

CHESHIRE EAST

Advisory Panel

23 September, 2008

REPORT OF **CHESHIRE COUNTY COUNCIL SCRUTINY REVIEW PANEL ON TRANSFORMING** **LEARNING COMMUNITIES (TLC)**

INTRODUCTION

Terms of Reference for the Review:

To assess whether the TLC process is addressing the issue of surplus school places; and, by reference to selected case studies, to review and report on the consultation process undertaken to date on TLC proposals so that lessons learned may be applied across the Council's activities in the future.

Membership

The Panel was comprised of Councillors:

Mrs Sylvia Roberts
Mrs Margaret Simon
Peter Nurse
Peter Byrne
David Andrews
Mark Dickson

Dr Harry Ziman was also co-opted onto the Panel as a Parent Governor member of the Children's Services Scrutiny Select Committee.

However, Cllr Dickson was unable to attend any meetings and Cllr Andrews has missed a number of meetings since December due to ill health and Cllr Simon has not attended recent meetings to draft and approve the final report. The final report is therefore submitted in the names of those Councillors who attended recent meetings and contributed to and approved the final report. That does not preclude Councillors Dickson, Andrews or Simon from endorsing the reports contents, but the Panel makes no assumptions on their behalf in that respect.

The Panel met on 12 occasions and was supported by Neil Massingham, Political Support Manager, Children's Services Department and Denise French, Senior Member Support Officer, Policy and Resources Department. The Panel wishes to extend its thanks to both officers at the outset for the efforts and excellent contributions to this report.

Approach of the Panel

The Panel took note at the outset of the review that there were insufficient resources available to support a complete review of the entire TLC process and all individual decisions. The Panel was also mindful not to focus on specific past decisions but rather to take a strategic overview of TLC processes in practice. Selected written data and advice

was commissioned on surplus places, small schools and the school funding, but the greater amount of evidence was collected from expert witnesses who were called to offer their views orally to the Panel. Children's Services has also produced information during the last 12 months on surplus places and related issues for the School Planning Select Panel (SPSP) and for the Schools Forum which the Panel also considered as evidence.

In terms of case studies, the Panel commissioned the Research and Intelligence Unit to conduct two focus group sessions to review the various stages of the TLC consultation process within the Crewe and Nantwich locality by obtaining the views of those who had been participants. Two discussion groups were held during February 2008 in Crewe. One involved eight participants who were either Headteachers or Governors, with the second group comprising six Parent Governors. Members of the Panel attended each session as observers.

Contents

In line with the terms of reference the main sections of this report cover:

- 1. Surplus Places Performance**
- 2. Consultation Processes and Performance**
- 3. Political Process and Decision Making**
- 4. Small Schools Issues**
- 5. Conclusions**
- 6. Recommendations**
- 7. Appendices**

Clearly it would not be possible to include in this report all the evidence collected by the Panel, but attached as Appendices are summaries of some of the key evidence collected that Members may wish to refer to or consider as additional background information.

- Appendix A – Summary of issues raised by witnesses
- Appendix B – Map of the consultation processes
- Appendix C – Results of consultation focus groups
- Appendix D – Map of the political and decision making processes
- Appendix E – Financial data on TLC
- Appendix F – Explanatory note on the Dedicated Schools Grant (DSG)
- Appendix G – Costs of small schools
- Appendix H – Summary of a report on small schools
- Appendix I – Letter from DCSF on rural school closures

Witnesses

Joan Feenan, Director of Children's Services
David Rowlands, Lead Member for Children
David Ayres, TLC Programme Manager
Gordon Hamilton, Head of Research and Intelligence
Ray Baker, School Development Manager
Barbara Kay, TLC Principal Accountant
Linda Brown, County Manager for Inclusion and Education
Mark Parkinson, Principal Manager, Inclusion and Education
Steve Nyakatawa, Principal Manager, Inclusion and Education
Andrew Wells, Audit Commission
Chris Chapman, Chair of Cheshire Schools Forum
Duncan Haworth, Schools Forum member; Sec. of Cheshire Assc of Governing Bodies

Michael Clarke, Diocese of Shrewsbury (written comments submitted)
Jeff Turnbull, Diocese of Chester (written comments submitted)
Heads, Governors and Parent Governors who attended consultation focus groups

The Panel's summary of the key points made by these witnesses is attached at **Appendix A** as background information.

Glossary of key acronyms used in this report

ECM	– Every Child Matters
CAGB	– Cheshire Association of Governing Bodies
SPSP	– School Planning Select Panel
AWPU	– Age Weighted Pupil Unit
PLASC	– Pupil Level Annual School Census
DCSF	– Department for Children Schools and Families
DSG	– Dedicated Schools Grant
POR	– Pupils On Roll
NC	– Net Capacity
PAN	– Planned Admission Number
Exec	– Executive (full)
CS Exec	– Children's Services Executive
SOC	– School Organisation Committee
Exec SOC	– Executive School Organisation Sub-Committee (replaced SOC in 2007)
LMS	– Local Management of Schools (school funding formula)

1. SURPLUS PLACE PERFORMANCE

1.1 It is acknowledged that the objective of TLC is not solely the removal of surplus places, but the transformation of Cheshire schools by putting in place the infrastructure suitable to deliver the Every Child Matters (ECM) agenda and laying the foundations for improved educational delivery. TLC should not therefore be judged solely on its performance in removing surplus places. That said, it has been frequently observed during the Review that transformational aspirations of TLC have often become overshadowed by the surplus place issue.

1.2 In terms of 'targets' for the number of surplus places that Cheshire can carry, the Panel has accepted the advice that in general an operating level of between 6% and 8% of surplus places allows sufficient school places for reasonable parental choices. The Council's trigger point to take action on surplus places is when they rise above 10%. The DCFS expects all local authorities to take action for those schools with >25% surplus places. The Panel recognises that these figures may not always be appropriate in the context of small localities.

1.3 In relation to the transformational objectives of TLC, having held focus group sessions with people from Crewe and Nantwich, the Panel gave some consideration to what transformational changes were achieved in that locality. Members and the public may find the list instructive in comparison with the perceptions of TLC:

Primary

- Closure of 2 primary schools. (Lodgefields, Buerton);
- Amalgamation of 4 pairs of infant and junior schools. (Gainsboroughs, Underwood West, Wistaston Westfield I and Wistaston J, Broad Street N&I and Church Coppenhall J);
- Enlargement of 2 primary schools. (Pear Tree and Weston);

- Relocation of 1 primary school (Edleston);
- Rationalisation of primary NCs, PANs (to multiples of 30 wherever possible), redrawn catchments etc.

Secondary

- Amalgamation of a pair of secondary schools. (Coppenhall and Victoria) and investment of £20 million.

Net total of primary places to be removed consequent upon the review = 860.

Net total of secondary places to be removed consequent upon the review = 690.

Other

- The identification of sites for 5 Children's Centres for phases 1 and 2;
- The identification of 2 further sites for Children's Centres;
- Identification at particular schools of potential for alternative use of accommodation – e.g. other education and health provision, branch library;
- On-going work in the development of the Education Inclusion Partnership;
- Proposals emerging from the SEN review in respect of primary schools with resourced provision and secondary schools with inclusion resource centres. (proposals for special schools still in development);
- On-going development of extended services in and around schools;
- On-going developments in the 14 – 19 area;

1.3 The key points to recognise here is that transformation has begun in Crewe but it has had to be funded in order to happen. As we will draw out later in this report, school closures and amalgamations have taken place not to save the Council money, but to enable the Council to reinvest its existing resources (by releasing capital receipts and enabling prudential borrowing) in modernising its educational infrastructure.

PLASC Data 2003-2008

1.4 In relation to TLC performance on surplus places, the following key data has been established based on PLASC data collected between 2003 – 2008. Three graphs (provided by the TLC team) are set out below which demonstrate surplus places forecasts and actual positions for primary and secondary schools.

