



Author/Lead Officer of Report: Nicola Shearstone
Tel: 07917 077541

Report of: *Executive Director, People Services*
Report to: *Co-Operative Executive Board*
Date of Decision: *17th of November 2021*
Subject: *Secondary Mainstream School Expansions*

Is this a Key Decision? If Yes, reason Key Decision:-	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
- Expenditure and/or savings over £500,000	<input checked="" type="checkbox"/>	
- Affects 2 or more Wards	<input checked="" type="checkbox"/>	
Which Cabinet Member Portfolio does this relate to? <i>Education Children and Families</i>		
Which Scrutiny and Policy Development Committee does this relate to? <i>Children's Scrutiny and Policy Development Committee</i>		
Has an Equality Impact Assessment (EIA) been undertaken?	Yes <input checked="" type="checkbox"/>	No <input type="checkbox"/>
If YES, what EIA reference number has it been given? <i>People/HA/BK/050521</i>		
Does the report contain confidential or exempt information?	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
If YES, give details as to whether the exemption applies to the full report / part of the report and/or appendices and complete below:-		

Purpose of Report:

The report outlines the pressures on secondary school places in the city, particularly in the southwest of the city, between now and the turn of the decade. The report also explains the capital funding available whilst recognising the LAs current financial position in relation to this.

The purpose of the report is to seek Co-operative Executive approval for the use of Basic Need funding alongside corporate financial support to address the pressures on school places to deliver permanent and temporary secondary provision. This would include the potential expansion of two secondary schools in southwest of the city and temporary expansions in specific parts of the city.

Recommendations:

That the Co-operative Executive:

- I. Approve the use of up to £1.5 million corporate resource to support the development of secondary school places
- II. Delegate authority to the Chief Property Officer in consultation with the Director of Legal and Governance to proceed in the sale of caretaker properties to reimburse the corporate investment and the preparation of all necessary legal documentation.
- III. Notes that allocation of future Basic Need funding, to support the development of permanent and temporary secondary provision in the city, will be approved via the Capital Approvals Process.

Background Papers:

N/A

Lead Officer to complete:-	
1	I have consulted the relevant departments in respect of any relevant implications indicated on the Statutory and Council Policy Checklist, and comments have been incorporated / additional forms completed / EIA completed, where required.
	Finance: <i>Damian Watkinson</i>
	Legal: <i>Nadine Wynters</i>
	Equalities: <i>Bashir Khan</i>
<i>Legal, financial/commercial and equalities implications must be included within the report and the name of the officer consulted must be included above.</i>	
2	EMT member who approved submission: <i>John Macilwraith</i>
3	Cabinet Member consulted: <i>Cllr Jayne Dunn</i>
4	I confirm that all necessary approval has been obtained in respect of the implications indicated on the Statutory and Council Policy Checklist and that the report has been approved for submission to the Decision Maker by the EMT member indicated at 2. In addition, any additional forms have been completed and signed off as required at 1.
	Lead Officer Name: <i>Nicola Shearstone</i>
	Job Title: <i>Head of Commissioning for Prevention and Early Intervention – All age</i>
Date: <i>21st of October 2021</i>	

1. PROPOSAL

- 1.1 The LA has statutory duties under the Education Act to ensure sufficient school places, promote parental choice, diversity and fair access. This means providing a school place for every child when pupil populations are high and managing excess surplus places when they fall.
- 1.2 Following the national picture, births in Sheffield rose by 25% between 2002 and 2012. This larger birth cohort has moved its way through the early years & primary sector and is coming through into the secondary sector. Throughout this period of growth, places have been added through the primary and secondary sector to manage the larger birth cohort.
- 1.3 The current city-wide picture for secondary school places forecasts a potential deficit of places across the city from 2020-2024, reaching a high point in 2023/24 after which a surplus is forecast to develop.
- 1.4 However, the demand is not evenly distributed across the city and within the southwest (SW) of the city, there is a pressure on secondary school places by local children who live within this catchment area and this is forecast to continue until the end of the decade.
- 1.5 The secondary sector has generally supported a tight system over the past 5-6 years to ensure sufficient places each year in the SW were available. Since 2015/16 the initial larger Year 7 year groups have moved through the schools in each year, this has caused a compounding effect causing the SW schools to reach their maximum overall capacities due to the additional pupils taken each year and those moving through the year groups from previous years.
- 1.6 In 2016, the LA commissioned a new 11-18 school on the former Bannerdale site to help address the future demand on places in the SW. Mercia School opened in 2018 with a Year 7 PAN of 180 places, thus allowing all pupils in the SW area to apply for a school place at Mercia School. Mercia School therefore in essence allows greater parental preference and supports schools in the area who are reaching their overall capacities. However, the demand in the area is still increasing and the additional places created by Mercia School have not been enough.

