

WARDS AFFECTED
All Wards



Leicester
City Council

**FORWARD TIMETABLE OF CONSULTATION MEETINGS:
CABINET**

22 APRIL 2003

TRANSFORMING SECONDARY SCHOOLS

Report of the Corporate Director of Education and Lifelong Learning

1. Purpose of the Report

- 1.1 This report advises Members of progress to date in taking forward the transforming secondary schools agenda, and in particular the proposals for three possible new schools.

2. Recommendations (or OPTIONS)

2.1 Cabinet is asked to:

- a) consider whether it wishes to pursue any of the three specific proposals set out in this report in the light of this initial assessment and the consultants' reports:
 - i) City Academy School proposal
 - ii) Braunstone proposal
 - iii) Islamic Academy;
- b) subject to a) agree that more detailed proposals, capable of statutory consultation and with a detailed assessment of the issues raised to date, be developed:
 - having clarified outstanding issues with the DfES and sponsors;
 - having had further discussion with a stakeholder group, the Education Partnership Board and sponsors in the context of the emerging Schools Strategy;
 - having regard to the possibilities arising from a potential Building Schools for the Future bid;
 - following further discussions with local communities in conjunction with 'sponsors'; and

- c) consider whether it wishes officers to pursue a bid to the DfES for funding under the DfES Building Schools for the Future programme, should it be confirmed by the DfES; and to progress this in conjunction with the above stakeholder group.

2.2 Education and Lifelong Learning Scrutiny Committee was asked on the 7th April 2003 to comment on this report and the Associated Consultants' reports and to refer its comments to Cabinet. These are:

- (i) That the Scrutiny Committee welcomes the proposal for the Leicester Islamic Academy to achieve Voluntary-Aided status;
- (ii) That the proposal to establish a City Academy be opposed until a credible, City wide strategy for raising educational standards has been produced and considered by the Scrutiny Committee;
- (iii) That the Scrutiny Committee supports the Consultant's conclusion that there was no convincing case for a new federated school on the Wycliffe Site;
- (iv) That the Scrutiny Committee acknowledges the urgent need to engage with the community in the Braunstone area, and for the educational needs in the area to be addressed.

3. Summary

a) Background

3.1 In 1997 the LEA inherited a number of schools where there were surplus places and unacceptably low standards. A City-wide review of educational provision took place. The aim of this review was to:

- Raise Standards
- Optimise the use of available resources

3.2 Over recent months, Members have been in receipt of a number of reports considering the Transforming Secondary Schools Agenda.

3.3 It was agreed that a debate should take place to explain the proposals and to receive views on these proposals. This took place during the Summer Term of 2002, and resulted in an initial report to lead Members on 29 July 2002. A full report on the debate was put to Scrutiny Committee on the 18 September 2002.

3.4 This report to Scrutiny set out a number of positive aspects to the proposals, but also listed a number of key issues and concerns that had been raised and stated that these would need to be considered, assessed and responded to at the next stage. Scrutiny considered that an independent consultant should be commissioned to assess the proposals.

3.5 A brief for this consultancy was agreed by the Cabinet Lead for Education and the Triumvirate. The appointment of the consultant was made from a shortlist of three by the Cabinet Lead and the Chair of Scrutiny.

3.6 Late in January 2003 the Cabinet Lead for Education and Lifelong Learning asked the Corporate Director of Education and Lifelong Learning to conduct a

consultation survey into the views of the local community where proposals to establish a City Academy school had been debated.

b) Context

3.7 The rapidly evolving local and national agenda both place the raising of educational standards as a major priority.

i) The Local Agenda

3.8 Standards overall remain too poor and attainment between schools is too variable. The most acute challenges exist in the South and West of the City.

ii) The National Agenda

3.9 Since 1998 the Government's agenda for secondary education has itself been transformed. The most recent policy initiative emphasises diversity of provision, a focus on the 14-19 phase and the possibility of federations between schools.

c) The Proposals

3.10 The proposals currently being considered are for:

- the establishment of a City Academy school for 3-19 year olds on the site of the former Mary Linwood School
- the establishment of a 3-14 federated community school on the former Wycliffe School site
- the Leicester Islamic Academy (currently a fee paying independent school) to achieve voluntary aided status.

d) The Consultants' Reports

3.11 The Tribal consultant's report describes widespread support for the development of a City-wide strategy for raising standards in secondary schools.

3.12 Apart from the teachers' professional associations there was also general support, despite the absence of any detailed proposals, for the establishment of a highly innovative City Academy School on the Mary Linwood site. This support was based on a widely shared perception of the need to improve educational attainment in the communities in the Academy's immediate locality. However, it was felt that more information was needed.

3.13 Little support was forthcoming for re-establishing secondary provision on the Wycliffe site and there were mixed views about the establishment of the voluntary aided Islamic school.

e) A Way Forward

3.14 It is considered that the proposals broadly meet the City Council's strategic and educational objectives, although there is a fine balance of judgement involved at this stage. Given the issues raised in the consultants' reports,

Members are asked whether they wish to take any or all of the proposals forward.

4. Headline Financial and Legal Implications

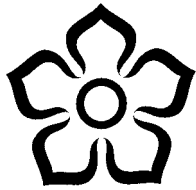
Many and varied. Please see attached report.

5. Report Author/Officer to contact:

5.1 Steven Andrews
Corporate Director of Education and Lifelong Learning

DECISION STATUS

Key Decision	Yes
Reason	Citywide Impact on communities
Appeared in Forward Plan	Yes
Executive or Council Decision	Executive (Cabinet)



Leicester
City Council

WARDS AFFECTED
All Wards

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
CABINET

22 APRIL 2003

TRANSFORMING SECONDARY SCHOOLS

Report of the Corporate Director of Education and Lifelong Learning

SUPPORTING INFORMATION

1. Purpose of the Report

1.1 This report advises Members of progress to date in taking forward the transforming secondary schools agenda, and in particular the proposals for three possible new schools. This is set within the context of the evolving national and local agenda for raising standards and other strategic objectives. Consideration is given to two consultancy reports which are appended as annexes. It then seeks Members views as to whether it wishes to progress any of the proposals, and suggests alternative ways of doing this.

