

Committee:	Cabinet
Date:	7 July 2009
Title of Report:	Hastings Secondary Schools
By:	Director of Children's Services
Purpose of Report:	To seek Cabinet's approval to undertake statutory consultations as part of the feasibility stage of the academy process.

Recommendation:

The Cabinet is recommended to agree that East Sussex County Council (the County Council) undertake statutory consultations on the closure of the three predecessor schools (Hillcrest, The Grove and Filsham Valley) to be replaced by two proposed academies in Hastings.

1. Financial Appraisal

1.1 The academy programme allows for a detailed financial appraisal during feasibility, the next stage in the prescribed process. It is already clear however, that there are a range of financial risks and uncertainties, both revenue and capital, for the County Council to manage during the process. At the time of the budget decisions in February, an initial analysis of the financial implications showed there were both revenue and capital implications for the authority. One of the principal reasons for this is that the formula for capital grant from The Department for Children Schools and Families (DCSF) excludes important items of expenditure including Special Educational Needs (SEN) facilities and other co-located provision, off-site works (e.g. highways), decanting costs, and any abnormalities not approved by the DCSF. The gross spend has previously been estimated at £51.1m, of which £47.15m is assumed to be government grant with the balance of £3.95m identified already within the capital programme (£2m from targeted capital and £1.95m from the Council's own resources). These estimates are in advance of the detailed work in feasibility and there remains a significant risk that the government allocation may not meet local circumstances or abnormalities.

1.2 The first objective must be to manage the project within the total of resources made available from Government and those currently provided by the Council. If the gap between government grant and final costs of the project grows during the process it will be necessary to consider covering that shortfall by looking at re-prioritisation scenarios for the whole capital programme or to reassess the affordability of the whole project. To this end, it would now seem prudent to consider possible reprioritisation at the time of the normal mid-term review in the Autumn so that the Council is able to react in an informed way to the results of feasibility as they emerge towards the end of this calendar year. The revenue implications, though they are not anticipated to be substantial, are also uncertain; this is because, again, detailed discussions with the DCSF on the academies' annual grant (taken from Dedicated Schools Grant (DSG)) will not begin and some of the costs will not be known until feasibility is complete. The procurement costs up to and including feasibility are currently being assessed and will have to be met from existing provisions in the current year. Any requirements for 2010/11 will have to form part of budget planning for next year.

2. Risk Assessment

In addition to the resource implications, the Project Team have carried out a detailed risk assessment. Out of the full analysis, the priority risks for the Council's focus are not only on the resource implications but also on the risks associated with the management of the capital programme, particularly the timescales and the "decanting" strategy necessary to enable the normal functioning of the schools while new build takes place. Additional external work has been commissioned on these issues because of their potential impact on learning outcomes and their importance to the schools, the students and their parents.

3. Supporting Information

3.1 Introduction: The Cabinet approved the move to Expression of Interest (EOI) stage at their meeting in July 2008. Subsequently, two EOIs were prepared in close collaboration with the University (as lead sponsor) and BT (as co-sponsor) – one for each of the proposed academies. The EOIs set out a strong and compelling case for the academies and were approved by Cabinet for submission to the DCSF in November 2008. The sponsors were notified in late April 2009 that the Secretary of State had approved the EOIs and, specifically, had approved the release of funding to enable the sponsors to continue to develop plans for the academies. **Annex 1** sets out a copy of the letter of approval.

3.2 Timescale and process: The feasibility stage will last for approximately 8 months. During this stage, the sponsors prepare detailed plans, including an educational vision and model, and formally consult with the local community. The sponsors are supported by a project management company (appointed by the DCSF and funded by them) whose role is to manage the process and ensure that DCSF requirements for the completion of the feasibility stage, including all relevant documentation, are met.

3.3 During the feasibility stage the Council has to undertake statutory consultations on the closure of the three predecessor schools. This is separate from the sponsors' consultation on the opening of the academies. In effect, the sponsors will be setting out their vision for the academies, how they will operate and the benefits they will bring, they will ask the parents, students and the community for their responses. The authority then, by law, has to consult on the closure of the predecessor schools so that they might be replaced by the academies. These two, separate, consultations will take place during the same period but it is planned to undertake them sequentially. This is so that parents, students and the community hear first of all about the proposals to open the academies and be clear about the sponsors' plans before being asked about the authority's proposals to close the predecessor schools to make way for the academies. It is proposed to undertake the statutory consultations, in accordance with regulations and statutory guidance, on the following timescale:

- Public consultations: 7 September to 16 October 2009
- Report to Cabinet on outcomes: 24 November 2009
- Publish statutory notices to close the schools, if approved by Cabinet: 27 November 2009
- Report to Cabinet on responses to statutory notices: 26 January 2010

It is at the meeting on 26 January 2010 that Cabinet would need to make their decision as to whether to close the predecessor schools or not. This, in effect, would mark the end of the feasibility stage.

3.4 Once detailed plans for the new Academy and core documents (e.g. Memorandum and Articles for the new Company) are complete, they need to be submitted to the DCSF. At this stage the Secretary of State must, by law, also formally consult the Local Authority in whose area the Academy is based and any other Local Authority if it is likely that a significant proportion of the pupils who might attend the new Academy live there. The Secretary of State would then decide whether to approve and fund the new academies and to enter into agreement with the sponsors to do this through a Funding Agreement. Approval to do so would move the project into the implementation stage, the final stage in the academy process.

4. Conclusion and Reason for Recommendation

4.1 Moving to the next stage does not commit the County Council or the sponsors to the establishment of academies in Hastings. It provides the opportunity to explore the issues in more detail and to test out the proposals it contains in the feasibility stage before a final decision is taken. The recommendation is made because formal authority is needed from Cabinet to commence the statutory consultations on the intended closure of the three schools, and their replacement with the two proposed deadlines

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BACKGROUND DOCUMENTS: The Education and Inspections Act 2006; The School Organisation (Establishment and Discontinuance of Schools) (England) Regulations 2007; Closing a Maintained Mainstream School, DCSF Guidance; Duty to Respond to Parental Representations about the Provision of schools, DCSF Guidance



Rt Hon Jim Knight MP

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DIRECTOR OF
29 APR 2009
CHILDREN'S SERVICES

27 April 2009

Dear Matt

Thank you for submitting the Expressions of Interests for two academies to replace Hillcrest School, The Grove School and Filsham Valley School. I am pleased to inform you that I have agreed to release feasibility funding to enable the University of Brighton, British Telecom and East Sussex County Council to continue developing the plans.

I have considered your arguments against bringing forward the opening date of the academies and I am prepared to accept those arguments. The academy will open in existing buildings in 2011 and in new buildings from September 2012. Between now and 2011 Ninestiles Plus has been contracted by East Sussex LA to develop significant improvements at both schools. Over the coming two years the Department and sponsors will want to be able to review Ninestiles' performance against targets regularly so that the academies can start on a strong educational footing.

The project lead, Joe Farrell, will be in touch with you over the coming week to discuss next steps. In the meantime, I wish the sponsors every success and I look forward to hearing of the projects' good progress.

Rt Hon Jim Knight MP



department for
children, schools and families