

Cabinet

9 November 2023

Annual Education Sufficiency Update (Ages 0-25) 2023

Recommendation

That Cabinet endorses the Annual Education Sufficiency Update (Ages 0-25) 2023 at Appendix 1 and confirms its support for the development of design, feasibility and detailed costings for the proposed projects identified in the report.

1. Executive Summary

- 1.1 The Annual Education Sufficiency Update ('the Report') attached as Appendix 1 to this report provides information about the early years, childcare and education provided to Warwickshire children and young people aged 0-25. It provides the current context for the delivery of the WCC Education Sufficiency Strategy and the Warwickshire SEND and Inclusion Strategy.
- 1.2 Local authorities are required by legislation under the Childcare Act 2006 to assess the sufficiency of the childcare in their area and report annually to members. The Report fulfils this function.
- 1.3 The Report outlines the current situation in Warwickshire schools including pressures on school places in some areas and the impact of new housing. Forecasts of future pupil numbers and details of capital projects for new and expansions of schools are also provided. This report sets out high level conclusions drawn from the Report and Members are requested to refer to the Report for the detail in respect of each age group and provision (including detail by Borough and District).
- 1.4 In respect of 0-4 provision, the Report confirms that across the county as a whole, there is sufficient capacity to provide early years and childcare places to all that require it. Provision is a mixture of childminders, nurseries, and out of school clubs and holiday clubs. The demand for early years and childcare provision is expected to increase in some areas due to the county seeing significant growth due to housing development alongside recent Government initiatives to increase the funded entitlements from April 2024. The impact of these and other factors will be monitored and the detail of the provision available is set out in the Report.

In respect of ages 4-16, the Report highlights that Warwickshire is experiencing a period of significant growth, with large scale housing development across the county contributing to an additional 20,000 Primary and Secondary pupil spaces over the last 15 years with a further 10,000

additional Primary and Secondary pupil spaces currently anticipated over the next 15 years. To meet that demand 11 new schools have opened in Warwickshire since 2010, comprising six Primary, two Secondary, one all-through and three special schools. There have also been several permanent school expansions contributing to an overall increase of over 10,000 new permanent school places in the last 10 years.

- 1.5 It is also noted that during the next fifteen-year period we currently expect to deliver at least another seven new schools, alongside several expansion projects for both mainstream and specialist settings. In the longer term, if all proposed housing development across the county builds out as suggested, this figure could rise to as many as 24 new schools being required to meet the need for school places.
- 1.6 The detailed position with regard to Primary and Secondary provision is set out in the Report, which confirms that, when only currently approved new housing is taken into account, there is a slight reduction in Primary demand forecast at County level with overall reduction in population from NHS data being offset by housing growth in the County. In addition, the Report notes that 21 Primary planning areas are operating with significant (>15%) surplus places and are forecast for this to continue. As Central Government funding for schools is based on the number of pupils on roll this typically causes financial strain for schools in those areas. The majority of these are government designated rural schools and/or in receipt of sparsity funding and are limited in the organisational options to respond to the reduction in local populations.
- 1.7 Warwickshire has recently welcomed children and young people as part of Government initiatives to support asylum seekers, refugees and other migrants from countries including Afghanistan, Ukraine, Hong Kong and Syria. All school-age children are offered school places under the same process as existing Warwickshire residents. Predicting the additional volumes brought about through such schemes particularly in respect of increased pupil numbers during the school year is difficult and causes pressure in certain areas of the county.
- 1.8 At Secondary level, Warwickshire forecast to have a 7% increase in total pupils between 2023 and 2029, when only currently approved new housing is taken into account. An underlying reduction in population from NHS data (of around -9%) is offset by the impact of new housing across the county. All areas of the county are experiencing pressure on Secondary school places in some year groups, as a combined result of larger resident cohorts moving through these year groups and new housing development in the county bringing new families during the school year.
- 1.9 In order to meet the increasing need for places during the school year, Secondary schools will be required to take a small number of pupils over capacity in most year groups and most areas by the end of 2023.

- 1.10 Post-16 education in Warwickshire is also covered in the Report, with an assessment of its sufficiency to meet the needs of the County. Based on the forecast for the Post 16 cohort for 2023/24 and 2024/25 the Report states that there is a sufficient number of places for Post 16 students. Forecasts indicate that there will be an increase in the total number of Post 16 pupils in Warwickshire from 2023 onwards. Where the cohort forecast exceeds the current number of ESFA funded Post 16 places the Council will work alongside schools, colleges and partners to ensure the demand is met. The position is covered in more detail within the Report.
- 1.11 Provision of specialist education for Warwickshire's children and young people with Special Educational Needs/Disabilities (SEND) is described in more detail within the Report, along with an assessment of sufficiency and actions planned to increase provision.. In summary, the trend in Warwickshire is for increased demand for specialist education provision. The number of EHCPs in Warwickshire has increased annually by an average of 9% for the past 5 years, which is in line with national growth. When looked at overall, demand is less at Primary phase and Specialist Resourced Provisions (SRPs) in Primary schools help to meet need across the county. Demand for specialist places is generally greater at the Secondary phase. Provision in SRPs and special schools is being expanded and a 'deep dive' review is taking place, as part of the Delivering Better Value Programme, which will lead to recommendations on whether any further special school provision should also be commissioned.