2. Summary

a) Background

2.1 In 1997 the LEA inherited a number of schools where there were surplus places and unacceptably low standards. A City-wide review of educational provision took place. The aim of this review was to:

- Raise Standards
- Optimise the use of available resources

2.2 This resulted in a reduction in the number of secondary schools, with a subsequent minimum intake of 900. The review resulted in a major reduction of surplus places (over 4,000) and a major reduction of Small School Protection (SSP) funding of over £2 million. A £30m capital programme was implemented to support the re-organisation.

2.3 Over recent months, Members have been in receipt of a number of reports considering the Transforming Secondary Schools Agenda. This represents a

major development of government policy and brings with it a series of challenges and opportunities. These include a move towards increasing the diversity of educational provision.

- 2.4 Within this context, the Chair of the former Partnership Board commended to the City Council that it might consider taking forward a proposal for a City Academy School in the City. Also, discussions with officers of the Braunstone Community Association suggested that there were potential investment opportunities that could assist in the raising standards agenda in the context of the regeneration of Braunstone.
- 2.5 It was agreed that a debate should take place to explain the proposals and to receive views on these proposals. This took place during the Summer Term of 2002, and resulted in an initial report to lead Members on 29 July 2002. A full report on the debate was put to Scrutiny Committee on the 18 September 2002.
- 2.6 The report to Scrutiny set out a number of positive aspects to the proposals, but also listed a number of key issues and concerns that had been raised and stated that these would need to be considered, assessed and responded to at the next stage. Scrutiny considered that an independent consultant should be commissioned to assess the proposals.
- 2.7 A meeting of the Council on the 26 September endorsed a set of proposed principles against which a City Academy School would be assessed. (Appendix 1). It also agreed that an independent consultancy should be progressed.
- 2.8 A brief for this consultancy was agreed by the Cabinet Lead for Education and the Triumvirate. The appointment of the consultant was made from a shortlist of three by the Cabinet Lead and the Chair of Scrutiny.
- 2.9 The initial brief (Appendix 2) was extended to include a proposal from the Islamic Academy. This had not been a part of the earlier debate.
- 2.10 The DfES, in early November 2002, informed the Council that 28 November 2002 was an important deadline for potential City Academies and it would be advisable to have submitted a formal Expression of Interest by this date. It was agreed to submit such an Expression of Interest and this was sent to the DfES by 28 November 2002. The submission was made without prejudice and was designed only to keep the possibility of DfES funding for a City Academy alive should the decision of the Council be to proceed to a full formal application.
- 2.11 Late in January 2003 the Cabinet Lead for Education and Lifelong Learning asked the Corporate Director of Education and Lifelong Learning to conduct a consultation survey into the views of the local community where proposals to establish a City Academy school had been debated.
- 2.12 The reports of the consultants are attached as Annexes to this report.

b) Context

- 2.13 The rapidly evolving local and national agenda both place the raising of educational standards as a major priority.

ii) The City Agenda

Raising Standards

- 2.14 In recent years the City's secondary schools have achieved improved examination results at GCSE level. The 2002 results were the best ever with year on year improvement exceeding the equivalent national rate. There was over a 3% rise in the number of pupils obtaining 5 + A*-C grades at GCSE. It raised City results to the highest ever achieved and met targets for the first time.
- 2.15 At the same time, it is acknowledged that standards overall remain too poor and attainment between schools is too variable. The most acute challenges exist in the South and West of the City. Key issues include literacy and oracy, surplus places, and out-migration. It is here that the development of an innovative approach was considered to be appropriate. This could embrace new thinking about the curriculum, the learning environment, the needs of particular groups of pupils and local areas. Headteachers from schools in the EAZ are already working on identifying the major barriers to learning and agreed that there are four priority areas – improving – oracy skills, learning skills, emotional literacy and the emotional environment in schools, and developing learning communities in partnership.

Falling Rolls/Parental Choice

- 2.16 There is a continuing downward trend in the secondary school intake in the City. This is set out in Appendix 3.
- 2.17 Also, locally, there is an established pattern of City children transferring to Leicestershire middle and high schools which has led to the view that the City Council should consider ways of resisting and reversing this pattern. The City-wide position is also set out in Appendix 3.

Primary Place Planning

- 2.18 There is also a need to consider the amalgamation of primary schools in the context of the Council's current policy. Again, there are falling rolls, and an increasing requirement for Small Schools Protection funding to sustain schools. There is limited capital available to address these issues in a way that maximises the addressing of the Standards agenda.

Schools Strategy

- 2.19 The Department is currently developing a schools strategy which will incorporate the wide range or family of plans that currently focus on schools – the EDP, the Asset Management Plan, the Behaviour Support Plan, Fair Funding policy etc. It is considered that one plan with a single vision is a more appropriate way to take forward a strategic approach. This is now accepted by the DfES. The Department is working with a group of pilot authorities nationally to address this agenda.

2.20 The provisional aims of this strategy, being developed as the basis for consultation are:

- (i) to raise standards across all our schools;
- (ii) to promote inclusive schools in the context of a City social inclusion strategy;
- (iii) to assist the promotion of social cohesion;
- (iv) to become a Specialist City with all schools developing complementary specialisms;
- (v) to promote collaboration and partnerships between schools and with the wider community;
- (vi) to place schools at the centre of the wider regeneration and revitalisation agenda;
- (vii) to pursue innovatory approaches to issues;
- (viii) to resist and reverse migration out of the City;
- (ix) to promote diversity of school provision;
- (x) to create schools of an appropriate size and specialism to meet the needs of pupils and local communities;
- (xi) to promote the value of education for all learners;
- (xii) to remove barriers to learning including language development;
- (xiii) to promote strong leadership and management;
- (xiv) to promote high quality teaching and learning to include leading edge curriculum developments and encourage exemplar practice;
- (xv) to promote and support the implementation of an IS strategy;
- (xvi) to promote the equalities agenda;
- (xvii) to address the challenges posed for schools by pupil mobility (turbulence);
- (xviii) to support schools to address disruptive and anti-social behaviour both within and outside schools;
- (xix) to maximise and target the use of resources currently or potentially available to the City Council for its schools;
- (xx) to promote the City as an attractive place to teach and to learn;
- (xxi) to address the transforming the workforce agenda;
- (xxii) to secure coherent 14-19 provision in partnership with the local Learning and Skills Council;
- (xxiii) to support and challenge self-managing schools;
- (xxiv) to provide high quality services to support schools.

