

The Cabinet - 17 November 2005

Report of the Director of Children's Services

Investing in the Future: Primary Schools Review

Purpose

1. The purpose of this report is to inform the Cabinet of the background to the Primary Schools Review, the initial consultation responses, and the proposals for action.
2. The report sets out in Appendix 1 an analysis of the responses received during the consultation on proposals to change the pattern of primary school provision in Dudley. The proposals for change take full account of the responses and are set out in Appendix 2. The Cabinet is requested to note the contents of Appendix 1 and authorise the Director of Children's Services to publish statutory notices and carry out further consultation based on proposals detailed in Appendix 2.
3. Appendix 2 will be published on 16 November 2005.

Background

4. Dudley has managed numerous changes to the pattern of schooling at several critical points over the last 60 years. Political, educational and demographic changes have led to the building of new schools, changing their sizes and closing schools. Dudley is now facing again the need to change and, with the benefit of much better information, can respond with a degree of certainty to meet the needs of children for the next 20 – 30 years.
5. The surplus of places in the Borough's primary schools was highlighted in an external consultancy report by KPMG in 1999, and in the OFSTED Inspection Reports of 2000 and 2002. The more general outcomes of the OFSTED inspection in 2000 caused a delay in the

implementing of a full review and action plan, although the need for such a review featured in the Post OFSTED Action Plan in 2000 and 2002.

6. Consultation on specific school proposals was carried out in 2002. Responses were received from headteachers, governors, councillors, parents and others. The consultation led to action in several cases including further consultation on the establishment of a new Voluntary Aided (VA) school for Halesowen to replace two existing schools.
7. The annual birth rates (using academic year September - March) in Dudley have reduced from 4,116 in 1990 to 3,344 in 2003. There was a slight increase to 3,514 in 2004 but long term projections indicate births of around 3,300. The DfES sets the minimum education budget for Dudley based on the number of pupils attending its schools. As the demand for places falls, schools will receive proportionately lower budgets, adding significantly to the difficulty for schools of meeting the costs of the quality of education to which all pupils are entitled.
8. Based on the numbers of children already born, primary pupil numbers in Dudley schools are projected to fall by a further 2,358 or 9% between 2005 and 2010. The reduction of 2,358 primary pupils will lead to an annual fall in the Council's revenue grant funding from the DfES and a reduction of £7.8m by 2010, at current prices. The figure of £7.8m is based upon a current 'per pupil' unit funding of £3,329, the DfES baseline assessment for a 'Dudley' pupil in 2005 which will be applied for calculation of the Dedicated Schools Grant (DSG) for 2006 onwards. This data has just been released by the DfES to enable the Council to model future budget scenarios in confidence.
9. The primary sector delegated budget in the current financial year is £71.3m or 49% of the total resources delegated to schools. If the current provision of 82 primary schools were maintained with 2,358 fewer primary pupil places, it is estimated that each primary school budget would be reduced by an average of 10% by 2010. Individual primary school budgets currently range from £0.5m to £1.9m. Therefore schools could expect to see an average annual budget reduction ranging from £50,000 to £190,000 by 2010. With a projected 5,000 surplus places in the system some schools would experience much greater reductions and also considerable year-on-year instability. This is not in the best interests of children.

10. Dudley primary schools currently spend their delegated resources in the following proportions:

Staff	83%
Premises	6%
Supplies and services	11%

Premises costs are largely fixed and there is limited scope for reductions in services, learning materials and other supplies. The main focus for balancing budgets is therefore likely to be in the largest area of expenditure which is staffing. If the £7.8m reduction were directed at staffing in primary schools, this would equate to an indicative reduction of 230 posts in schools, or more than 10% of the current workforce in primary schools.

11. It has now become imperative to take action to ensure that the pattern of primary school provision is cost effective, with only sufficient surplus places to allow a degree of parental preference and in order to cope with any unplanned expansion. It is important to say that these proposals will affect every primary school in the Borough, ensuring that money is not wasted on maintaining surplus places but directed to the education of children.
12. The Cabinet Member for Education and Lifelong Learning approved the start of a consultation process on proposals to change the existing pattern of primary school provision in Dudley. The initial consultation started on 12 September and ended on 21 October. The consultation was based on three documents; Learning for the Future Primary School Review Consultation Document, Consultation Summary and Response Form. Paper copies of the documents were circulated widely and posted on the internet. The consultation process involved a series of meetings with parents, staff and governors in those schools most affected. Additional meetings were convened on request. There has been a high volume of telephone calls, letters, emails, response forms and other correspondence as set out in Appendix 1.
13. The proposals outlined in the consultation documents emerged from previous consultations on principles and process. The proposals reflected the need to address the serious issue of over 5,000 surplus primary places by 2010. This projection is based on over 2,000 surplus

places already existing in 1997, numbers attending primary schools, and birth rates.