1.5 The first graph on primary sector 'numbers on roll' (NOR) and net capacity (NC) shows the baseline surplus place data from 2003-04 on which TLC was based; how TLC performance and actions since then have reduced the number of school places (resulting in the 'actual' solid green line, 2005-2008); and what the surplus place position would be if no actions had been taken (the broken Jan 2005 dotted red line data). It also shows current forecast surplus places to 2012 (Jan 2007 dotted orange lines). Cheshire had 12.3% and 6% surplus places in the primary and secondary sectors respectively as at January 2004:

Jan 2004	No. of schools	Pupils on roll	Net Capacity	Surplus places	% surplus
PRIMARY	286	54385	61305	7510	12.3%
SECONDARY*	45	47733	48368	2886	6%

1.6 The graph also shows that Jan 2005 pupil **forecasts** for the primary sector indicated that by 2010 the percentage of surplus places in the primary sector would rise from 11.9% (7,137 places) to **20.4%** (12,191 places) if no actions were taken to remove places. According to this forecast the Cheshire Primary sector would have had **16.6%** (9,951) of surplus places at January 2008. January 2008 PLASC primary school data demonstrates that in fact Cheshire has current Primary school surplus places of **12.6%** (7,276 places). Therefore while the total percentage and number of surplus primary

places has remained relatively stable at just over 12%, this is **4% (2,675) fewer surplus primary places than were forecast in 2005 if TLC had not taken place. TLC has therefore succeeded in removing surplus places and keeping pace with falling demand for school places, but it has not achieved a level of 5-8%, or indeed managed to reach 10% in the primary sector for Cheshire as a whole.** These are county-wide figures; TLC decisions have only been implemented in some localities; others are still underway. The TLC process has therefore removed more than 4% of places in those areas where it has been completed.

1.7 The second graph shows that while there are presently 12.6% surplus primary places, if TLC stops now then the percentage of surplus places will rise to 15.6% by 2012. **It is therefore important that all the originally planned TLC locality reviews take place.**

1.8 The third graph shows that surplus places in secondary schools are not yet at the same level as in primary schools (currently **7.6%** (3,364 places) - which is below the threshold for action to be taken), but the trend is upwards as the effects of falling child population levels and hence pupil numbers work through the primary school system to the secondary sector.

1.9 We should briefly comment at this section that the Panel discussed TLC with the Audit Commission during the review and heard some positive feedback about the processes used, in particular the comprehensive data that TLC uses as well as the significant resources that have been put in to the programme in comparison with other LAs, and the preparation of Officers for public and stakeholder meetings.

Pupils on Roll in comparison with Net Capacity of schools

1.10 From the above scenario, it can be seen that TLC is removing surplus places, but not enough places, or quickly enough, to keep pace with the changing demographic profile of Cheshire. The two further graphs below on 'scenario building' highlight how pupil numbers have been falling as rapidly as schools' net capacity is reduced. It should be noted, however, that Cheshire live births have increased from 2003-2006 and this is shown in the chart by a decline in the rate of fall in pupil numbers from 2010 to 2012. This increase is of the order of 100-300 children per year, which is significantly less than the 800 places per year reduction to reach 10% surplus places by 2012.

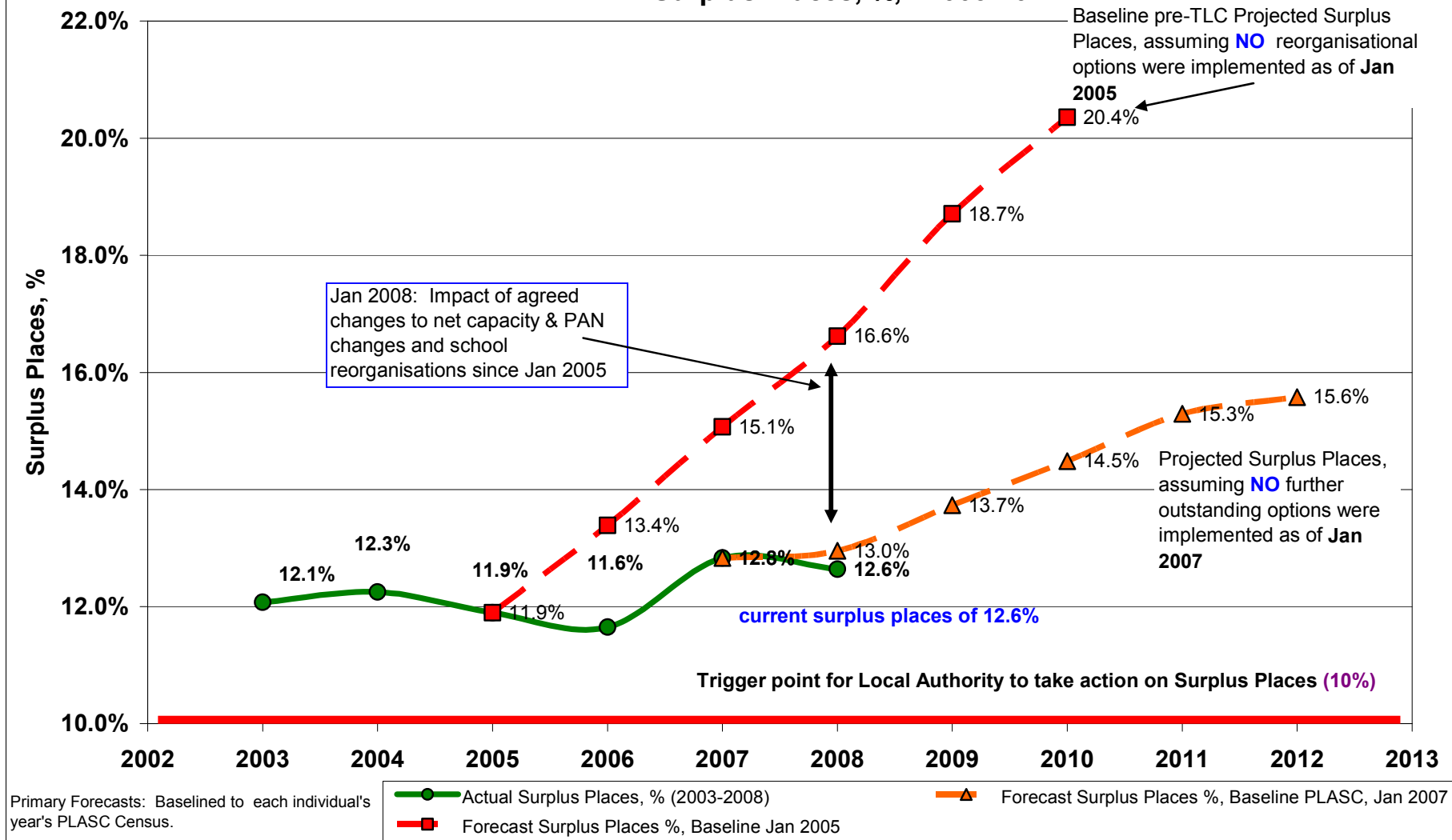
1.11 This leads the Panel to an early observation that a continual programme of management of school places post-TLC would seem inevitable as up to 800 places per year may need to be removed from primary and secondary sectors just to keep pace with falling rolls at schools, even though the rate of decline in pupil numbers is getting less than the 2003-2007 rate of decline. This could cause the new councils some difficulty as people understood (rightly or wrongly) that the TLC process would put in place the appropriate infrastructure for the next decade.