Current Picture

- 1.7 The SW schools are already operating at, or above their capacities and forecast suggest that some SW schools are unable to meet the demand from their school's catchment. Even with Mercia School in the SW, pressure in the SW is forecast to continue beyond the point at which the citywide numbers are expected to reduce again. In addition, there are also other parts of the city that are forecast to see an increase in demand, with spikes in demand for specific years, impacting the ability of schools to accommodate this localised increase.
- 1.8 Although, forecasts suggest that city wide there will not be enough places to meet

our statutory duty in 2023/24, surplus begins to appear in the system following the 2023/24 peak. However, the deficit of places in the SW of Sheffield is maintained indicating that it is not a short-term issue. The challenge therefore is to meet to conflicting needs across the city:

1. Sufficiency: demand for school places from local/catchment families in the SW is expected to remain above capacity until the end of the decade
2. Sustainability: managing the increasing surplus in the school system to ensure the sustainability of schools moving forward

1.9 Through the LA's work with the school sector, a subgroup of the Secondary Heads Partnership was set up to create a Working Group to explore options moving forward. There was an agreement that a hybrid option is required to address the citywide peak & SW demand – a combination of permanent and temporary expansions.

1.10 All parties acknowledge the need for additional permanent capacity in the SW with the aim of not creating any over-capacity which would negatively impact the sustainability of other schools across the city when a surplus of places will present itself towards the end of the decade. There is also a consensus of preventing any further inequality and socio-economic divide in the city by maintaining diversity in the SW schools to ensure access of good quality education for students in the inner-city areas who are less socio-economically advantaged and most vulnerable.

Planning to Meet Demand

1.11 It is important to note that current forecasts predict SW school places would be needed for local, southwest children throughout the decade. Officers recognise that permanent capacity in the form of permanent expansions is required to address the long-term pressure on secondary school places within the SW.

1.12 Currently the forecast deficit in the SW (Planning Areas 1 & 7) is an average of 3.5-4 Forms of Entry (FE) over the coming years. 1 FE is equal to 30 places. As this demand in the SW is sustained until the end of the decade, the LA is proposing small localised permanent expansions between 3-4FE to target this localised SW demand, coupled with temporary solutions where required in other parts of the city. This combination of permanent and temporary expansions should prevent any issues of sustainability in future years.

1.13 The LA approached the Department for Education (DfE) regarding the pressure on citywide and SW places with the intention of securing any additional funding outside of existing Basic Need Funding & Condition Improvement Fund (CIF - funding Academy Trusts can apply directly to the DfE for).

1.14 Simultaneously, two local Multi Academy Trusts, Mercia Trust and Chorus Trust, approached the Regional Schools Commissioner (RSC) directly to try and secure additional funding for permanent expansion of their respective SW school - King Ecgbert School and Silverdale School.