14. In-flow and out-flow of pupils to other Boroughs is projected to continue unchanged. However, this is the most optimistic position as other Boroughs are experiencing the same trends in birth rate as Dudley. During the consultation process, several alternative proposals were suggested. In addition, the Secretary of State announced that Dudley had made a successful bid for over £8 million to replace Wrens Nest Primary School and Old Park Special School. The alternative proposals have been considered carefully and some revisions included in Appendix 2.
15. The Primary Schools Review is part of 'Investing in the Future' (IIF), a wide-ranging planning framework designed to link a series of national and local initiatives into a coherent and manageable development programme. The initiatives that will impact directly on provision for children include:
 - pre-school settings;
 - children's centres;
 - the Primary Schools Review;
 - the Secondary Review (including 14 – 19 strategy);
 - specialist schools;
 - the SEN strategy;
 - extended schools;
 - integrated children's services; and
 - community use including leisure, libraries and lifelong learning.

(IIF was previously known as 'Learning for the Future', but with the development of joined up children's services it is important that the major policy framework should not be limited to learning.)

16. The Primary School Review also takes full account of the long term planning for Dudley, the Black Country and the West Midlands. The proposals in Appendix 2 take account of the relevant elements of the Unitary Development Plan, Local Transport Plan and in the emerging Black Country Study and Regional Spatial Strategy.
17. The publication of statutory notices will be undertaken in line with decisions made by the Cabinet. The planned period for publication and representations to be made is from 21 November 2005 to 2 January

2006. The School Organisation Committee will then meet to determine each proposal. Should the School Organisation Committee not reach a decision on any proposals, it will be referred to the Schools Adjudicator.

Finance

18. The Individual Schools Budget (ISB) for 2005/06 is £146.5m. This budget is delegated to 112 Dudley primary, secondary and special schools in accordance with the locally - agreed LMS Formula. Full details can be found within the Dudley Fair Funding budget statement, which is a statutory publication prescribed by the DfES in accordance with Section 52 of the Schools Standards and Framework Act 1998.
19. The funding of school is regulated through the Financing of Maintained Schools Regulations (England) 2004 and the LEA budget, Schools Budget and Individual Schools Budget (England) Regulations 2004. From April 2006 enhanced funding will be governed by the School Finance (England) Regulations 2005.
20. The capital costs for the proposed changes will be defined through option appraisals once a decision has been reached regarding the proposed changes for each school. There will be a requirement for substantial building work to a number of schools to ensure that the proposed capacity figures for each school can be accommodated. This will include both surplus place removal and increases in size to school accommodation.
21. The Council has been informed of DfES capital allocations for pupil place planning for the financial years 2005/06 to 2007/08 and this, along with any capital receipts from site disposals, will be utilised to address sufficiency of accommodation needs of those schools remaining.
22. A further report will be made to the Cabinet on capital and buildings issues after the School Organisation Committee has made a decision on the proposals.

Law

23. The procedures relating to the establishment, alteration or discontinuance of schools are principally contained in Chapter II

(sections 28 – 35) and schedule 6 of the School Standards and Framework Act 1998.

Equality Impact

24. Investing in the Future is intended to provide the best teaching and learning opportunities for all in buildings fit for purpose, and within the resources available. Targeted teaching and learning will continue for vulnerable groups, including looked after children and those underachieving, particularly those identified by pupil level performance monitoring processes.

Proposals

25. The proposals are set out in detail in Appendix 2 which will be published on 16 November.
26. The arrangements for governance, project management, work programmes and support for children, parents, schools, staff and governors are detailed in Appendix 2.

Recommendations

27. The Cabinet is requested to:
- note the report and the consultation analysis at Appendix 1;
 - authorise the Director of Children's Services to publish statutory notices and carry out further consultation in accordance with the proposals detailed in Appendix 2.



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