Updated for PLASC, Jan' 08
Census NOR and net capacity
data

Cheshire: Primary Sector

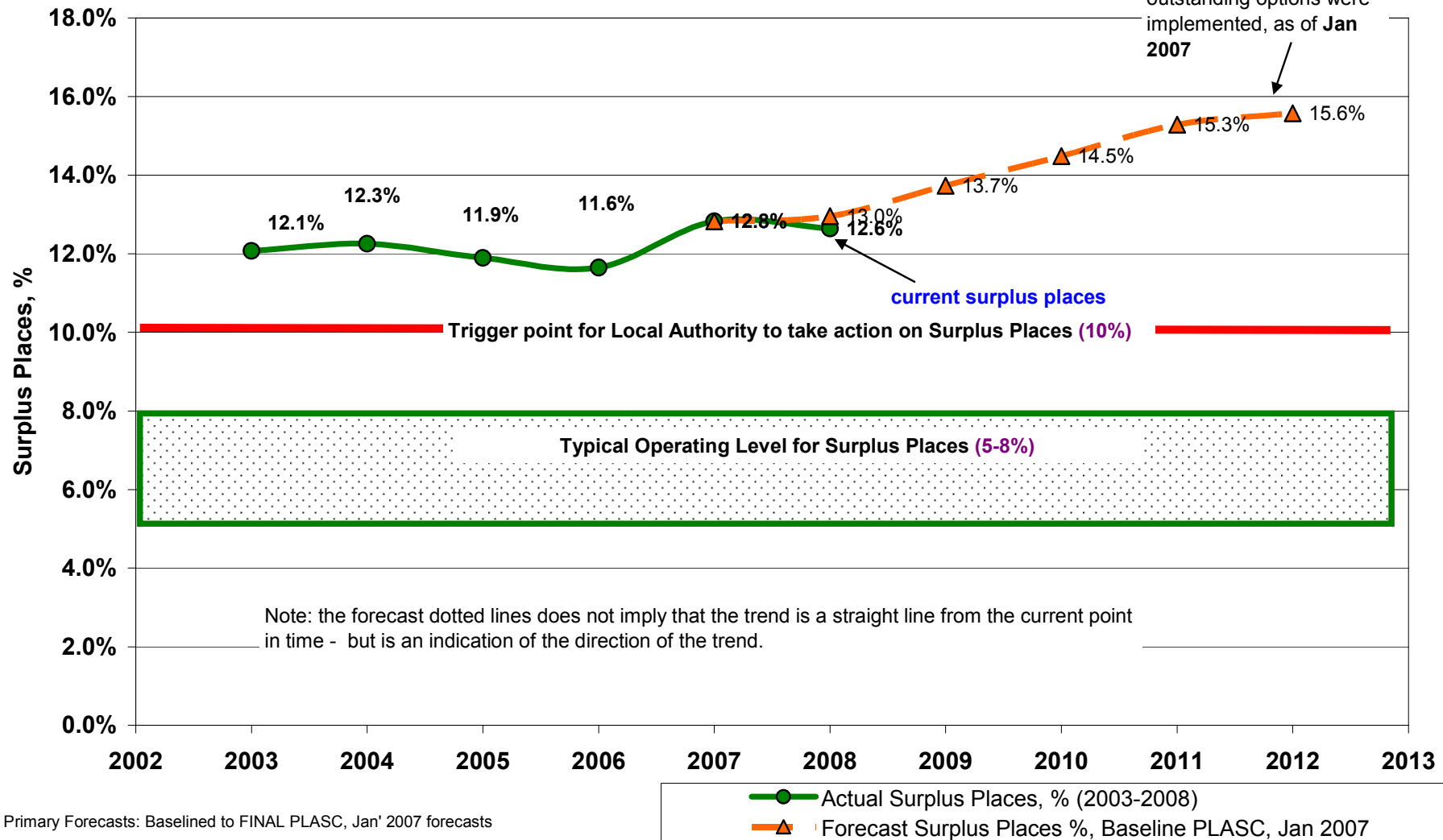
Impact of Removal of Surplus Places between 2005-2008 on Our 5-Year Forecast

Surplus Places, %, 2003-2012



Updated for PLASC, Jan' 08
Census NOR and net capacity
data

Cheshire: Primary Sector Historic and Forecast Surplus Places, % 2003-2012



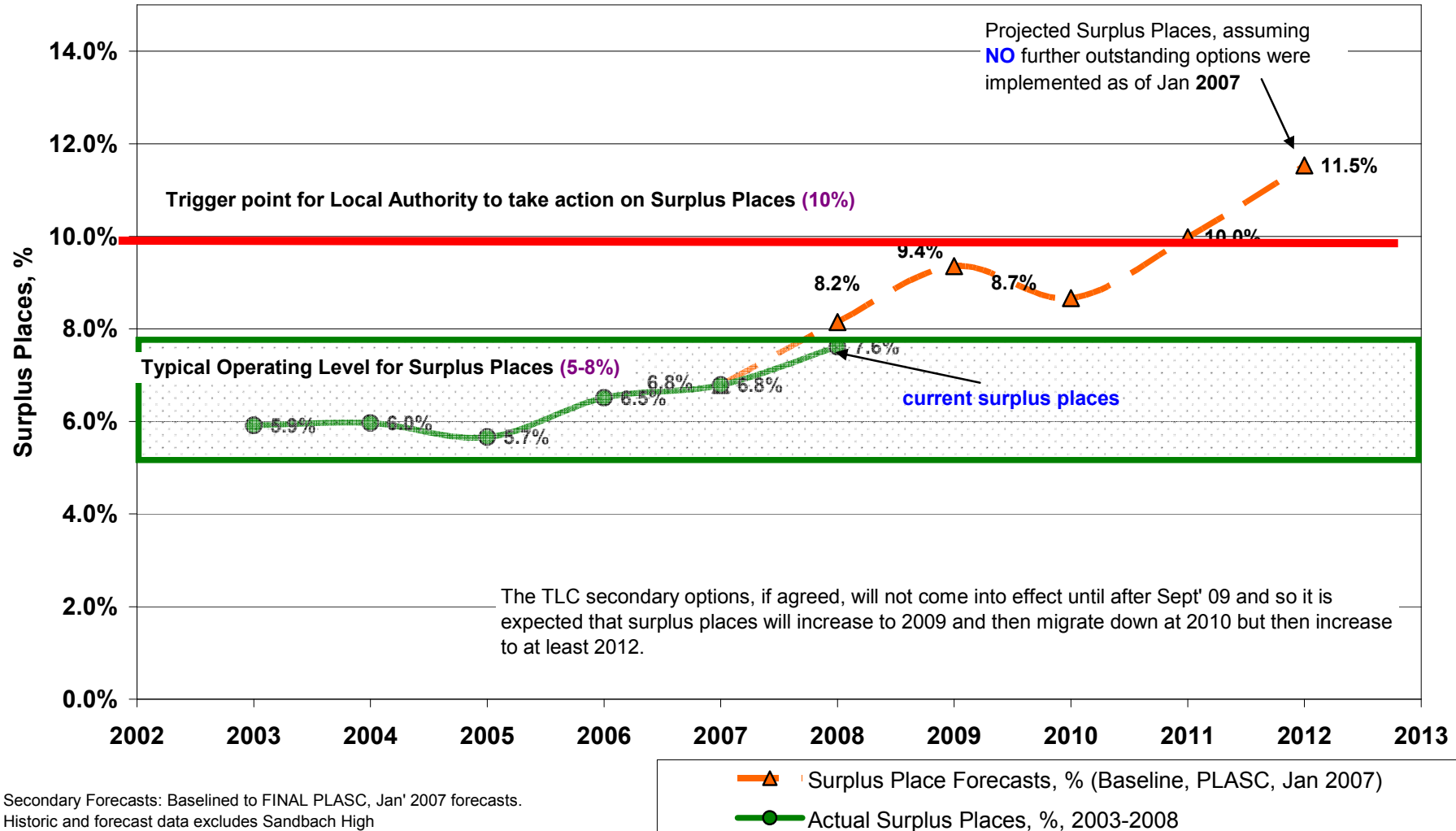
Primary Forecasts: Baselined to FINAL PLASC, Jan' 2007 forecasts