2.21 This involves:

- (i) a continuation of the current challenge and support strategy – the standards ‘push’;
- (ii) consideration of new opportunities and possibilities to support and accelerate this standards push within the context of the overall secondary school strategy – the excellence ‘pull’.

ii) **The National Agenda**

Transforming Secondary Education

2.22 Since 1998 the Government’s agenda for secondary education has itself been transformed. The most recent policy initiative emphasises diversity of

provision, a focus on the 14-19 phase and the possibility of federations between schools. All secondary schools are being encouraged to seek specialist school status; potential sponsors of new schools that add to the diversity of local provision are being encouraged; and Councils are expected to work with the local Learning and Skills Council to ensure coherent provision for all 14-19 year olds.

2.23 These developments all involve an expectation from government that the education system should continue to evolve to meet new challenges. It is for the City Council to decide to what extent it engages in that agenda.

2.24 Some of these opportunities have already been taken up by our schools.

- Specialisation heralded by the introduction of specialist secondary schools. There are plans to become a Specialist City with all schools developing complementary specialisms to serve the whole City.
- National recognition of excellence demonstrated by the expansion of Beacon and Training Schools. These schools have a citywide remit to encourage exemplary practice.
- The development of local partnerships exemplified by Excellence in Cities.
- Working with wider partnerships demonstrated by the involvement of schools in neighbourhood renewal initiatives and the development of partnerships with private and public agencies.
- The development of successful innovations through the creation of new learning environments such as City Learning Centres, Study Support Centres and the National Space Centre.
- Pursuit of leading edge curriculum development, including masterclasses for gifted and talented and e-learning.
- Responding to the needs of a diverse population by expanding choice through, for example, greater inclusion and the development of special schools as centres of excellence.

2.25 Appendix 4 shows the current pattern of secondary provision in the City.

2.26 It is within this context that the current proposals have been considered.

Building Schools for the Future

2.27 The Government has just issued a consultation document on a new approach to capital investment in schools which would involve the DfES issuing an invitation to LEAs in the Summer Term.

2.28 By targeting geographical areas to receive substantial capital injections, it hopes to increase the pace of reform and bring about a step change in secondary education provision. Aspirations for secondary schools can, it is believed by the government, be raised beyond any level that it has hitherto been possible to contemplate. The Government's aim is for all secondary school students to have access to a school fit for the 21st Century within the next 10-15 years.

2.29 If the City was successful in bidding for funding, £150 million could, for example, be used to replace or completely modernise all secondary schools in the City. Funding would be provided through grants, credit approvals and

PFI credits.

- 2.30 It would be necessary to draw up a strategic plan with partners. 'Every strategic plan, particularly those for areas with low educational standards and significant parental discontent, will need to demonstrate that it has taken account of the potential for replacing weak and failing schools, or introducing Academies to the benefit of local communities. More details, including possible prioritisation criteria, and possible opportunities in the City are set out in Appendix 5.
- 2.31 There is also a reference in the Leicester Regeneration Company Masterplan for a possible new school in the centre of the City.

c) The Proposals

- 2.32 The proposals currently being considered are for:
- the establishment of a City Academy school for 3-19 year olds on the site of the former Mary Linwood School
 - the establishment of a 3-14 federated community school on the former Wycliffe School site
 - the Leicester Islamic Academy (currently a fee paying independent school) to achieve voluntary aided status.
- 2.33 The first two of these proposals were developed in response to the issues faced in the South and West of the City as explained in paragraph 2.15.
- 2.34 The City Academy School could open in 2006 when all the pupils from Southfield Infants and Newry Junior School would transfer to the Academy. The secondary cohort would build up slowly with Year 7 only being admitted in 2006. The school target would be met by 2010. Alternative configurations have been put forward for consideration for the City Academy School and the federated school.
- 2.35 The Islamic Academy wishes to open this September but accepts this may not be possible until September 2004. It is pressing for an early view re: support for the proposal and the associated capital bid.

d) The Potential Benefits

- 2.36 During the debate process the proposed benefits of two of the new schools were put forward. (This debate did not include the Islamic Academy as it was not a current issue at that time). These include:
- unique age range
 - small secondary intake
 - new funding to provide state of the art facilities which will enable an education for the 21st century, not constrained by traditional classrooms;
 - relatively small size of the provision overall facilitating effective communication and good behaviour management;
 - opportunities to introduce new ways of learning and curriculum innovation, particularly by the creative use of ICT. This will facilitate individualised, tailored learning;

- improved curriculum learning continuity between phases which is normally characterised by a decrease in performance. Improvements in continuity also ensures effective, pastoral support for all pupils, and an opportunity to be more inclusive;
- new schools finely attuned to local needs able to develop valued links with their communities;
- an improved ability to recruit staff to the City who are attracted by the opportunity to engage in innovative practice, including cross-phase opportunities and exciting ways to develop and deliver the curriculum;
- major additional capital investment – an estimated £20 million for the Academy and a potential £7 million in Braunstone;
- reduced journeys and reduced travel costs;
- a positive promotion of the City and its aspirations;
- a potential to attract back some of the 2,300 City pupils who currently attend County schools
- an opportunity to implement high quality primary amalgamations where limited resources are available to the LEA

2.37 This report now goes on to consider the consultants' findings and proposes ways in which the Council can take the raising standards agenda forward.

e) The Consultants' Reports

2.38 The Tribal consultant's report describes widespread support for the development of a City-wide strategy for raising standards in secondary schools.

2.39 Apart from the teachers' professional associations there was also general support despite the absence of any detailed proposals, for the establishment of a highly innovative City Academy School on the Mary Linwood site. This support was based on a widely shared perception of the need to improve educational attainment in the communities in the academy's immediate locality. However, it was felt that more information was needed.

2.40 Little support was forthcoming for re-establishing secondary provision on the Wycliffe site and there were mixed views about the establishment of the voluntary aided Islamic school.

Academy

2.41 In the case of the City Academy School the consultant advises that "a school that serves the full age range may well be the key to securing higher levels of attainment in Key Stages 3 and 4" and that "the small secondary school cohort could offer innovative possibilities in relation to curriculum organisation, teaching and learning styles, links to parents, carers and the community, and the provision of focused wrap-around support to individual pupils". In summary, it is considered that this is "a bold and imaginative proposal that is high risk but which has the potential to creatively respond to local community needs that are probably not being met at present. It will be important to continually assess that this innovative approach is being considered as a means of further raising standards in a community where existing standards, are a cause of real and widespread concern".

