

Meeting:	Cabinet
Meeting date:	11 February 2016
Title of report:	School capital investment strategy
Report by:	Head of education development

Classification

Open

Key Decision

This is a key decision because it is likely to be significant in terms of its effect on communities living or working in an area comprising one or more wards in the county.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012

Wards Affected

Countywide

Purpose

To approve the schools capital investment strategy to enable the next phase of planning to commence.

Recommendation(s)

THAT:

- (a) the schools capital investment strategy be approved;**
- (b) detailed financial plans, including representation to the secretary of state for education be developed and brought to cabinet for approval as required.**

Alternative options

- 1 The council does not approve a schools capital investment strategy. Without a clear approach, based on sound principles, the significant maintenance and suitability issues that the Herefordshire schools estate has will only be addressed in a largely reactive, ad-hoc and inefficient basis. The opportunity to develop Herefordshire schools as a valued and important part of our infrastructure and a major contributor to learning and economic growth may be lost.
- 2 The council approve a different approach to capital investment in schools. The approach outlined has been consulted on extensively with schools and provides the best opportunity to develop a coherent approach to making Herefordshire schools of a high quality such that the staff can work more effectively and creatively delivering the best outcomes for children and young people.

Reasons for recommendations

- 3 On 23 July 2015, the cabinet member for young people and children's wellbeing approved the approach to developing a schools capital investment strategy. Following detailed analysis of data associated with schools and discussion with a wide range of stakeholders, a high level strategic approach, based on clear set of principles, has been prepared.
- 4 To implement the strategy the council and partners will need to invest significant capital resource and fundamentally change the way capital schemes have been developed, drawing together a range of partners and funding sources. The strategy is over a 20 year period and begins with the first five years of prioritised work. It identifies the indicative high level costs which will be subject to variations. Each scheme will have different profiles for resourcing. The cost of each scheme will need to factor in potential from national grants, conversion of revenue to capital, potential sale or purchase of land and the contributions from other stakeholders including the diocese and archdiocese.
- 5 Herefordshire has not benefited fully from successive national government initiatives. This continues to be the case across the whole school sector, including academies and will be for the foreseeable future unless Herefordshire is able to make a coherent and transformative case. The strategy provides the opportunity to effectively lobby national government.

Key considerations

- 6 The council's aim is for Herefordshire to be a desirable place to invest, live and work, so that the economy grows, as well as local communities. Education plays a crucial part in this aim. It is essential our schools are seen as both delivering good results for children and young people and also in a good state of repair and suitable for the delivery of a modern curriculum.
- 7 The strategy represents an opportunity to take a proactive approach to improving schools in Herefordshire, maximising investment across schools and partners at a time when the alternative would not lead to fundamental improvement across schools in Herefordshire.

- 8 The challenges and responsibilities associated with managing the Herefordshire school estate was set out in a report to the cabinet member for young people and children's wellbeing on 23 July 2015 and the general overview and scrutiny meetings on 10 March 2015 and 30 September 2015. There are a mix of schools across the county, some of which are new and modern; while others are in a poor state and have developed rather haphazardly from when they were created in Victorian times. The challenges of some schools being in poor condition and not fit for purpose has been highlighted by the experience of Colwall CE Primary School. A costly reactive response was needed to address the issues that an agreed school capital investment strategy could have averted.
- 9 Council officers have been consulting widely on the approach to a schools capital investment strategy during the autumn term. There have been many meetings with clusters of schools and individual head teachers and governors, members of Herefordshire Council, the Diocese of Hereford, the Archdiocese of Cardiff, the education funding agency and the regional schools commissioner. There is wide support for a clear strategy, as the council's previous approach to reorganisation in 2008 was shelved due to the strength of opposition. The revised approach for the development of the strategy has involved detailed engagement with schools and governors with the data and information about their schools and considerable discussion about the options and ideas for investment and change. All head teachers have been engaged in this process and have contributed. For some there will be little impact for others there are significant options and ideas.
- 10 A key part of the strategy has been to develop some principles that will underpin any investment or scheme. These have been consulted on in meetings and through the council's website, where there were over 100 individual responses to a questionnaire. There is broad support for the principles, with respondents being pleased that the approach is about considering investment and consolidation rather than a previous perceived programme of school closures.
- 11 The school capital investment strategy is aligned with the council's core strategy which runs through to 2031. There is a need to ensure that the supply of school places is sufficient, as development takes place, but taking a strategic approach to school buildings provides options for enhancing existing provision rather than assuming a new school where there are large developments. This will fulfil the statutory duties of the local authority as well as recognising the diverse school system at present including maintained schools, academies and free schools, sponsors, governing bodies, and the dioceses.
- 12 There is a pressing need to invest in Herefordshire schools and the council makes use of current funding sources within its capital investment strategy (37% of the capital programmer) to do so. However, there remains a significant maintenance backlog. Funding for academies, for schools in locally coordinated, voluntary aided programme (LCVAP) capital scheme and local authority schools is insufficient for the maintenance work required. With poor and or untimely maintenance work, the likelihood of more expensive reactive emergency work increases. There are schools that need additional spaces and facilities and there is no capital allocation available to them. Schools have been using their devolved capital sums and additionally converting revenue to capital to undertake work. This conversion of revenue to capital may be seen as detracting from funding that could have been used to enhance children's learning; additionally with pressures on school budgets increasing, the opportunity to make this conversion is likely to be very limited.
- 13 The principles underpinning the schools capital investment strategy establish that

Further information on the subject of this report is available from
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capital improvement schemes need to draw on a variety of funding streams. The proportional contribution of funding for each will vary and will need to be considered in detail as the scheme is brought forward. The council retains responsibility for local authority maintained schools. Clarity of how any development fits into an overarching approach will assist in the decision making for either the council, a governing body, other service or government.