Updated for PLASC, Jan' 08
Census NOR and net capacity
data

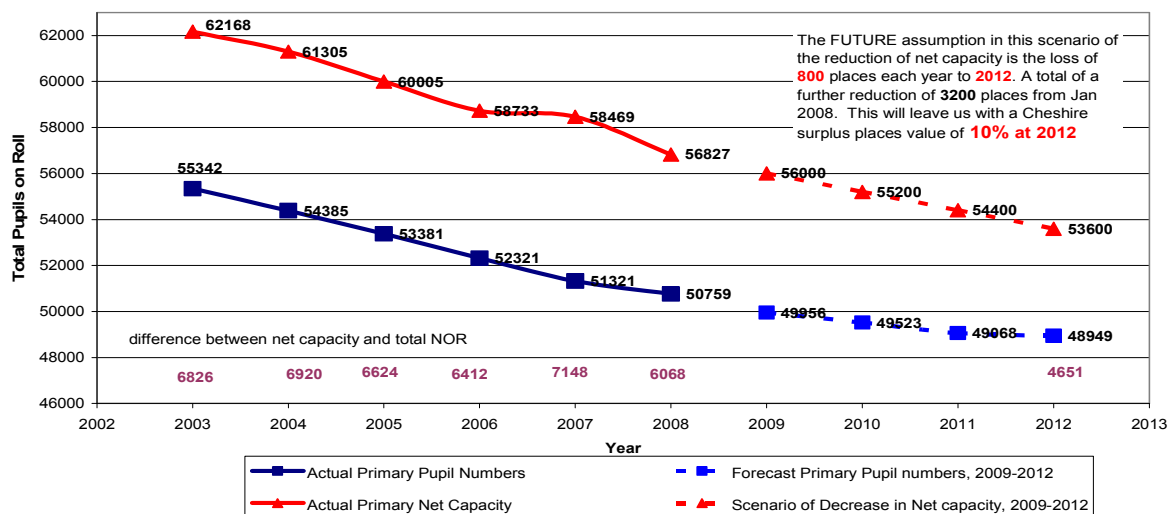
Cheshire: Secondary Sector

Impact of Removal of Surplus Places between 2005-2008 on Our 5-Year Forecast

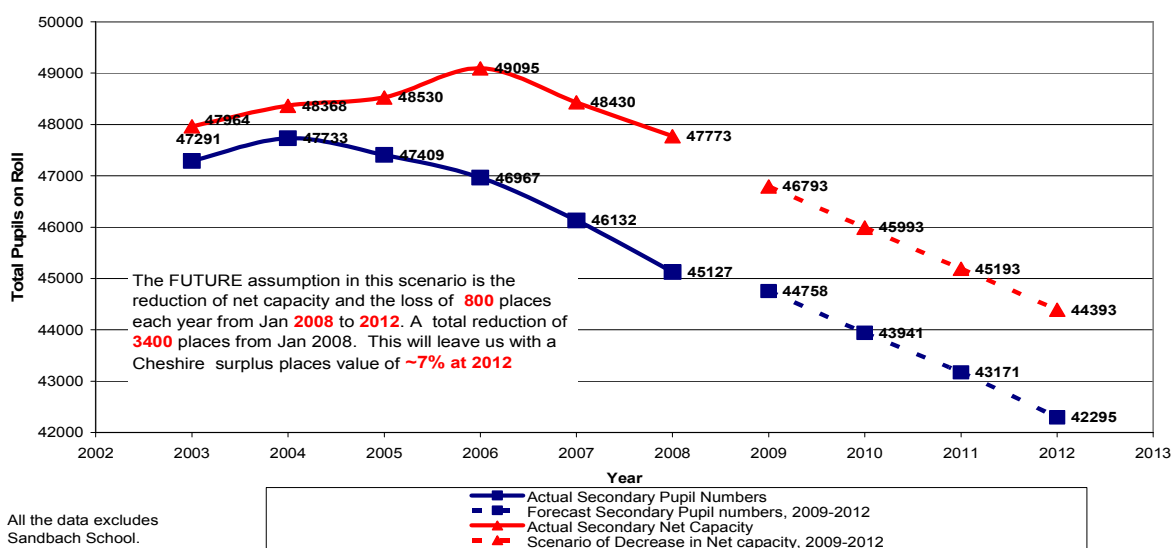
Surplus Places, %, 2003-2012



SCENARIO BUILDING (Baseline PLASC, Jan' 2008) :
What is the Gap between Cheshire Primary Pupils on Roll and Our Corresponding Total Primary Net capacity?



SCENARIO BUILDING (Baseline PLASC, Jan' 2008) :
What is the Gap between Cheshire SECONDARY Pupils on Roll and Our Corresponding Total SECONDARY Net capacity?



2. CONSULTATION PROCESSES AND PERFORMANCE

Process

2.1 The consultation process as it has evolved is mapped out at **Appendix B**.

2.2 In addition to this the Panel offers Members the following explanations of the stages of consultation as supplied by the TLC Team:

- Stakeholder conference: The first stage of the TLC process where all the locality stakeholders are invited to an event to 'set the scene' for their locality review led by the Lead Officer for each review. This covers the relevant data, decision making and consultation process. Stakeholders include - school

heads, governors, local members at both county and borough level, the LSC, partner agencies, trade unions and parent governor representatives;

- Informal consultation: These events follow the options announcement for each locality. These give stakeholders an opportunity to attend a drop-in session to meet the TLC team and discuss the options for each locality in general terms or any specific options relating to their school for feedback to Members who then advise/decide on which proposals should proceed to the next stage of formal consultation. These take place in central locations in each locality, e.g. Civic Hall;
- Formal consultation: Similar to informal consultation in format but they take place at the particular school/s directly affected and are a way of collating feedback to Members who then advise/decide on which proposals should proceed to the next stage, which is the issue of public notices formally advertising a definite proposal and inviting formal comments;
- Public Notices: This is the formal notice of closure, if that is the decision of the Council following formal public consultation. If there are no objections to the notice then the school closes. If there are objections then the final decision was previously taken by the independent 'School Organisation Committee' (SOC). The Government abolished SOC's in 2007 and final decisions in the case of objections are now taken by a 'SOC' sub-committee of the Council's full Executive;

Focus Groups

2.3 The results of the Focus Groups sessions with Heads, Governors and Parent Governors on TLC consultation is attached at **Appendix C**.

Consultation Issues

2.4 Clearly options generation is a key issue for stakeholders. The Panel was advised that as part of any TLC locality review, at the end of the initial informal stages of consultation a range of possible options emerge and an option appraisal process has to be undertaken. This applies a set of factors to assist the identification of the nature of changes and where those changes may occur, and includes:

- Geographical and Demographic Issues (G&D);
- Asset Management Issues (AM);
- Resource and Financial Issues (R&F);
- Children's Services Issues (CS);
- Community Issues (C);
- Social and Special Issues (S&S);

These factors will likely take account of:

- Pupil Numbers on Roll (NOR) – current and projected (G&D);
- Surplus places – numbers and percentages – current and projected (G&D);
- Parental preferences – in area / out area – numbers of first preferences (G&D) (C);
- Distance to alternative educational provision and other geographical / locational factors (G&D) (C);
- Standards of accommodation – condition and suitability issues (AM);

- Site-related issues - access, potential for expansion, planning restrictions etc (AM);
- Budget, unit costs, wider revenue funding issues, sustainability (R&F);
- Capital funding (R&F);
- Balance of provision – faith and non faith – numbers and percentages of places – the range of schools in a locality (G&D) (C) ;
- Consideration of Social Inclusion / Areas of Deprivation etc (S&S);
- Audit / Mapping of provision to need (S&S) (C) ;
- “Givens”, for example, in relation to decisions already taken in respect of other major initiatives such as Children’s Centres or SEN and Inclusion (CS);
- Other site users and the interests of the wider community (C).