DfE & Capital Funding

- 1.15 In October 2020 the DFE approved the LA's request and provided £14.67m of future Basic Need capital funding, to address sufficiency risk for the coming academic year and over subsequent years through the expansions.
- 1.16 It has been confirmed that for the purpose of future Basic Need funding calculations, it will be treated as an adjustment to our 2020-21 shortfall to fund. This means that the department's funding allocation model will reflect an additional 913 secondary places funded in 2020-21 and these places will be abated from calculations of future Basic Need funding.
- 1.17 As the allocation is future Basic Need capital funding, the LA must consider the financial implication of utilising the allocation solely on two projects within the SW of the city to add 535 places as this funding is not in fact additional money, but money brought forward from future years.
- 1.18 The LA has to consider retaining some of the allocation monies for future years as the funding provided is not additional funding. As mentioned earlier, the pressure in the SW and other parts of the city, where a further spike is forecast needs to be factored into decisions regarding allocations. Additionally, the funding will also need to cover the pressure on places in other parts of the city. This includes the requirement for any temporary provision that may be required.
- 1.19 As the demand moves into Post 16 over the next decade there will be a future pressure on Post 16 provision across the city. Basic Need funding is allocated for primary and secondary places, therefore with such pressure on the requirement to expand at secondary level and meet our statutory duty, Post 16 places need to be considered within these proposals. However, the LA are mindful of the challenge that this creates as some pupils will not have the opportunity to transition through the year groups to continue their education and will have to look for alternative provision at that stage.
- 1.20 In addition to the sufficiency concerns in mainstream secondary schools, SEND is an area of the system which is also under significant pressure. In the last two years, over 200 additional places have been created, an increase of over 20%, yet provision of places is a significant challenge. This challenge is reflected nationally – the number of children in specialist settings has risen by 27% since 2014 and continues to increase. It is currently forecast that demand for special school places will rise by 30% over the next five years, this could rise to 50% in a worst-case scenario. This means at least 300 additional places are needed.
- 1.21 In terms of need, autism and mental health are the needs underpinning the rising demand for SEND places. Sheffield's rate of autism is three times higher than the national average. This is reflected in where places have been developed in the last two years – focusing on provision for children with these needs in schools such as Mossbrook and Bents Green.

Proposals

- 1.22 LA officers are currently participating in ongoing negotiations with Silverdale and King Ecgbert schools and are developing feasibilities. The proposals would support the development of 535 year 7 to 11 places in the SW of the city, contributing to

meeting the local demand. Recognising the demand moving through the school into post 16, each scheme would deliver a number of post 16 places.

- 1.23 Discussions are also taking place with each Trust to develop some SEND provision as part of these developments. The potential offer of additional Integrated Resource and Post 16 SEND students supports a significant pressure on SEND sufficiency, this will help the Local Authority fulfil its statutory duties in this area.
- 1.24 The LA will provide oversight of the proposals to ensure they meet with the requirements for the expansion and ensure value for money is achieved. To allow sufficient time for delivery of schemes within timescales for September 2023, capital approval is required to kickstart lengthy processes such as: feasibility studies, planning permission, tendering, PFI negotiations, construction etc.

2. HOW DOES THIS DECISION CONTRIBUTE ?

- 2.1 As part of laying the foundations for our future, we want pupils in Sheffield to have access to a wide range of educational opportunities to achieve their full potential as set out in the 'Our Sheffield: One Year Plan'. Working alongside city partners such as schools and Trusts, with ambition, openness and purpose, towards a bright future for our city and its pupils.
- 2.2 The proposals will ensure that the LA meets its statutory duties under the Education Act to provide sufficient school places, promote parental choice, diversity and fair access.
- 2.3 Ensuring that there are enough school places for every school-age child is a fundamental responsibility of local government and is essential to the Sheffield City Council's focus on enabling children to have a great start in life, achieve their full potential, and contribute to the success of the city. At the heart of the vision for increasing school places in Sheffield is the Council's role in guaranteeing excellent education outcomes and equitable access for all.
- 2.4 The vision is for all Sheffield families to have access to great, inclusive schools in every area of the city. This means schools ensuring each child reaches their potential, equal access for the most vulnerable children, schools at the heart of their communities, and getting the best value from all funding opportunities. The expansions will contribute to:
 - Need for places: without additional places in the area, the impact on families of not getting a local place will be significant as well as the impact on neighbouring schools.
 - Children's outcomes: the standard of education that are provided at the two schools is of a high quality – both schools are rated by Ofsted as "Outstanding".
 - Equality: the inner-city school catchment areas are characterised by deprivation and a higher proportion of BME population. By increasing places at these two schools the needs of all children are met, in particular the needs of more vulnerable children and families located in the inner-city areas.