2. Financial Implications

- 2.1 The financial cost of the additional provision requirements is yet to be quantified, but the capital cost is anticipated to be in excess of £100m and there will be capital financing costs that will impact the revenue budget if any of the funding has to be sourced from borrowing.
- 2.2 The initial cost estimates relating to additional provision, particularly the cost of new schools, have been produced utilising national benchmarking data. Work is ongoing to identify the expected capital requirements and funding profile for all future Education Capital projects over the short to medium term.
- 2.3 All proposed education capital projects are considered against independently published third-party data to benchmark the cost to the County Council of providing school places and ensuring effective allocation of resources. However, recent increases in the rate of inflation and supply chain and materials pressures will inevitably affect the cost of capital projects. While efforts are made to anticipate such fluctuations, due to the long timeframes of large projects, cost increases may occur subsequent to initial funding approvals. Any use of funding to meet additional costs will further increase the pressure on the resources available to fund all of the additional provision requirements.
- 2.4 The increased move towards Carbon Neutral build methods is not factored into existing benchmarks, and will potentially result in higher costs which will need to be assessed as each project moves forward.

- 2.5 Basic Need grant funding is provided by the DfE to deliver the expected requirement for mainstream places across the 4-16 age range. This grant is calculated on a per pupil basis for mainstream places but excludes those places likely to result from housing growth, which are expected to be funded via developer contributions.
- 2.6 Developer contributions will continue to be sought to provide the new provision needed as a result of housing growth and funds secured relevant to each individual scheme will be used to deliver the projects proposed.
- 2.7 The need to forward fund education infrastructure before receipt of developer contributions together with competing demands to use Basic Need capital resources for education provision such as Early Years sufficiency, SEND provision and condition of the school estate will put significant pressure on the funding available to provide sufficient school places.
- 2.8 Any funding gap which cannot be met by future developer contributions would require additional borrowing, with the associated revenue costs of financing that borrowing, or via top-slicing the Capital Investment Fund (CIF) leaving less funding available to investment in meeting the Council's wider investment ambitions.
- 2.9 In addition to the potential revenue costs of the additional borrowing needed to fund the investment in school places needed, the initial revenue costs for the new schools and additional classes at existing schools will be met from Pupil Growth Funding, which is allocated from the Dedicated Schools Grant (DSG) and on-going costs will be covered by DSG grant allocations through the National Funding Formula.

3. Environmental Implications

- 3.1 The design brief for all Education Capital projects will include the consideration of Carbon Neutral build methods to mitigate the environmental impacts of delivering and operating the new provision where possible.
- 3.2 Environmental risk assessments together with mitigation statements to reduce any potential environmental impacts are required for each capital project. Where a risk of environmental damage is identified, measures will be required to ensure these risks remain at a minimum throughout the construction process.
- 3.3 The approach within the Education Sufficiency Strategy 2018/2023 will where possible design in sustainable transport opportunities and reductions in home to school transport requirements for all new schools and expansions, while remaining conscious of the carbon requirements associated with the construction process and the opportunities for future reductions in emissions associated with home to school transport.

4. Supporting Information

- 4.1 Housing growth in line with current housing trajectories across the County is expected to increase the long-term demand for school places as new families move into the County. This is the biggest challenge in ensuring sufficiency of school places and the expected impact of this housing growth is included in the pupil forecast data presented in the report. However, as new families move into Warwickshire over the next academic year the level of short-term demand for places will vary depending on the age of the children and availability of places in the relevant year groups at local schools.
- 4.2 There can often be pressure for school places when families apply late or part way through the academic year and schools are already at capacity, particularly as a result of attracting pupils who live in other local authority areas. Maintaining a level of surplus capacity to manage in year applications will be difficult and is likely to be challenged by schools needing to maintain a sustainable budget and the capital funding and practical limitations of adding further places for the sole purpose of creating surplus capacity. The Admissions Code prevents the holding or reserving of places for in catchment area or in year applications. If a school has space, they are required to admit a pupil with a valid application. Ongoing engagement with schools is key to ensuring the sufficiency of school places in Warwickshire.
- 4.3 Warwickshire schools attract pupils who live in other local authority areas. At the October 2022 school census, 12% of secondary and 4% of primary pupils live in other local authority areas. Some Warwickshire residents attend schools in other local authorities but on a smaller scale than those moving into Warwickshire schools from outside the county:

Other LA	No. of Warks pupils at schools outside Warks	No. of non-Warks pupils at Warks schools	Net movement into Warks schools
Worcestershire	212	1,818	1,606
Solihull	525	1,270	745
Coventry	1,507	1,217	-290
Staffordshire	245	811	566
West Northamptonshire	159	671	512
Leicestershire	446	418	-28
Oxfordshire	148	281	133
Birmingham	313	226	-87
Gloucestershire	397	95	-302
Total	3,952	6,807	2,855

5. Timescales associated with the decision and next steps

- 5.1 Following endorsement by Cabinet, the Report will be shared with elected local members to update them regarding sufficiency issues and proposed projects. The Report will also be published on the WCC website.
- 5.2 Engagement with schools and early years settings regarding sufficiency and place pressures will continue through one-to-one discussions and consortia/area network meetings.
- 5.3 Proposed projects outlined in the Report will be worked up through the initial feasibility stages including due diligence from colleagues in Finance, Infrastructure Delivery, Strategic Asset Management, Design & Major Projects and other stakeholders as required.
- 5.4 Following confirmation of the availability of funding, the appropriate consultations, and feasibility studies all projects require agreement by the Education Capital Access and Organisation Board.
- 5.5 Once agreed by the Board all capital projects outlined will be subject to future reports to Cabinet, and Council as necessary, usually as part of a programme of works for funding approval.

Appendices

Appendix 1 – Annual Education Sufficiency Update (Ages 0-25) 2023

Appendix 2 – Appendices to the Annual Education Sufficiency Update (Ages 0-25) 2023

Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): None – this is a County wide report

Other members: Councillors Kam Kaur, John Holland, Jonathan Chilvers, Yousef Dahmash and Barbara Brown.