2.5 These factors will be considered against the criteria for TLC as set out in “A Case for Change”, in particular the seven Key Principles. An added complication of TLC locality reviews is that they are not simply about matching provision to current and future demand but are also concerned with establishing a platform on which educational and children’s services can be developed in future and a transformation of provision can be achieved.

2.6 Notwithstanding the above advice, the Panel also heard considerable evidence from stakeholders on the generation of options, particularly concerning Crewe and Nantwich and the Ellesmere Port and Neston localities. Whilst accepting that these were early localities and the practices have developed since then, the Panel noted that most stakeholders felt that the option generation process was conducted by Officers in great secrecy and sometimes using outdated information. People felt unable to contribute and that their ideas were invited but not acted upon. Very importantly, despite the emphasis on transformation of learning, they perceived that the process was primarily concerned with school closure.

2.7 Taking account of the above issues, the following key points were identified by the Panel in relation to TLC consultation processes:

- i. **There is a need to ‘share the problem’ with stakeholders (including parents) in a more open and engaging way from the outset of a locality review.** More basic data needs to be placed in the public domain that explains the problem in a review area and invites local solutions BEFORE the ‘options’ (informal or formal) are put out for consultation. However, when inviting local solutions/options from stakeholders they must be given realistic parameters within which to develop their options – such as what objectives must be achieved, and what constraints are there locally and nationally (e.g. funding, legislation). It is recognised that some facilitation might be required and that the process is not without risks. For example it shares the uncertainty at an earlier stage and acceptable ideas might not emerge;
- ii. As soon as CCC announces ‘options’ (or option) the battle feels lost to most stakeholders. **What CCC calls ‘options’ are almost invariably seen by stakeholders as ‘proposals’;**
- iii. When schools are aware that they are not the subject of a ‘option’ they tend to withdraw from debate, hence restricting the opportunity for local engagements and the transformational re-design of an entire locality from scratch. If all schools were engaged for longer then this would help to develop a whole locality based vision. The local authority needs to use the consultation process to both develop and explain its strategic vision and plan for a locality;

- iv. The consultation processes have evolved to become overly long and complex. It might be assumed that they are also increasingly labour intensive for officers. **Consultation needs to be streamlined and more open but without compromising the ability for the council to make good decisions;**
- v. It is not clear (at least to a fair number of stakeholders) how views and options from stakeholders are dealt with or even whether any attention is paid to them at all. Where they are rejected prior to formal consultation reasons do not seem to have been given as to why. **There needs to be more clarity about how consultation feeds into decision making; there needs to be a reasoned response to consultees;**
- vi. Poor, or poorly perceived, communications have sometimes damaged the process of consultation and decision making. This has added ammunition to opponents of proposals and has undermined support for TLC. In particular many stakeholders were enthused by the initial presentation on TLC and its emphasis on the transformational aspects. However they rapidly became openly cynical as it appeared to focus on the surplus place issue. Whilst the surplus places issue (and associated school closures) will naturally have a higher profile in the community in general, it is important to effectively communicate the transformational outcomes of TLC to demonstrate that the benefits are and will be more profound than pure financial redistribution.

3. POLITICAL PROCESS AND DECISION MAKING

3.1 The Panel acknowledged at an early stage that the political management of surplus places, where it involves the closure of a school, is inevitably a controversial process. It should be borne in mind therefore that *whatever* final solution is arrived at, those associated with a school that closes will regard themselves as the losers in the process and feel aggrieved little matter what system was followed.

3.2 However, that does not mean that both consultation and decision making processes should escape being reviewed for **fairness, openness and effectiveness**. Having looked at TLC consultation processes above, this section of this report will look at TLC political processes involving the School Planning Select Panel (SPSP) and the Executive in its various forms (Children's Services Executive, full Executive and Executive School Organisation Sub-Committee (Exec-Sub SOC)), and the associated Constitutional processes of 'Call-in' and Scrutiny.

3.3 It might be kept in mind that while TLC began with all Party support, this has dissipated, although not entirely disappeared. In part the Panel viewed this as resulting from less enthusiasm for the realities of school organisation, and in part from disaffection due to a few controversial decisions not to close (or even consult on) some rural school closures.

Political Decision Making Processes

3.4 In brief the TLC locality process can be summarised as:

- i. An officer led study leading to identification of possible changes to education provision in a locality;

- ii. A political decision to publish certain Options for informal public consultation. The intent of the council is that these Options are possible changes that could be made; they should not be seen as firm proposals;
- iii. Based on the outcomes of the informal consultation a political decision to make specific proposals and publish these for formal consultation;
- iv. Based on the outcome of the formal consultations a political decision on the changes to be made and execution of those changes.

3.5 **Appendix D** maps the political stages of the decision making process adopted for TLC including the various consultation and call-in steps. A very early stage involves SPSP considering (in private) a range of Officer provided options for informal public consultation. The Panel found itself regularly questioning the openness of this procedure whereby SPSP only allows those options that it approves of to go forward for informal consultation.

3.6 From point (3.4 ii) above (for the reasons set out at 2.7 ii above) battle-lines are drawn and positions become entrenched as what has become a very drawn-out decision making process grinds along, punctuated by call-ins and referrals to an unclear rota of scrutiny and Executive meetings where few people (including Officers and Members) understand anymore why a particular body is considering a TLC matter. The role of Council is unclear (especially to the public) and the public are confused about when they can and can't put formal questions to a meeting that is considering a TLC decision. Even less often do they understand the outcome of these meetings. Some clear areas of bewilderment include:

- Why call-ins are sometimes heard by the Children's Services Scrutiny Committee and sometimes by the Performance and Overview Committee;
- The reason why a decision of the full Council can be ignored by the Executive;
- The nature of the advice offered by a council committee and how that advice impacts upon the final decision of the Executive;
- That the same topic can be repeatedly raised under the guise of several different motions before the same Council committee.

3.7 These matters stem from the Constitution of the Council and from the underpinning legislation (Local Government Act 2000). However, the 2000 Act was intended by the Government (however misguidedly) to simplify and speed up decision making in local government. Their interpretation by the Council's Constitution has manifestly failed to achieve this in relation to TLC. Whilst the mechanisms adopted are an important part of the democratic and consultative processes the complexity of their implementation serves to undermine and thus in part defeat their purpose by appearing to outsiders (and occasionally Members) as being arbitrary and arcane.

3.8 In short, it seems to the Panel that the political process has become too long and convoluted. A much clearer system is required – with more openness in the earlier stages, followed by quicker decision making and fewer opportunities for call-ins. On this latter point, while the Panel would not seek to undermine or neuter the democratic process, it does call into question a system that allows the same single decision to be called-in repeatedly at every stage of decision making. It almost places an obligation on the local Member to do so. It does not seem to be in the public interest to prolong what can be a painful and traumatic process for local communities when there is little real hope of changing the decision. The Constitution

should set fair *but sensible* parameters within which Members can represent local people.

3.9 In light of the above issues, in considering any future political system for school organisation Members and Officers (of whichever authority is dealing with this matter) should consider the following points when developing political structures:

- I. That a full range of viable options should be put in the public domain for consultation at an early stage;
- II. That Call-ins should only be permitted at two stages of the decision making process (such as when formal consultation is approved by the Executive to take place and when Public Notices are approved by the Executive for issue);
- III. That referrals for the first call-in stage should always go to Children's Services Scrutiny;
- IV. That referrals for the second call-in stage should go to Performance and Overview Committee (ie the parent body of Children's Services Scrutiny);
- V. That if a Exec-SOC type committee needs to consider Objections to Public Notices, that no call-in of Exec-SOC decisions should be possible. Exec-SOC should be the final stage in the process as SOC was prior to its abolition;
- VI. That consideration should be given to whether Council could replace Exec-SOC as the final stage of decision making (although the Panel note the importance of allowing Objectors to make representations in person to the decision making body) and what the proper role of full Council should be in decisions to close schools (such as the final place of appeal against an Executive decision).