- 2.5 By expanding the two schools, the plan proposed would provide sufficient secondary places for the SW of Sheffield into the next decade without creating over capacity within the school system.

3. HAS THERE BEEN ANY CONSULTATION?

- 3.1 LA officers have been working with the Secondary Heads Partnership group to identify appropriate interventions both in the short and longer term to address the increasing demand in school places. The group acknowledge that permanent expansions of schools in the SW are required to address the high demand in the area.
- 3.2 The development of additional school places has a consultation process that will be followed. All proposals outlined would be subject to consultation and would follow the relevant statutory process. This will mean the publication of statutory proposals relating to the changes as part of this process.

4. RISK ANALYSIS AND IMPLICATIONS OF THE DECISION

4.1 Equality of Opportunity Implications

- 4.1.1 The SW neighbourhoods closer to the city centre are characterised by deprivation and a higher proportion of BME population. Typically, the SW schools are located in the more advantaged suburban areas and have catchment areas that slice in towards the city centre meaning each secondary school has an element of mixed socio-economic intake. If additional places were created to address the rising demand by commissioning permanent expansions in the SW, inner-city catchment children would be more able to obtain a place at these schools maintaining diversity in these schools. The inner-city areas are furthest away from the SW schools location, therefore insufficient places at SW schools would mean inner-city children would be the first to miss out. The intakes of SW schools are skewed towards the more advantaged, suburban areas as the key admissions tie-breaker is distance and the inner-city areas are further away from the SW schools. The lack of places in this area would drive further inequality socio-economic divide in the city.
- 4.1.2 Pupils with special needs can and do fit in a mainstream school and the importance of this experience is invaluable. Mainstream school introduces SEN pupils to a range of different people with varying abilities and needs, which most closely replicates the people and environments they will encounter throughout their lives. The development of any proposals which include SEND elements will support the wider SEND sufficiency plan which is aiming to ensure sufficient provision city wide and support the development of SEND pupils.

4.2 Financial and Commercial Implications

- 4.2.1 Capital: The Council receives an annual capital allocation from central government

to provide school places known as 'Basic Need'. Due to a large growth in pupil numbers in previous years, in February 2016 Sheffield City Council endorsed a major schools expansion programme including the creation of 2 new schools, The Mercia Academy on the former Bannerdale site and Astrea Academy at the former Pye Bank site.

- 4.2.2 This major investment required SCC to cashflow the costs of delivery of these projects from its own limited resources, in advance of the annual allocations received from government. The intention being this would eventually be recovered from future Basic Need allocations by 2021/22.
- 4.2.3 However, central government allocations have not kept pace with the costs of providing school places so that the Basic Allocation announced for 2021/22 left approx. £4m cash flow outstanding and the overall funding position £10m worse than originally anticipated.
- 4.2.4 Further pressures were identified requiring the provision of an additional 535 years 7-11 places in the South West of the city and a further temporary provision may be required city wide (east of the city).
- 4.2.5 In January 2021 the DfE granted SCC an advance on future years Basic Need allocations of £14.67m toward the new pressures identified in the South West. However, in the context of the existing cashflow deficit this amount is not sufficient to meet the costs of the proposed schemes and existing commitments as demonstrated below.

SCHOOLS BASIC NEED FUNDING

Basic Allocation 20/21	(1.7)
Additional Allocation for SW Schools	(14.7)
TOTAL AVAILABLE 20/21	(16.4)
Project Spend 20/21	2.4
Repaid previous cash flow funding	6.1
TOTAL UTILISED 20/21	8.5
Brought Forward Balance 21/22 (following repayment of o/s cashflow)	(7.9)
Basic Allocation 21/22	(4.6)
TOTAL AVAILABLE 21/22	(12.5)
Committed Spend on existing schemes	2.7
Estimated costs of South West schools expansions	9.8
Allowance for City Wide Temporary Expansions	1.5
TOTAL FUNDING REQUIRED	14.0
Balance Required from Council Resources	1.5

- 4.2.6 In order to deliver sufficient school places for September 2023 a commitment of up to £1.5m will need to be made from the council's own resources, funded through the corporate Investment fund. Due to the way that DfE have calculated it is

unlikely this will be able to be recovered from any future allocations of Basic Need funding.