- 14 The school capital investment strategy seeks to address the varied demography and distributed population of Herefordshire by examining different locations and situations. The schools in the council's core strategy planning areas of Hereford city and the market towns of Ross-on-Wye, Kington, Ledbury, Leominster and Bromyard are considered along with the rural areas where there are the key secondary school areas of Wigmore, Weobley, Kingstone and Fairfield. The spread of the population attending primary schools, and preferences parents make, means that detailed consideration needs to be given to rural schools, many of which have less than 105 pupils on roll. Additionally, special schools and alternative provision are integral to the overall strategic approach.
- 15 The overall strategic approach uses the data and information about the schools in the different locations and situations mentioned above and proposes an indicative level of funding that the council might invest in a scheme to improve the quality and efficiency of the provision. These figures reflect only the indicative net cost to the council of each scheme, as at this stage of development it is not possible to determine with precision what grants might be available, what land may need to be purchased, what assets could be realised or any other issues arising from detailed consultation.
- 16 Schools are becoming more autonomous with more varied governance arrangements and a wider range of responsible bodies. The Education Funding Agency (EFA) manage the academy capital programme on behalf of the secretary of state. The council is responsible for local authority maintained schools and the dioceses and archdiocese have a role to play in funding schools under their control. An agreed strategic approach to investment in schools provides opportunity for good and outstanding leaders to assist in managing change so there is a wider benefit to the community of Herefordshire.
- 17 The timing and urgency of bringing forward detailed proposals will vary. The strategy includes an assessment of each area in Herefordshire and the priority issues to resolve.

Community impact

- 18 The development of high quality schools will support the council's vision of Herefordshire being a place where people, organisations and businesses work together within an outstanding natural environment, bringing about sustainable prosperity and wellbeing for all. In particular for children, it will support giving them the best start in life set out in Herefordshire's Children and Young People's Plan 2015-2018.

Equality duty

- 19 An equality impact assessment (appendix 3) has been undertaken for the schools capital investment strategy.

Financial implications

- 20 There are no direct financial implications arising from this report. The recommendations include the development of a financial plan to deliver the strategy which will form part of the council's capital investment strategy and decision making process. It will necessitate funding being combined from a variety of sources including potentially schools own budgets, the Diocese and Archdiocese, national funding streams and sources, the council, borrowing, release of capital, economic and housing developments.

Legal implications

- 21 The proposal as detailed within the body of the report accords with the local authorities statutory duty under s.13 of the Education Act 1996 which requires it to contribute toward the spiritual, moral, mental and physical development of the community by securing that efficient primary and secondary education are available to meet the needs of the population of its area.

Risk management

- 22 Without an agreed capital investment strategy the maintenance, condition and suitability issues in schools will at best deteriorate in an unplanned and unmanaged way and at worst lead to significant reactive works or the unplanned closure of schools. All of which will ultimately incur more costs for the council than a planned approach and potentially affect learning outcomes for the county's children.
- 23 While the strategy sets out the overarching approach to schemes in particular areas, there is a risk that there is not sufficient agreement to develop a workable detailed plan. Thorough and detailed planning and performance review arrangements will need to be in place.
- 24 It may be that realistic schemes are put forward but the council fails to agree a way forward. The presentation of detailed schemes will need to be thoroughly and properly researched and costed.

Consultees

- 25 Head teachers and governors of all schools have been invited to meetings with the director for children's wellbeing, assistant director education and commissioning and the head of education development. These meetings have provided opportunity to clarify the development process for the strategy and explore ideas. A number of ideas have arisen as a direct result of these meetings. Individual and groups of schools have engaged in more detailed discussions to modify and amend the proposals. All schools are aware of the proposed schemes included and mentioned in the strategy.
- 26 Diocese of Hereford, Archdiocese of Cardiff.
- 27 Governors of schools, including academies, voluntary aided and voluntary controlled.
- 28 Education Funding Agency (EFA).
- 29 Representatives from the office of the regional schools commissioner (RSC).
- 30 The principles that underpin the strategy have been formally consulted on through a

questionnaire on the council's website. There were in excess of 100 individual responses and a wide spectrum of views. There was wide support of the need for the strategy and a diversity of views about the importance of specific elements. This suggests that any detailed plans will have balance of those in favour and those against.

31 General Overview and Scrutiny Committee were consulted on 30 September 2015. A full response to the recommendations is attached at appendix 2 and their recommendations will be taken into account as follows:

- The anticipated growth set out in the core strategy through plans for the city, market towns and rural areas has been referenced for each school. The assumptions about yield of pupil places from the housing developments is complicated by low movement rates of families and the fact that on average 50% of parents do not send their child to their local school.
- Principle 8 has been amended to make it clearer that school journey distance, mode and time are taken into account, not only in terms of environmental and transportation impacts but also the effect of journey times on pupils, with schools encouraged to keep school travel plans up-to-date;
- Academy school central funding bids for infrastructure work will be supported by the local authority in line with the strategy.
- There will be discussions:
 - with neighbouring authorities as the strategy develops.
 - discussions with the diocese and archdiocese over the appropriate number of faith places
- Principle 11 has been amended to “Participatory budgeting as a means of enabling local communities to assist in supporting a local school’.
- The wider experience for children and young people is recognised as schools can and do offer services outside of school hours. Many schools are developing additional services, including expanding range of after school activities and clubs including breakfast clubs. It is important that information about the wider offer is available. The planned development of the WISH website will provide information about services being offered.

32 All views have been considered and have informed the strategy and approach.

Appendices

Appendix 1 – School capital investment strategy.

Appendix 2 – executive response to general overview and scrutiny committee

Appendix 3 – equality impact assessment

Background papers

None.