Role of Federation in Removing Surplus Places

3.10 The Panel also questions the apparent acceptance of federation by SPSP and the Executive and whether this has become a method of avoiding difficult school closure decisions. A number of recommendations for closures or amalgamations by Officers have been overturned by SPSP in favour of decisions to federate (it should be noted that only Governing Bodies may propose federation, not SPSP or the Executive). In order to explore this the Panel asked for the tables below to be produced to highlight how many surplus places had been removed in the primary sector and by what method (ie amalgamating two schools; federating two schools; closing a school; or reducing the Net Capacity of a school – ie by redesignating classroom space).

3.11 The evidence in tables 1 and 2 below would suggest that **federation by itself plays no role in removing surplus places** – unless it is a first step towards closure of one school or amalgamation of two schools, and ultimately results in a clear and significant reduction in the net capacity of the local school provision. It is, however, noted that federation can be a precursor that enables future changes to be made, particularly with regard to those aspects of TLC that are concerned with improving education provision rather than dealing solely with surplus places. For example:

- Reducing the barrier to future amalgamation of schools;
- The pooling of staff capability thereby broadening the experience, ideas and facilities thereby enriching the learning provided at both schools;
- The opportunity to improve school leadership at a time when skilled school leaders are increasingly difficult to recruit.

3.12 In short, federation can have a role in changing the educational landscape but has been used as a way of avoiding taking unpalatable and controversial (but

necessary) closure and amalgamation decisions. Where federations have been approved Governing Bodies should at least be formally required to report within a short period of time on how federation has helped to achieve the stated objectives for a school and a locality.

Table 1 - Number of surplus places reduced by method of removal (between Jan 2005 and 31 Aug 2007)

Locality	Officer Rec'mended	Exec Decision	Reason for change (and surplus place reductions foregone)	Amalgamation	Federation	Closure	Net Capacity
Crewe	704	655	St Oswald's closure rejected (49)	258	0	266	131
EP&N	644	644		0	0	360	284
Frodsham	122	42	Kingsley CE / Norley CE amalgamation rejected in favour of federation (80)	0	0	0	42
Chester	289	289		0	0	0	289
WMT	272	272		40	0	0	232
KWP	224	224		0	0	0	224
Maccl'fld	180	180		0	0	0	180
North VR	234	234		0	0	0	234
ACS&HC	30	30		0	0	0	30
TOTAL	2699	2570	Impact = 129 places	298	0	626	1646

Table 2 - Number of surplus places planned to be removed by locality / method (between 1 Sept 2007 and)

Locality	Officer Rec'mended	Exec Decision	Reason for change (and surplus place reductions foregone)	Amalgamation	Federation	Closure	Net Capacity
Crewe	54	54		0	0	0	54
EP&N	405	405		195	0	0	210
Frodsham	133	133		0	0	88	45
Chester	804	752	Huxley closure rejected in favour of federation (52)	81	0	375	296
WMT	390	306	Byley closure rejected by SPSP (84)	30	0	276	0
KWP	421	316	High Legh / LB amalgamation rejected in favour of federation (105)	210	0	0	106
Maccl'fld	-	-	-	-	-	-	-
North VR	31	31		0	0	0	31
ACS&HC	105	105		105	0	0	0
TOTAL	2037	2102	Impact = 241 places	621	0	739	742

Surplus Places – Opportunities to Remove ‘Foregone’

3.13 A number of Officer recommendations have been rejected for various reasons and decisions not to close schools have been taken. To date the Local Authority has foregone a reduction of approximately 892 places in primary schools as set out in the table below as a consequence of not proceeding to closure or amalgamation.

PROPOSAL	PLACES “FOREGONE”
Close St Oswald's Worleston CEPS	Reduction of 49 places if option agreed
Amalgamate Alvanley PS & Manley PS (in the event, federated)	N/A
Amalgamate Kingsley St John' CEPS & Norley CEPS (in the event, federated)	Reduction in 70-80 places if option agreed
Close Huxley PS (currently exploring the possibility of federation)	Reduction of 52 places if option agreed
Amalgamate of High Legh PS & Little Bollington	Reduction of 105 places if option agreed
Close Delamere CEPS (review in Spring 2009)	Reduction of 70 places if option agreed
Option to close Byley PS	Reduction of 84 places if option agreed
Options around Greenfields PS and Over St John's CEPS (Position at GPS to be reviewed by Spring 2009)	Reduction of 145 places if option agreed
Close Pott Shrigley CEP	Reduction in 42 places if option agreed
Close Gawsworth CEP*	Reduction in 210 places if option agreed

Close Bosley St Mary's CEP (collaborative arrangements with Wincle CEP agreed)	Reduction in 55 places if option agreed
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3.14 It is difficult to determine what the effect would have been on the overall surplus place percentage. This is due to several factors. One factor is that had the schools identified for closure gone ahead, their children would likely continue to be in the system but it would be difficult to predict which receiving schools the children would attend. However if it is assumed that the pupils enter schools which do not become oversubscribed, the 892 places removed will equate to the removal of 892 surplus places. It should be noted that the County surplus place figure at January 08 (at which time approximately 286 places had been foregone) would have been in the region of 12.1% compared to 12.6% actual.

3.15 The impact of these decisions has been a loss of prudential borrowing opportunities and capital receipts that could have generated £12.9m in capital spend if they had been used for prudential borrowing. However, the TLC business case in terms of savings and investment is on target – providing that all locality reviews continue and officer recommendations are followed. More information on TLC finances is in **Appendix E**.

3.16 It is imperative that Members appreciate the impact of these decisions in terms of missed opportunities to fund the transformation of learning communities in Cheshire. Cheshire does not yet qualify for Building Schools for the Future funding from the Government (not until 2016 on current plans). Cheshire must therefore fund TLC itself and it has done this through reinvestment of capital receipts and through prudential borrowing. While the TLC business case may still be on target, because it is well down the queue to receive Government funding it is even more important that Cheshire deploys its scarce financial resources in the most effective way.

4. SMALL SCHOOL ISSUES

4.1 Due to both its rurality and to falling rolls Cheshire has a large number of small primary schools – and at a smaller average size (190 pupils per school) than comparable authorities. The Panel recognised that there are advantages and disadvantages (perceived or real) to small schools and that there are circumstances where small schools can be necessary, viable and can provide a good standard of education. However, it is also the case that small schools cost more money per pupil and that this takes funding away from pupils in larger and more popular schools, sometimes also in need of higher funding levels due to deprivation or other factors.

4.2 The Panel received evidence that the Audit Commission has concluded that, in general, small primary schools (fewer than 90 children) and small secondary schools (fewer than four forms of entry – 600pupils in a 11-16 school) are less cost effective. In the secondary sector such schools are less likely to be designated by OFSTED inspectors as “meeting with success”.

4.3 To give some flavour of the costs of small schools and the allowances that they received in 2007-08 attached at **Appendix G** is a complete list of per pupil costs and funding levels. Some extracts are set out below for primary schools with fewer than 70 pupils on roll, or higher than £3,500 per pupil costs. Secondary schools are those in Cheshire with fewer than 600 pupils on roll (or only slightly more than that).