2.42 The report does raise a range of issues which may be seen as grouped under a number of key themes:

- Strategy - including seeking clarity re: how the proposal will raise standards and promote social inclusion both within the school and across the City as a whole
- Finance - the possible impact on neighbouring schools with a potential loss of pupils and a consequent need for Small Schools Protection funding; and the loss of a capital receipt for the site to the Council
- School Places Planning - the potential impact of creating additional places at the same time as rolls are falling; the potential impact of increasing the roll at the Academy from 45 to 60
- Staffing - the impact on conditions of service for those employed by or transferring to the Academy
- Governance - the need for clarity re: who the sponsor is and their aims and objectives, the perceived loss of LEA control; the possible wider impact depending on admissions arrangements
- Capacity/Focus of the Department - the perception that these proposals will detract from the ability to focus on 'core business'
- DfES Application Criteria - the need to confirm with the DfES that they will support an Academy application with an innovatory focus, but which does not meet the criterion for 'basic need', i.e. a demand for school places; and where it is not replacing an existing school
- Securing Wider Support - the need to engage with all parties (heads, governors, unions, the wider community) more extensively re: the aims/objectives of the Academy and how this fits into a wider strategy for raising standards across the City

2.43 The market research report was carried out with a limited amount of information available to respondents. A higher percentage rejected the proposals than supported them. However, as with the consultants' report, more information is sought and consultation welcomed.

A Federated School on the Wycliffe Site

2.44 The consultant refers to "real potential benefits" of a 3-14 school but finds it

“difficult to see a convincing case for including new secondary school provision on the Wycliffe site, especially if it is federated with New College. The 11-16 option is not seen as a realistic option.

- 2.45 Members are separately being asked to consider an approach to the amalgamation of Queensmead Infant and Juniors – i.e. not amalgamate for a further two years given the lack of capital funds.
- 2.46 The consultant points to the need to review primary provision on the Braunstone estate. Officers have put on hold a City-wide or area-based primary review given capacity issues.
- 2.47 At this time there are no commitments to funding from the Braunstone Community Association or elsewhere to take forward this option. However, a new way forward may arise from any work carried out in conjunction with a Building for Success bid (see below), or in the light of a primary review.

Leicester Islamic Academy

- 2.48 The consultant considers that “the proposers of this initiative will have a very strong educational case for gaining VA status”. However, a range of issues are raised which require further exploration e.g. funding requirement, availability of DfES capital. Specifically, it is advised that “in determining whether to support the plans, the City will want to consider the extent to which the establishment of the school is also consistent with its wider social and cultural priorities and ambitions”.
- 2.49 The report raises a range of issues which, again, are grouped under a number of key themes:
- Strategy
 - how does this address wider social and cultural priorities and ambitions?
 - how does this fit into a wider educational strategy?
 - will the proposals contribute to social cohesion?
 - Finance
 - the requirement for Small Schools Protection under the current policy
 - School Places Planning
 - the potential impact of creating additional places at the same time as rolls are falling
 - DfES Application Criteria
 - the need to submit a supported capital bid to the DfES
 - Securing Wider Support
 - the need to engage with all parties more extensively

f) The City Academy School - Sponsorship

- 2.50 Members will be aware that, whilst this exercise was being undertaken, further

discussions have been held with the potential sponsors of a City Academy School - the Church of England and a consortium of local businesses.

- 2.51 Initial discussions with the Church suggest that some of the concerns of the professional associations, in particular, can be satisfactorily resolved. These concerns have been set out by the associations in various documents presented to Members and are summarised at paragraphs 2.17 and 2.18 in the consultant's report. The Church's initial thoughts suggest that union concerns about union recognition, adverse impact on LEA central services, partnership working, curriculum content and organisation, adverse impact on relationships with the LEA, the continued employment of staff at Southfield/Newry, and pupil selection can be assuaged. Other concerns may not be as readily addressed however. The Church of England does have a track record of integration, and are involved in other Academy proposals.

A Way Forward

- 2.52 It is considered that the proposals broadly meet the City Council's strategic and educational objectives, although there is a fine balance of judgement involved at this stage. Given the issues raised in the consultants' reports, Members are asked whether they wish to take any or all of the proposals forward. If they are so minded, it is recommended to do this in conjunction with a stakeholder group, the Education Partnership Board and with relevant sponsors. They would look in more details at the issues raised in this report and the Consultants' reports, and consider the proposals in the context of the emerging schools strategy.
- 2.53 At this stage, Members will wish to be mindful of the initial assessment of the issues raised; in particular, as summarised in the following paragraphs of the report:

Academy	-	paragraph 2.43
Islamic Academy	-	paragraph 2.50
Resource Implications	-	paragraphs 4.1 – 4.10
Finance Issues	-	4.11-4.13, and in the Supporting Information

- 2.54 If Members agree to take any of all of the proposals forward, detailed proposals, capable of statutory consultation and/or a bid to the DfES for the Building Schools for the Future programme, would be brought back to a future meeting. It is also recommended that proposals be 'tested' against the emerging Schools Strategy objectives and in the case of the Academy School, the principles agreed by Members.
- 2.55 It is also recommended that officers produce a scoping report on a way forward for addressing the primary school issues facing the City.

Finance

a) Resource Implications

- 3.1 The financial implications need to be positioned firmly in the context of the City-wide education strategy to raise standards in all our schools and to resist

and reverse migration; and to re-assess the size of our schools in the context of the national secondary transformation agenda, and the local issues that present in the City. The current proposals ostensibly create

- additional surplus places with further places as follows:
 - Academy 600
 - Islamic Academy 600

The School Organisation Plan shows that there are already projected to be over 500 surplus places in addition to those.

In addition, there are over 500 surplus places at present, mainly at New College (Y places)

- a demand for additional resources for Small Schools Protection (SSP) depending on the nature and extent of the impact of the new schools on their neighbouring schools and, in the case of the Islamic Academy, an immediate requirement of £220,000, if it is to be funded within the existing LMS funding policy.

