.

- Capacity of the local construction industry to deliver a very high volume of additional work.
- Need to maintain as much stability in the existing system as possible.

It will be necessary to group projects in phases. The precise allocation of proposals to each phase of Dudley's programme will need to be confirmed through the option appraisals process and dialogue with the DCSF before any government approval is given. All schools will benefit from the capital investment available and further work is required to confirm how projects will be phased. No changes can take place before September 2010 and many would be phased in over several years as the demand for secondary places gradually falls.

22. National priorities focus on raising standards particularly in schools where attainment is below the 2006 floor target of 30% of pupils achieving 5+ GCSE grades A*-C including English and mathematics. In Dudley, Pensnett (15%), Wordsley (18%), Castle (22%) and Coseley (24%) did not achieve the 2006 floor target. The DCSF will expect Dudley's Strategy for Change to take into account performance trends over time and include robust proposals to achieve a sustainable step-change in pupil performance.

Dudley will also be required to take into account other significant factors including;

- falling demand for pupil places,
- building condition,
- fitness for purpose of accommodation.

Taking these factors into account, the proposals are as follows;

Priority One

- Replace Pensnett High School and Crestwood School with a new academy on the Crestwood site to serve the Brockmoor and Pensnett area. The published admission number (PAN) of the academy will be 180 (currently 150 at Crestwood) with capacity for 900 pupils aged 11 – 16. The additional 150 places will be sufficient to meet local demand for places. Demand for places at Pensnett has fallen year on year and in November 2007 there were 473 pupils on roll. By September 2010 pupil numbers are expected to fall to just over 300 and continue falling in line with the lower numbers in local primary schools. All of these pupils can be accommodated in the new academy as the existing Pensnett and Crestwood buildings can continue to be used. Parents in Pensnett will also have a further option with 170 additional places at the new academy on the Holly Hall site. The academy will be based on a Funding Agreement which will ensure consistency with

Dudley policies on admissions, SEN, staff pay and conditions and other relevant areas. All pupils at Pensnett and Crestwood would be guaranteed places at the academy. Anticipated opening September 2010.

- To replace Holly Hall Mathematics and Computing College with a new academy on the Holly Hall site. The published admission number (PAN) of the academy will be 180 (currently 146 at Holly Hall) with capacity for 900 pupils aged 11 – 16. The additional 170 places will be sufficient to provide a further option for parents in Pensnett and with the proposed expansion in capacity at Hillcrest, meet the demand for places in Central Dudley. The academy will be based on a Funding Agreement which will ensure consistency with Dudley policies on admissions, SEN, staff pay and conditions and other relevant areas. All pupils at Holly Hall would be guaranteed places at the academy. Anticipated opening September 2010.
- Increase the PAN at Hillcrest School and Community College from 180 to 210 and capacity from 900 to 1050 pupils aged 11-16. Hillcrest has become the most oversubscribed school in Dudley and expansion is required to meet local demand. Accommodation issues likely to result in extension and remodelling of existing facilities.
- No change proposed to existing PAN of 210 or capacity of 1050 at Castle High School and Visual Arts College. Priority required to support raising standards and prevent leakage resulting from early capital investment in local schools. Accommodation issues likely to result in remodelling of existing facilities.
- Reduce PAN at Coseley School Specialist Sports College from 195 to 180 to create capacity for 900 pupils aged 11-16. Accommodation issues likely to result in remodelling of existing facilities.
- Reduce PAN at Ridgewood High School from 203 to 180 and create capacity for 900 pupils aged 11-16. Accommodation issues likely to result in replacement of most of the existing facilities.
- Increase PAN at Leasowes from 234 to 240 and create capacity for 1200 pupils aged 11-16. Accommodation issues likely to result in replacement of most of the existing facilities.
- Increase PAN at the Earls High School from 230 to 240 and create capacity for 1200 pupils aged 11-16. Accommodation issues likely to result in extension and remodelling of existing facilities.

Priority Two

- Increase PAN at the Wordsley School Business and Enterprise and Music College from 151 to 180 and create capacity for 900 pupils aged 11-16. The additional demand is anticipated from housing developments on nearby former hospital sites. Accommodation issues likely to result in extension and remodelling of existing facilities. This will need to be reviewed as the housing scheme develops.
- Reduce PAN at Pedmore Technology College and Community School from 182 to 180 and create capacity for 900 pupils aged 11-16. Accommodation issues likely to result in remodelling of existing facilities.
- Reduce PAN at Thorns Community College from 270 to 240 and create capacity for 1200 pupils aged 11-16. Will be part of Thorns Community Learning Village with Thorns Primary and the newly built Old Park Special School. Accommodation issues likely to result in remodelling of existing facilities.