4.2.7 However, a commitment to sell vacant surplus caretaker properties on school sites could generate up to £0.75m to offset this commitment. Wisewood, Gleadless and Netherthorpe have been identified as possible sites however a number of sites are under consideration at present.

4.2.8 Reducing this commitment from SCC's own resources is vital in the context of further increasing pressure on school places in the SEND sector which is also requires a similar cash flow arrangement while a long-term funding strategy is established.

4.3 Legal Implications

4.3.1 To meet its statutory duty under section 14 of the Education Act 1996, as amended, the Local Authority has a key role in securing funding to provide sufficient education provision in schools. The Secretary of State for Education assists local authorities with this duty by making grant determinations under section 31 of the Local Government Act 2003. All proposals outlined in this report would be subject to consultation and would follow the relevant statutory process and approval route. This will include the publication of statutory proposals relating to the changes as part of the consultation process. Any legal implications will be considered at that time.

4.4 Other Implications

4.4.1 No further implications have been identified.

5. **ALTERNATIVE OPTIONS CONSIDERED**

Do nothing

5.1 This option has been ruled out as the LA would be in breach of its statutory duties under the Education Act to ensure sufficient school places, promote parental choice, diversity and fair access.

SW schools offer places above current admission numbers

5.2 This will involve negotiating with SW schools to accommodate the shortfall of places. Schools may be provided with Growth Funding as they have agreed to offer above current admission numbers on a temporary basis to provide a flexible solution that meets the Year 7 demand in the short term. This may reduce the threat of overcapacity in later years towards end of the decade also. However, SW schools will not be able to absorb the increasing demand over the next decade within existing accommodation as they are already near full capacity due to compounding effect of offering places above PAN the past few years. Health & Safety concerns around overall building capacity – corridor space etc have also been highlighted to the LA. There is a high risk that the LA will be unable to fulfil its statutory duties if the required places are not offered by the SW schools.

City wide allocation

- 5.3 This would involve allocating pupils who are unable to obtain a place at a local school to travel outside of their local area/catchment to access a place in other parts of the city where places are available. This would keep a tight system as city moves into a surplus in future years and reduces need to invest substantial capital funding.
- 5.4 However, this could have a disproportionate impact on families. SW schools will have a less balanced socio-economic intake as children from deprived inner-city areas in the SW may miss out on admission to SW schools. This risks significant appeals from parents and puts pressure on schools outside of SW. If parents are successful on appeal, SW schools risk unplanned numbers through this process and have a further compounding effect on the overall capacity of the school. This would also have a greater level of impact on transport, impact on environment, cost for LA to transport these pupils out of area and cost to parents.

6. REASONS FOR RECOMMENDATIONS

6.1 The preferred option is to:

- I. Approve the use of up to £1.5 million corporate resource to support the development of secondary school places
- II. Delegate authority to the Chief Property Officer in consultation with the Director of Legal and Governance to proceed in the sale of caretaker properties to reimburse the corporate investment and the preparation of all necessary legal documentation.
- III. Notes that allocation of future Basic Need funding, to support the development of permanent and temporary secondary provision in the city, will be approved via the Capital Approvals Process.

6.2 This option has been chosen because it helps ensure that the LAs statutory duties relating to mainstream and SEND place are met, improve outcomes for pupils in the southwest of the city and also the potential to recoup funds through the sale of caretaker properties across the city.

6.3 The intended outcomes are:

- Development of permanent and temporary secondary provision in the city by utilising future Basic Need funding to meet statutory duties
- Supporting the SEND strategy across the city
- Reimburse the corporate investment through the sale of caretaker properties

This page is intentionally left blank