3.2 However, these considerations need to be assessed within

- whether the additional resources that are called on represent value for money in terms of educational outcomes, i.e. would this additional resource represent value added to the school receiving it, and to the City education system as a whole
- is the Small Schools Protection (SSP) factor still needed, or to this extent, given recent changes in the National Curriculum. SSP was one of the major drivers for the Secondary review, meeting one of the review's key objectives to maximise the use of resources in pursuit of raising educational standards. At that time, there was clear evidence that one City school was facing difficulties addressing the National Curriculum and health and safety requirements without additional funds, even with SSP. Two smaller secondary schools were in receipt of very high levels of subsidy which it was felt, at that time, was not resulting in demonstrable value added
- heads continuing concerns about SSP, its possible re-introduction and the impact on their own school budgets. The additional resource, freed up by the secondary review was, again, seen as contributing to the raising standards agenda.

3.3 Having said that, if the City's education strategy is successful in resisting and reversing migration and ensuring a higher rate of retention of those 2,500 pupils who currently live in the City, but are educated in the County then the number of surplus places would reduce, and the requirement for Small Schools Protection would reduce, although not in the case of the Islamic Academy (unless the SSP factor is reviewed).

3.4 A contingent risk would be that even if the City's strategy is successful, the relative attractiveness of County schools might still prevail. Also, it takes time to change the reputation of a school – this often lags behind the 'reality'.

3.5 It is also the case that any educational system needs some surplus places to

enable parental choice and to enable any contingencies, such as a changing pattern of demand or an influx of population.

- 3.6 There comes a point, however, where surplus places are considered wasteful of valuable capital plant, and lead to the poor use of resources (i.e. heating empty space or space that may be used but is not strictly needed etc.).
- 3.7 Consideration can also be given to using this space for community or other purposes, for example, and thereby taking out any surplus places.
- 3.8 Parental choice is self-evidently key to the nature and extent of the impact of proposals being put forward. Parents will choose a school for a range of reasons – standards, distance, faith, for example, and will reflect their specific aspirations and perceptions. This is potentially volatile and will change over time.
- 3.9 To take some specific examples:

The Academy could draw back those pupils who currently live within the priority area of the former Mary Linwood School. If all those pupils went to the Academy, this would result in a reduction of places at

- Sir Jonathan North 22-52
- Lancaster 40-60
- Riverside 20-25

- 3.10 Consideration, however, then needs to be given to the following:
- would those schools benefit from being smaller in the context of the secondary strategy and is SSP justified on educational value added grounds?
 - would pupils move to fill up the ‘vacated’ places at these three schools creating space elsewhere within the City, including whether that might include those pupils currently going to the County?
 - would this then lead to a reduction of pressure on places in other parts of the system, and where there are schools which have a high level of demand?
 - would this lead to an inappropriately high level of surplus places across the City?

b) Finance Issues

- 3.11 The capital costs of the Academy school and the Islamic Academy would be fully funded by the government.
- 3.12 There is a risk of the city losing resources if pupil numbers reduce. (The above section outlines the dimensions for considering this.)
- 3.13 The detailed financial implications are set out in the Supporting Information.

Financial Implications – City Academy

- 3.14 The City Academies policy is a new one, and there is (as yet) no written

formal guidance on the financial issues affecting the LEA. Nonetheless, the principles now seem established, and the DfES has confirmed our understanding of the rules.

Capital Issues

- 3.15 The proposal would result in capital spend estimated to be £20m, of which 90% comes from the DfES, and 10% from private sponsors. This represents a significant capital investment in the City, which the Council could not otherwise afford.
- 3.16 The risks of any overspending rest with the DfES, and not the Council.
- 3.17 The proposals do, however, require the Council to donate the site of the Mary Linwood School, which could otherwise have been sold for an estimated £1.5m (subject to planning etc). Offset against this are the potential receipts from the sites of the Southfields Infant School and Newry Junior School, estimated to raise £0.6m (on a prudent forecast). At present, the £1.5m is not included in any capital receipts disposal programme (pending the resolution of the Academy issue). It does, nonetheless, represent a real opportunity cost.
- 3.18 We will need to consider as part of the next phase of work whether the creation of a City Academy would give rise to the need for other capital works at other schools, and how such work would be funded (eg remodelling to reflect changing school sizes).

Revenue Implications

- 3.19 The revenue costs of running the new school would be met entirely by the DfES, with funding per pupil at levels equivalent to a comparable City school (although this is supplemented to reflect higher support service costs).
- 3.20 The key issue, however, is loss of revenue resources to the Council. The majority of the Council's education funding is "pupil led" i.e. it depends on the number of pupils educated in LEA schools. Pupils at the City Academy will not be treated as LEA pupils for (most) funding purposes, and this will result in a resource transfer from the Council to the DfES. The crucial issue in all this is whether or not the policy is successful in reversing "out of City migration." If overall pupil numbers in LEA schools remain constant because of such success, the funding loss will be neutralised.
- 3.21 The authority receives the following pupil led funding which will reduce if the number of pupils educated by the LEA decreases overall:
- (a) revenue support grant, which is paid at differential rates for primary, pre-primary and secondary pupils;
 - (b) school standards grant. This is a tiered grant, paid directly to schools based on school size;
 - (c) standards fund grants, which are paid according to a variety of complex mechanisms, some of which is directly or indirectly pupil led.

- 3.22 There is a small amount of pupil led funding (approximately £100 per pupil) which supports the cost of the LEA rather than schools. The Council will be allowed to keep this (i.e. Academy pupils are treated as LEA pupils for this purpose) which results in a small bonus.
- 3.23 Funding for sixth form pupils is provided directly by the Learning and Skills Council rather than the Government, although sixth forms also receive school standards grant.
- 3.24 At the margin, it is impossible to identify the exact loss of resources to the Council of losing one pupil, but on an average basis, the loss is as follows (2003/04 prices):
- (a) pre-primary - £3,000;
 - (b) primary - £2,700;
 - (c) secondary - £3,300;
 - (d) sixth form - £2,700.
- 3.25 Applying this to the City Academy is not straightforward and needs to consider the transitional impact. The Academy will have a roll of 450 pupils in primary and pre-primary classes from the day it opens; and 90 pupils in secondary education (rising to 450 after 5 years). After 7 years, a sixth form of 120 pupils will be fully functional.
- 3.26 In respect of primary/pre-primary education, the Academy will replace Newry and Southfields Primary Schools, which currently have 340 pupils. Based on the current level of RSG payments received by the authority, the City is attracting £0.9m of RSG to fund these schools, which is approximately the amount the Council provides to run them (disregarding direct DfES grants). In the long run, therefore, the impact appears broadly neutral.
- 3.27 The City Academy will, however, have some 100 places for primary/pre-primary over and above pupils currently at Southfields/Newry. To the extent that these are filled by pupils who would otherwise be in City schools, without replacement from reversing County migration, there will be a loss of resources to the City. The **maximum possible** exposure of the Council (i.e. if all places are filled from within the City) is £0.3m pa.
- 3.28 In respect of secondary funding, the Academy will lead to the creation of new school places. If these places are filled by pupils currently educated within the City, and the policy does **not** succeed in bringing new pupils into City education, the cost of each place will result in loss of £3,300 to the City per pupil. The **maximum possible** exposure in the first year is therefore £0.3m, and in the final year £1.5m. Likewise, the maximum exposure in respect of sixth form funding is £0.3m. Clearly, these are very much worst possible cases and it must be noted that the phased nature of the introduction of secondary education at the Academy gives plenty of time to manage change. Phasing is also assisted because of the time lag in calculating revenue support grant – in effect, the Council would be funded for pupils who had left to join the Academy, even though they were not educated by the LEA, for the