Small Schools' Pupil Numbers and Per Pupil Costs

<u>Name Of School</u>	Pupil	Per Pupil	TLC Outcome
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	Nos	Cost (£)	
Alvanley Primary School	66	3,967	Amalgamation rejected
Barrow CofE Primary School	51	3,600	-
Bosley St Mary's CofE Primary School	46	4,297	-
Boughton St Paul's Nursery and Infant School	61	4,480	Closed
Bridgemere CofE Primary School	74	3,998	-
Chelford CofE Primary School	38	4,907	-
Church Lawton Primary School	87	3,656	-
Clutton Church of England Primary School	44	3,997	Closure rejected
Crowton Christ Church CofE Primary School	72	3,724	
Delamere CofE Primary School	50	3,945	Closure rejected
Dodleston CofE Primary School	51	3,523	-
Dunham Hill Primary School	47	4,573	Closed
Gorsthills Community Primary School	28	4,560	Closed
Great Budworth CofE Primary School	57	3,359	-
Harthill Primary School	18	8,796	Closed
Huxley CofE Primary School	25	6,753	Closure rejected
Kettleshulme St James CofE (VA) Primary School	64	3,709	-
Kingsley St John's CofE (VA) Primary School	63	3,779	Amalgamation rejected
Lodgefields Community Primary School	16	8,193	Closed
Manley Village School	57	3,426	Amalgamation rejected
Mansfield Primary School	23	4,898	Closed
Norley CofE VA Primary School	61	3,868	Amalgamation rejected
Oaklands Community Infant School	55	3,255	Amalgamation with Dean Row Junior
Peover Superior Endowed Controlled Primary School	63	3,752	-
Pott Shrigley Church School	47	4,480	Closure rejected
Rivacre Valley Primary School	105	4,735	Federation with Rossmore (no longer being pursued)
Shocklach Oviatt CofE Primary School	50	3,708	-
St Oswald's Worleston CofE Primary School	31	5,639	Closure rejected
Utkinton St Paul's CofE Primary School	56	3,514	-
Warrington CofE Primary School	58	3,693	-
Windle CofE Primary School	48	3,975	Poss federation with Bosely St Mary's
Cheshire Primary Average Per Pupil Cost		2,903	

Secondary

Blacon High School, A Specialist Sports College	558	4,651	-
Coppenhall High School	275	4,104	Amalgamation with Victoria
Frodsham School, a Science and Technology College	516	3,992	Closed
Middlewich High School	685	3,812	-
St Thomas More Catholic High School	630	3,493	-
Victoria Community Technology School	238	4,728	Amalgamation with Coppenhall
Woodford Lodge High School	577	5,062	Federation with Verdin – no NC reductions resulted
Cheshire Secondary Average Per Pupil Cost		3,684	

4.4 To help small schools to survive and meet the demands of the national curriculum Cheshire pays small schools allowances via its school funding (LMS) formula. Some extracts are shown below in relation to the some of the schools above, and also some schools that do not register above as small schools yet still receive allowances in excess of £40k each.

Small Schools Budgets and Allowances

<u>School Name</u>	Pupil Based Funding ¹	Other funding factors	Small Schools Allowances ²	Small sch allowances as % of
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¹ Total funding delivered through the Age Weighted Pupil Unit (AWPU)

² For primary schools, these are the Top-up Allowance for Small Primary Schools and the Excess Area Allowance; for secondary schools, these are the Small Schools Curriculum Protection Allowance, the Small Schools Clerical & Technical Support Allowance and the Excess Area Allowance.

Primary	£	£	£	Budget %
Adlington Primary	193,858	80,027	44,370	13.9%
Boughton St Paul's Nursery & Infant	151,479	99,535	23,172	8.5%
Delamere C of E Primary	107,975	78,869	10,401	5.3%
Dunham Hill Primary	97,195	100,365	17,383	8.1%
Gorsthills Community Primary	75,496	52,844	20,169	13.6%
Gt Budworth C of E Primary	120,661	71,496	0	0.0%
Harthill Primary	37,461	62,622	58,250	36.8%
High Legh	256,014	76,812	49,647	13.0%
Huxley C of E Primary	52,859	72,263	43,708	25.9%
Lodgefields Community Primary	33,254	82,561	13,912	10.7%
Lostock Gralam C of E Primary	265,679	93,463	41,210	10.3%
Manley Village	121,214	74,079	0	0.0%
Mansfield Primary	64,083	47,808	2,754	2.4%
Norley C of E Primary	127,291	64,122	44,565	18.9%
Peover Superior Endowed (Cont) Primary	133,686	62,486	40,191	17.0%
Rivacre Valley Primary	263,887	181,734	53,770	10.8%
Shocklach Oviatt C of E Primary	108,747	66,886	9,766	5.3%
Smallwood C of E Primary	260,546	74,407	45,598	12.0%
St Oswald's Worleston C of E Primary	67,392	65,822	41,589	23.8%
Utkinton St Paul's C of E Primary	118,389	77,529	1,579	0.8%
Victoria Road Primary	294,941	172,854	53,528	10.3%
Warmingham C of E Primary	122,573	91,599	0	0.0%
Westminster (John Street) Primary	267,963	190,262	44,431	8.8%
Windle C of E Primary	102,861	73,991	13,928	7.3%
Secondary				
Blacon High	1,588,876	858,171	148,008	5.7%
Cheshire Oaks High	1,977,646	1,235,934	77,845	2.4%
St Thomas More Catholic High	1,767,215	368,123	65,128	3.0%
Woodford Lodge High	1,689,006	1,078,797	155,134	5.3%

4.5 Five schools highlighted in bold above are not among the smallest primary schools yet receive quite substantial (more than £40k) in small schools allowances each. On the other hand Utkinton Primary, which is amongst the smallest schools, receives only £1,579.

4.6 The Panel was advised that this is because the highlighted schools have received significant amounts of small schools funding (so-called). This is because one of the key aims of the Top-up Allowance for Small Primary Schools is to ensure that schools can meet their legal obligation not to have more than 30 infant pupils in a class. The allowance compares the number of teachers funded through the Age Weighted Pupil Unit (AWPU) with the minimum number of teachers required, and tops up the budget as necessary. The minimum number of teachers required increases in steps, in multiples of 30 pupils, eg 31 - 60 pupils are deemed to require 2 teachers (plus non-contact time and an element of non-teaching time for the headteacher), whereas 61 - 90 pupils are deemed to require 3 teachers (plus non-contact time and increased non-teaching time for the headteacher). This means that schools with pupil numbers just above a threshold (eg 61, 91, 121) will receive a large amount of top-up, whereas schools with pupil numbers just below a threshold will receive little or no top-up (because the AWPU already delivers enough funding). The highlighted schools all have such "tricky" numbers (eg Adlington 91 pupils, High Legh 122 pupils), whereas Utkinton St Paul's with 56 pupils does not need much of a top-up.

4.7 A number of the schools on this list were closing or amalgamating in 2007/08, so that their pupil numbers and cost per pupil are distorted by relating to only five or seven months' budgets (Gorsthills, Lodgefields, Mansfield, Oaklands Infant, Coppenhall and Victoria all 5/12, Sir William Stanier 7/12)

4.8 While the Panel draws no specific conclusions from this complex data, it presents this as part of the report in order to emphasise the costs of small schools and the way in which they can divert (albeit for a very good educational reason: to support delivery of the national curriculum) education funding away from the majority towards a minority. The Panel felt that while this could be supported in situations where a small school primarily served a local community, it was more questionable in situations where small schools were not serving a local community – ie they drew their pupils from outside the local community and/or the local community elects not to send their children to the small local school but one further away.

4.9 On this basis the Panel concluded that there is a strong case for the Members (of whichever Cheshire local authority is dealing with school organisation matters in future) to consider working with its local Schools Forum to fundamentally review its LMS formula, and specifically the operation and sizes of small schools allowances to see what benefit this funding was achieving, to ensure that benefits were proportionate to the costs and suitable to local needs and objectives, and that individual allowances were kept under regular review.