Priority Three

- Retain existing PAN at Kingswinford School – Science College of 180 and capacity for 900 pupils aged 11-16. Accommodation issues likely to result in remodelling of existing facilities.
- No change proposed for Summerhill School-Specialist language College.
- No change proposed for Bishop Milner Catholic School.
- Reduce PAN at Dormston School from 224 to 210 and create capacity for 1050 pupils aged 11-16. Accommodation issues likely to result in extensive remodelling of existing facilities.
- Reduce PAN at High Arcal-Specialist Science College from 242 to 210 and create capacity to 1050 pupils aged 11-16. Accommodation issues likely to result in remodelling of existing facilities.
- No change to existing PAN at Ellowes Hall Sports College or capacity for 900 pupils aged 11-16. Accommodation issues likely to result in remodelling of existing facilities.
- Increase PAN at Redhill School and Specialist Language College from 235 to 240 and create capacity for 1200 pupils aged 11-16. Accommodation issues likely to result in remodelling of existing facilities.

- Reduce PAN at Windsor High School from 280 to 240 and create capacity for 1200 pupils aged 11-16. Accommodation issues likely to result in remodelling of existing facilities.
- No change proposed for Old Swinford Hospital. Currently undergoing expansion under the expansion of popular and successful schools initiative.

Finance

23. The estimated cost of replacing, refurbishing or remodelling Dudley secondary schools is in excess of £200 million. It is not possible to provide precise estimates as work is required to design each project and assess the cost of each option before determining the most effective approach. This process will require a significant amount of time and resource to complete and will be subject to rigorous scrutiny by Partnership for Schools and the DCSF.
24. The costs of project management are a matter for each local authority with no financial support from DCSF. The table below shows a sample of costs incurred or expected by local authorities in the first three BSF Waves. Each one has committed around £2 m - £3 m for the three years to financial close. Information from authorities in Waves 4 – 6 is consistent with this level of development costs. It is reasonable to assume that Dudley, as a Wave 7 authority can expect to incur costs of around £3 million over three years. The DCSF as part of its approval process will expect Dudley's readiness to deliver statement to include a level of resource allocation consistent with the experience of other local authorities.

Local Authority	BSF Wave	No of schools	Funding allocation	Development Costs
Midlands	Three	13 projects	£258 m	Predicted £3.2 m for the 3 yrs to financial close
Midlands	One	17 projects	£235 m	In excess of £2 m to financial close
Midlands	One	6 schools	£80 m	Predicted £1.85 m to financial close
London	Two	9 schools	£127.5 m	£1.25 m budget for first two years only
London	Three	8 schools	£131 m	Predicted £2.18 m to financial close

25. The delivery of projects of this scale requires a dedicated resource to ensure that all of the project management dimensions are achieved to standard, on time and within budget. This requires a number of staff to cover the following roles:

- Project lead;
- Communications lead;
- Education lead;
- Financial lead;
- Legal lead;
- Technical and Estates lead;
- Human Resources lead
- ICT lead;
- Administration.

Local authorities have approached this in different ways. Most have a dedicated team and draw on internal capacity as needed. In almost all cases additional expertise and capacity has been required for legal and financial advice.

26. The project management and development cost, which are estimated to be in the order of £3m over three years will be met from the Council's available capital resources. The development costs to date have been met from existing budgets within Children's Services.

Law

27. As the project develops there will be significant implications covering school organisation, land, employment and finance. The Council's statutory powers relating to the building of schools and the provision of education are contained in the relevant Education Acts.

Equality Impact

28. The report takes into account the Council's Equality and Diversity Policy. Children and young people will be consulted fully on the Strategy for Change following Dudley's inclusion in Wave 7 and on each individual school proposal.

Recommendation

29. It is recommended that:

1. The draft Strategy for Change including the proposals set out in paragraphs 19-22 is endorsed.
2. The Director of Children's Services is authorised to use the draft Strategy for Change and proposals as a basis for further discussion with the Department for Children, Schools and Families.



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List of Background Papers