first two terms.

- 3.29 If there **is** a downward trend in pupils educated by the City Council as a consequence of the Academy, it could be argued that the City Council is not disadvantaged by losing resources (i.e. it should cut its expenditure commensurate with the new pupil numbers). However, whilst it is undeniable that expenditure needs are related to pupil numbers in the long-term, there are reasons why there may not be a commensurate reduction of expenditure:
- (a) the whole issue of “sluggish” costs, on which deprived authorities losing population have been lobbying government. Local authorities cannot reduce their costs at the same speed at which funding reduces - it takes time. Some schools, for instance, could be left maintaining buildings which are less full than they otherwise would have been, thus increasing the “per pupil” cost of maintaining the school;
 - (b) some schools may become too small, and hence less cost effective.
- 3.30 A downward trend in pupil numbers could have a **distributional** impact on resources for all schools, if more schools become “small schools” or existing “small schools” become even smaller. This is because there is an element of protection in the existing formula (top-sliced from all schools) in respect of small schools. Thus, the extra cost associated with running small schools is shared by all the LEA schools.
- 3.31 The most significant impact of a downward trend is, of course, felt by those schools losing numbers who would lose budget share.

Transitional Costs

- 3.32 If approved, the Academy would require a small project team in the department, at an estimated cost of £100,000. No resources are currently available for this, which would need to be at the expense of other departmental priorities.
- 3.33 We need to consider whether any other transitional costs might be incurred, especially in respect of any impact on other schools (eg redundancies). Again, this is believed to be dependent upon whether or not the policy is ultimately successful. We would, in particular, need to consider whether TUPE applied in respect of Southfields and The Newry closures.

Financial Implications - Islamic Academy

Capital

- 3.34 The proposal will result in the provision of a brand new school, which is paid for 90% by the DfES, and 10% from the sponsors of the proposal (who may be able to bid for this from the DfES by another means). This is something which could not be afforded from the City Council’s own resources.
- 3.35 The DfES contribution has to be applied for, via the Council’s annual voluntary aided capital bids, but no City Council contribution is expected.

Revenue

- 3.36 If the proposal is implemented, the Academy will be funded through the RSG mechanism, and will become entitled to a funding share (as with other City schools), school standards grant, and standards fund grants.
- 3.37 The Academy currently has 260 pupils, although this is expected to increase to 600 over a period of 4 years, after the new school has opened.
- 3.38 There are 2 key issues for the Council's finances:
- (a) whether the Islamic Academy costs more or less to run than the Council will receive in grant from the Government;
 - (b) whether places at the Islamic Academy are filled with pupils who would otherwise have been in other City schools; or whether they are filled with pupils who would otherwise have been educated out of the City.
- 3.39 In respect of the first issue, much depends on whether or not the Council permits the school to receive small school protection (to which it would be entitled under the current rules, even after 4 years). Estimates of the Academy's funding share under the LEA formula are difficult to make, and different calculations would need to be made for each year building up to the fourth year of operation. However, the likelihood is that the school would cost the Authority more than it receives in grant if it is permitted to receive small school protection. The difference is likely to be significant in the early years but may not be when the school reaches full size.
- 3.40 In respect of the second issue, to the extent that the Islamic Academy already has 260 pupils, and assuming that these (fee paying) pupils remain at the Academy once it becomes a VA school, the risk is clearly significantly mitigated and extends only to the 340 additional places. The Authority would achieve a small windfall of some £30,000 per year towards LEA expenditure as a consequence of these 260 pupils.
- 3.41 Whilst the effect of pupils leaving other City schools to join the Islamic Academy is not the same as it would be for the City Academy, as they are both part of the LEA system, the impact on other LEA schools would be substantially the same (i.e. falling resources). At the margin, the impact would be over £3,000 per pupil for schools losing numbers.

Transitional Issues

- 3.42 We would need to discuss with the DfES how any transition would operate - i.e. if the school became part of the system in the middle of the financial year, would there be a windfall gain or loss to the Council, or would a part year adjustment be made to our funding?

Financial Implications - Braunstone School

- 3.43 The cost of building a new school at Braunstone is estimated to be at least £7m. No source of funding has been identified for this cost.

Legal

- 4.1 On the basis that Cabinet is asked to determine which options to pursue in respect of the Transforming Schools agenda, there are no direct legal implications arising from the report.
- 4.2 The key legal issues will arise during the implementation of the proposals in terms of the establishment of a new school and the closure of existing schools; the employment law implications for existing staff; and the transfer of the Mary Linwood site for the purposes of a City Academy.
- 4.3 The establishment and closure of schools is by way of a statutory process familiar to the Council.
- 4.4 Consideration will need to be given to whether existing staff will be protected by the Transfer of Undertakings (Protection of Employment) Regulations 1981.
- 4.5 The transfer of the Mary Linwood site, if it is at no cost, could be achieved either by a disposal to the promoters of the City Academy by the Council or by the making of a transfer scheme by the Secretary of State under Schedule 8 to the Learning and Skills Act 2000 or otherwise with the Secretary of State's consent. Section 123 (2) of the Local Government Act 1972 (disposal for consideration less than the best reasonably obtainable) does not apply to a disposal to a person for the purposes of a city academy. Section 77 (1) of the School Standards and Framework Act 1998 (restriction on disposal of playing fields) does not apply to a disposal which is made by a local authority to a person for the purposes of a city academy for no consideration.