Rural schools

4.10 The average cost per pupil in all Cheshire Primary schools is £2,903. Using the DCSF list of rural schools in Cheshire, when the list is adjusted for just small rural schools i.e. under 150 pupils, the average cost rises to £3,364 in 2007/08. This indicates that small rural schools receive £461 more per pupil than the average cost per pupil in all Cheshire Primary schools. It was noted that one of the attractions of small schools to parents was the perception that the resources available per pupil are greater and therefore they expect their children to receive a better education.

4.11 While it is acknowledged that the very clear Government advice about rural schools is for a 'presumption' against closure (**Appendix I**), this is only guidance, and means that recommendations to close rural schools must be considered carefully, not avoided. Decisions to close schools are always difficult, but the integrity of the TLC process requires hard decisions to be taken in both rural and urban areas if surplus places are to be effectively and fairly managed.

4.12 The Panel's view is not that rural schools should or should not close, but that a clearer policy on rural schools would better enable Members and Officers to assess openly and fairly their essentiality to a local community (such as how many local children are on roll in comparison with 'out of zone' children, and what other services the school offers to its local community), and their educational viability (minimising mixed age teaching and ensuring curriculum can be economically delivered without the need for their budgets to be topped up by substantial small schools allowances that divert money away from schools that serve many more pupils). Some of the controversy of TLC may well have been avoided if there had been a clearer policy to guide decision making on this matter.

Mixed age teaching

4.13 A summary of a report received on this issue can be found at **Appendix H**. The Panel noted the preference for one or two form entry (FE) into primary schools and that this avoids pressure for mixed age teaching, particularly in small schools. The Panel heard some evidence about mixed age teaching and agreed that it can clearly present problems for schools, but it was also apparent that some communities

support mixed aged teaching – especially if it means that their local school stays open.

4.14 The Panel did agree that very small schools (fewer than 50-60 pupils) clearly present significant problems in delivering the national curriculum. Members must ask themselves how many age ranges can realistically and properly be taught in the same classroom. While it may be feasible for two year groups to be taught together, a school with only 18 children would present insurmountable difficulties in relation to mixed aged teaching – unless very small classes were adopted – which then begs the question about how much this would cost per pupil and whether it is fair to subsidise some very small schools in this way. This should be one of the factors considered when reviewing the future of small rural schools.

5. CONCLUSIONS

Surplus Places and Decision Making

5.1 The Panel was asked to review whether TLC was addressing the issue of surplus places. As stated at the outset of this report, the objective of TLC is not solely the removal of surplus places, but the transformation of education by putting in place the infrastructure suitable to deliver the Every Child Matters agenda and improved delivery of education. TLC should not therefore be judged solely on its performance in removing surplus places. That said, from the information presented in Section 1 of this report it can be seen that TLC has succeeded in part in addressing the issue of surplus places. However, this success should be tempered by noting that this has only been sufficient to keep pace with the changing demographic profile of Cheshire. This has led the Panel to conclude that a continual programme of management of school places post-TLC seems inevitable as about 800 places per year will need to be removed from both the primary and secondary sectors just to keep pace with falling rolls at schools in future. This will present communication difficulties given the perception (rightly or wrongly) that TLC was intended to address all of these issues for the next decade or so.

5.2 Similarly it is recognised that the political management of surplus places, where it involves the closure of a school, is unavoidably a contentious process. It should be borne in mind therefore that whatever final solution is arrived at, those associated with a school that closes will feel aggrieved whatever system or process was followed. However, while controversy may be inevitable, the council must retain its credibility. Decision making is unclear and sometimes opaque, call-ins have been too frequent on the same decision, and stakeholder and Member support for the process has consequently dissipated.

5.3 Despite the above issues, the Panel wishes to commend those working on TLC for a programme that is considered good practice by the Audit Commission in many areas, in particular the comprehensive data that TLC uses and the significant resources that have been put in to the programme in comparison with some other LAs.

Transformational agenda

5.4 However, TLC is about more than surplus places – it is about transformation – but the Panel has often heard statements during this review that the transformational agenda was either a ‘sham’ or has at least been overlooked during the process.

5.5 The Panel acknowledges the fact that Cheshire has not qualified for Building Schools for the Future funding from the Government and so has not had access to the same funding to support radical school rebuilding projects that some other metropolitan areas have benefited from. Clearly transformation can be presented more positively when an authority is in a position to make attractive investments without needing to fund them from within its existing education resources. TLC has had to work within the constraints of its existing financial envelope and so transformation has had to be funded by prudential borrowing and capital receipts, which were in turn enabled by school closures and the removal of surplus places.

5.6 It was therefore critical, given the above situation, that all chances for raising funding were realised so that TLC could maximise its transformational opportunities this time around. The Panel's conclusion, is that these chances have not been taken, funding for transformation has been passed by (see paragraph 3.16), and ultimately the transformational benefits that TLC has delivered have to a large extent been widely overlooked due to the repeated focus of the Council's decision making processes on school closures without the reasons for those closures (to fund transformation) being successfully communicated. Had more Officer recommendations been followed, and a better consultation and decision making process been adopted, then political and public support for TLC may well have been sustained to a greater degree than it has.

Consultation

5.7 Future consultation processes should:

- i. Invite local solutions in the first instance as set out at paragraph 2.7i above;
- ii. Openly consult on all viable options brought forward to avoid the situation evidence at paragraphs 3.4 – 3.6 above;
- iii. Engage each educational locality for the duration of a review and seek broad acceptance (or at least acquiescence) to a set of final proposals for a locality – for the Council to approve as a whole package. The intention here would be to avoid the fragmentation of decision making and make clear the link between school rationalisations and transformation going hand in hand.

6. RECOMMENDATIONS

6.1 It is the Panel's firm hope and intention that the findings of this report should be noted by Cheshire County Council, both new unitary authorities for East and West Cheshire, and their respective Schools Forums as they plan further educational changes in future.

6.2 The following options should be considered by politicians and managers with strategic responsibilities in the area. Where possible, given the uncertainties about the future post-LGR, we have ascribed these recommendations to specific bodies to try to give them some ownership:

1. The Directors of Children's Services should be asked to develop clear rural schools and small schools policies, including criteria to assess the genuine community value of a small school (ie if fewer than 50% of its pupils on roll are from the local community then it is not local) as well as specifying a minimum viable size in educational terms for rural and urban schools respectively.

These will provide a strategic objective framework for future decisions; they will not be prescriptive in their own right.

2. The Directors of Children's Services should be asked to develop a guidance note for Members on the role of federation in achieving structural transformation of education and reducing surplus places as a first step leading towards two schools amalgamating or one closing. Decisions to federate schools should be subsequently reviewed to verify that the anticipated benefits are being realised. If no changes are taking place then the Council should formally reconsider amalgamation or closure as an option.
3. Lead Members for Children, Directors of Children's Services and their Schools Forums should consider a fundamental review of LMS (school funding) formulas to consider the operation and sizes of small school allowances and whether these continue to deliver educational benefits appropriate to local needs and objectives.
4. Lead Members for Children and Directors of Children's Services to develop future school organisation reviews taking account of the issues that the Panel has identified in relation to consultation (section 5.7 of this report) and decision making. The Panel's advice is that a four stage approach should be considered as follows:
 - Share the problem and invite local solutions – then consult;
 - Develop a strategic vision and plan for a locality and then formally consult on it;
 - Issue Public Notices that are required as part of the local plan and take these final decisions as necessary;
 - Take the final decision on the whole set of proposals for the locality.
5. Project Closure Reports should be compiled and published for each locality review in order to capture and publicise the full range of benefits that have been achieved, including:
 - ECM transformational changes (ie new Children's Centres);
 - Closures and amalgamations;
 - Number of surplus places removed;
 - How much money has been reinvested locally.
6. Council Leaders, Members and Legal Officers to take account of the decision making issues raised in section 3 – especially 3.9 - when developing governance arrangements, political structures and Constitutions for the new authorities.