5. Scrutiny Comments

- 5.1 Scrutiny made the following comments:
 - (i) That the proposal to establish a City Academy be opposed until a credible, City wide strategy for raising educational standards has been produced and considered by the Scrutiny Committee;
 - (ii) That the Scrutiny Committee supports the Consultant's conclusion that there was no convincing case for a new federated school on the Wycliffe Site;
 - (iii) That the Scrutiny Committee acknowledges the urgent need to engage with the community in the Braunstone area, and for the educational needs in the area to be addressed.
 - (iv) That the Scrutiny Committee welcomes the proposal for the Leicester Islamic Academy to achieve Voluntary-Aided status;

6. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References within this report
Raising Standards	Yes	Throughout report
Equal Opportunities	Yes	Throughout report
Policy	Yes	Throughout report
Sustainable and Environmental	Yes	Throughout report
Crime and Disorder	No	
Human Rights Act	No	
Elderly/People on Low Income	No	

7. Background Papers – Local Government Act 1972

None

8. Consultation

Citywide consultation in Summer 2002

9. Report Author/Officer to contact:

9.1 Steven Andrews

Corporate Director of Education and Lifelong Learning

THESE PRINCIPLES HAVE BEEN AGREED BY CABINET AND COUNCIL.

THESE PRINCIPLES WOULD BE PROPOSED FOR DISCUSSION AND AGREEMENT FOR NEW SECONDARY SCHOOLS AND THE PROPOSED STAKEHOLDER GROUPS

A school for the local community which:

- promotes the enduring values of comprehensive education;
- has high expectations, with a commitment to high attainment, and a belief in young people both as they are and as they might become;
- has no selection by ability, class, gender, religion, or geography;
- promotes equal access;
- is free at the point of use;
- works in harness with the City's secondary transfer criteria;
- has a governing body with significant community representation;
- works with the City Council to promote and sustain neighbourhood revitalisation; and
- participates fully in the networked learning opportunities with other City schools.

A school that provides individual pupils with:

- the best possible learning opportunities inside and outside the school;
- the best teaching and learning strategies;
- an innovatory curriculum that meets the diverse needs of the local population.

A school where the sponsor will:

- have a deep and fundamental regard for the above principles;
- have a commitment to use all of its resources to meet the individual and collective learning needs, life chances and ambitions of the local community;
- have a commitment to developing and promoting the best possible teaching and learning within a vibrant learning environment;
- have a commitment to working in partnership with the LEA and its strategy for raising standards in education;
- involve all staff in development and promoting the most effective ethos, climate and culture.

TRANSFORMING SCHOOLS

TERMS OF REFERENCE

1. To produce a report considering the outline proposals for two new schools and for an Islamic Academy considering
 - their viability
 - possible consequences for other schools
 - possible consequences on LEA finance

The report would address the advantages and disadvantages of the proposals.

2. The report will be for the Cabinet Lead for Education, for consideration with the Education and Lifelong Learning Triumvirate for onward transmission to Scrutiny and Cabinet.

The report would take account of:

- The consultation feedback as reported to Leaders Briefing and Scrutiny.
 - The City Academy principles as endorsed by the City Council.
 - The data and policy documents provided by the Department to the Consultant to enable him to draw up the draft report.
 - Such other information as may be considered helpful to supplement the above.
3. The report will need to be drawn up having interviewed key staff and stakeholders
 - Heads and Governors of schools potentially affected by the outline proposals
 - Community Leaders in Saffron, Eyres Monsell and North Braunstone wards
 - Teachers Consultative Committee
 - NATFHE
 - Corporate Director of Education and Lifelong Learning
 4. All requests for data/information should be submitted to the Service Director, Education Policy and Resources.
 5. The completed report will be submitted to the Corporate Director of Education and Lifelong Learning for him to assess and evaluate, and to produce a covering report setting out his views and advice.

APPENDIX 3

Pupil Numbers and school places in Leicester

The Leicester School Organisation Plan 2002-2007 sets out the current number of pupils on roll and future projections, as follows:

Academic Year	Primary	Secondary		Total secondary
		Under 16	16 and over	
2002/3	24716	17395	717	18112
2003/4	24608	17362	737	18099
2004/5	24449	17188	748	17936
2005/6	24204	17151	735	17886
2006/7		17006	737	17743
2007/8		16935	754	17689
2008/9		16914	769	17683
more recent figures continue the trend-				
2009/10		16852	775	17627
2010/11		16721	781	17502
2011/12		16701	764	17465

The forecasting methodology used to produce the above figures has been adjusted to take account of the recent arrival of large numbers of Somali pupils in some areas of the city. Some minor allowance has been made for possible new arrivals but this cannot be accurately predicted. Housing development data is not included in the above figures because of the unreliability of the time scale of building. It is not anticipated that housing developments will significantly affect the above picture.

As is evident from 4.2, the number of births to mothers with an address in the city of Leicester has shown a consistent decline over recent years. The average number of births per current age group is:

11-15	4627
5-10	4156
1-4	3919

The pattern of Leicester children attending secondary schools outside the city has been consistent over recent years. The current position, expressed in terms of the priority areas of Leicester secondary schools, is:

Pupils Living in City Area on Roll at County Schools

City School Priority Area*	Approx No. Per Age Group in 01-02 Year*								Total
	11	12	13	14	15	16	17	18	
Babington CTC	21	22	20	16	33	5	3	1	121
Beaumont Leys School	3	7	8	8	9	7	4	3	49
City of Leicester School	5	9	14	7	11	17	18	1	82
Crown Hills CC	3	3	4	6	5	2	7		30
Fullhurst CC	9	11	6	18	9	5			58
Hamilton CC	24	22	32	22	47	27	14	1	189
Judgemeadow CC	5	5	4	17	10	15	22	3	81

Mary Linwood School	119	114	97	107	104	18	5	1	565
Moat CC	1			2			2		5
Mundella CC	8	16	19	18	18	13	10	3	105
New College Leicester	39	38	32	45	31	19	14		218
Riverside CC	47	58	43	40	63	22	12	3	288
Rushey Mead School	15	7	18	18	11	6	5	1	81
<u>Sir Jonathan North / The Lancaster School</u>	32	44	39	35	50	34	36	9	279
Soar Valley CC	4	4	9	11	4	10	5	2	49
Wycliffe CC	26	23	27	28	17	9	2		132
All Those Matched	361	383	372	398	422	209	159	28	2332

**Note: Due to City Priority Areas not exactly matching Post Code boundaries these figures are approximate.*

In addition to this, some children attend independent schools, either throughout their school career or at secondary age.

The measurement of school buildings to determine the number of available pupil places has changed, nationally, from a system known as MOE (More Open Enrolment) to a new capacity measurement. On the existing MOE figures, there is some 5.6% surplus capacity in secondary schools overall though the majority of schools are full. The exact figures as at January 2002 were 18131 pupils on a secondary school roll, as compared with an available 18868 places. Only at New College, where there are over 20% spare places, is there a major excess of accommodation.

The individual forecast for each secondary school is difficult to determine because the expression of parental preference for some, more popular, schools will fill the school, even if the number of children living in its immediate priority area declines, while it is intended that the overall strategy should secure much higher numbers remaining in the City.

APPENDIX 4

SCHOOL	Specialist Status	Beacon/Training	NOR	Current PAN
Babington CTC	Technology		938	240
Beaumont Leys			1047	210
City of Leicester	Business & Enterprise		1423	220
Crown Hills		Beacon & Training	1213	240
English Martyrs	Performing Arts*		1003	180
Fullhurst CC			904	180
Hamilton CC	Technology		1099	240
Judgemeadow CC	Modern Foreign Languages (MFL)		1206	243
Lancaster School	Sports		1175	240
Moat CC			1016	210
New College Leicester			1620	360
Riverside CC			871	180
Rushey Mead			1341	270
St Paul's RC	Performing Arts*		1073	180
Sir Jonathan North CC	Arts with Visual Arts specialism		1176	240
Soar Valley CC			1220	240
I:LINDA\ICURTIS\DMT\	SPECIALIST COLLEGES			
*joint award from 2003				

Building Schools for the Future

The Government has just issued a consultation document on a new approach to capital investment in schools. Capital investment has risen sharply and is now over £3bn / year. Because this money is spread relatively evenly, it has not produced wide-scale educational transformation. Instead, the focus has, of necessity, been on repairing existing buildings rather than replacement.

The Chancellor announced in July last year that planned capital investment in schools is set to rise to over £5bn per year from 2005/06. This is seen as an opportunity for a new approach. Whilst continuing to provide investment through the existing funding mechanisms, the Government proposes to use the additional funding of over £2bn per year for 'strategic investment'. By targeting geographical areas to receive substantial capital injections, it hopes to increase the pace of reform and bring about a step change in secondary education provision. Aspirations for secondary schools can be raised beyond any level that it has hitherto been possible to contemplate. The Government's aim is for all secondary school students to have access to a school fit for the 21st Century within the next 10-15 years.

The way in which the strategic investment is to be allocated has not been determined precisely but illustrative examples suggest that £2.2bn could be used each year to provide £150 million to 15 geographical areas. If the City of Leicester was successful in bidding for funding, £150 million could, for example, be used to replace or completely modernise all secondary schools in the City. Funding would be provided through grants, credit approvals and PFI credits.

Possible prioritisation criteria for geographical areas

The Government has suggested the following four main criteria:

- The contribution that particular projects would make to raising educational standards; new capital investment should support plans that are ambitious and strategic, reorganising the provision and pattern of secondary education where this is needed to raise standards;
- The extent of local deprivation and the level of educational need that this implies;
- The state of the school buildings and the urgency of need for repair, renewal or complete rebuild;
- How well organised an area is to invest capital funding on time to deliver both the educational vision and economic best value. In particular, whether all necessary consultation and planning processes can be completed, and all schools and partners in that area are fully signed up to any strategic changes that are needed.

What we would have to do

Together with our partners, schools, colleges, dioceses, LSC, businesses, regeneration agencies, health care providers, sport and leisure providers, libraries and lifelong learning providers, etc., we would have to undertake a fundamental review of secondary education from first principles to produce a strategic plan, built on an educational vision. The Government's expectation is that LEAs will start with a blank piece of paper and decide, in consultation with partners, what provision is required where and who will provide it. The Government's consultation document

states 'Every strategic plan - particularly those for areas with low educational standards and significant parental discontent – will need to demonstrate that it has taken account of the potential for replacing weak and failing schools, or introducing Academies to the benefit of local communities. This includes an assessment of whether existing schools should be replaced directly, or become part of a wider reorganisation of provision.' The local context suggests that such a fundamental review might not result in a need for wholesale changes in provision in the City. Secondary provision has been reviewed in the last 5 years and, to an extent, the supply of places has been matched to demand. An area-wide post-16 inspection has recently been completed and this will inform us of the possible need to address post-16 provision. Most of our Secondary schools are now specialist schools and colleges and there are plans to seek further designation. Finally, we have invested over £30 million in our secondary school buildings in the last three years and we would probably wish to preserve most, if not all, of the new buildings that have been built to a high standard.

Opportunities

If we were to develop a strategic plan for secondary provision and we were successful in bidding for funding, it would be possible, within the next 5 years, to address the following as well as the current proposals under consideration:

- Fully address the 14-19 agenda by filling in the gaps in specialisms and planning collaboration between schools, colleges and employers.
- Provide the appropriate number and type of post-16 places, depending on the outcome of the area-wide inspection.
- Address the split-site issues at City of Leicester School by building a new school on one site.
- Replace the short-life buildings erected in the 1970s and 80s (principally CLASP buildings).
- Replace or remodel all of the school buildings that remain unfit or unsuitable for the delivery of a modern curriculum. (Effectively, nearly all of the rest of the secondary estate with the exception of a few, relatively new, buildings).
- Provide quality workspaces for the school workforce.
- Enable the delivery of an ICT-based curriculum throughout every school.
- Make all secondary schools fully inclusive and fully accessible to pupils, staff and visitors with disabilities and special needs.
- Make every secondary school a model of sustainable development.
- Put Secondary schools at the heart of our local communities with:
 - community sports facilities in every school (say minimum 4-court hall)
 - community libraries /LLL centres
 - Childcare facilities / Surestart
 - Careers advice / access to work

And by:

- Planning school sites to facilitate the co-location of primary healthcare facilities (LIFT).

Timescales

To May 2003 - Government consults with LEAs and other on new approach to capital strategy and criteria for prioritisation.

Summer 2003 - Government invites bids for funding for 2005/06.

2005/06 onwards £2.2bn per year available for strategic investment, Possibly 15 areas each year receive circa £150 million.