

<b>Title of Report:</b>	<b>Hungerford Education Plan - Development of John O'Gaunt School - Third Report</b>
<b>Report to be considered by:</b>	Executive
<b>Date of Meeting:</b>	17 October 2013
<b>Forward Plan Ref:</b>	EX2719

<b>Purpose of Report:</b>	To set out a proposed development strategy for John O'Gaunt School which links to broader educational provision in Hungerford.
<b>Recommended Action:</b>	To agree recommended proposals as set out in the report's Conclusion and instruct officers to initiate implementation.
<b>Reason for decision to be taken:</b>	To provide a long-term affordable strategic plan for educational provision in the West of the District.
<b>Other options considered:</b>	Do nothing or alternative reorganisation proposals (see Second Report).
<b>Key background documentation:</b>	West Berkshire Council School Funding Reform April 2013 - report to Executive Oct 2012 Appraisal of Future Options to Develop a Hungerford Education Plan

The proposals contained in this report will help to achieve the following Council Strategy priority:
<input checked="" type="checkbox"/> <b>CSP3 – Improving education</b>
The proposals will also help achieve the following Council Strategy principle:
<input checked="" type="checkbox"/> <b>CSP8 - Transforming our services to remain affordable and effective</b>
The proposals contained in this report will help to achieve the above Council Strategy priority and principle by:
Securing secondary education and supporting improved outcomes at John O'Gaunt through both revenue and capital investment and ensuring sufficient primary places in Hungerford to meet growing forecast demand. The revenue support proposed is designed to provide financial stability until the school becomes self sustaining.

<b>Portfolio Member Details</b>	
<b>Name &amp; Telephone No.:</b>	Councillor Irene Neill - Tel (0118) 971 2671
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<b>Date Portfolio Member agreed report:</b>	24 September 2013

Contact Officer Details	
<b>Name:</b>	Ian Pearson
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### Implications

<b>Policy:</b>	N/A
<b>Financial:</b>	Agreement to provide additional funding support to John O'Gaunt as set out in the main body of the report.
<b>Personnel:</b>	No immediate implications.
<b>Legal/Procurement:</b>	Proposed change of age range will require relevant statutory notice to be published.
<b>Property:</b>	Feasibility work to be undertaken and then capital project to be procured.
<b>Risk Management:</b>	Report aims to ensure the longer term financial viability of the school by strategically address the current budget deficit risk. The proposal also aims to ensure sufficient primary places are being developed to meet forecast demand.

Is this item relevant to equality?	Please tick relevant boxes		Yes	No
Does the policy affect service users, employees or the wider community and:				
• Is it likely to affect people with particular protected characteristics differently?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Is it a major policy, significantly affecting how functions are delivered?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Will the policy have a significant impact on how other organisations operate in terms of equality?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to functions that engagement has identified as being important to people with particular protected characteristics?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
• Does the policy relate to an area with known inequalities?			<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Outcome</b> (Where one or more 'Yes' boxes are ticked, the item is relevant to equality)				
Relevant to equality - Complete an EIA available at <a href="http://www.westberks.gov.uk/eia">www.westberks.gov.uk/eia</a>				<input type="checkbox"/>
Not relevant to equality				<input checked="" type="checkbox"/>

Is this item subject to call-in?	Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>
If not subject to call-in please put a cross in the appropriate box:		
The item is due to be referred to Council for final approval		<input type="checkbox"/>
Delays in implementation could have serious financial implications for the Council		<input type="checkbox"/>
Delays in implementation could compromise the Council's position		<input type="checkbox"/>
Considered or reviewed by Overview and Scrutiny Management Commission or associated Task Groups within preceding six months		<input type="checkbox"/>
Item is Urgent Key Decision		<input type="checkbox"/>
Report is to note only		<input type="checkbox"/>

# Executive Summary

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## 1. Introduction

- 1.1 This report is the culmination of twelve months work looking in details at future options for educational provision in the West of the District, focusing on schooling in Hungerford and in particular, John O'Gaunt and increasing primary demand.

## 2. Proposals

- 2.1 It is recommended that to ensure sustainable secondary (11-18) and sufficient primary provision in the West and Hungerford the following actions are agreed:
- (1) John O'Gaunt is redesignated an 'all through' school, with an age range of 4-18 years, from the earliest practicable date.
  - (2) Circa £2m of previously allocated capital investment at John O'Gaunt is reconfigured to accommodate primary provision and refurbish/redevelop other parts of the school to improve learning spaces.
  - (3) A licensed deficit is agreed until the school reaches financial viability, plus a financial incentive of up to £200,000 to help towards repayment of the deficit.

## 3. Equalities Impact Assessment Outcomes

- 3.1 This item is not relevant to equality.

## 4. Conclusion

- 4.1 Members are recommended to agree the proposal set out above as the best approach to raising standards and delivering the Council's statutory responsibilities to provide education in the West of the District.

# Executive Report

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## 1. Introduction/Background

- 1.1 The original Hungerford Education Plan Report (November 2012), pulled together a range of background information about pupil numbers, catchment areas and performance across Hungerford Schools, with a particular focus on the future viability of John O'Gaunt School.
- 1.2 Members carefully considered the information presented, including:
- (1) The strategic importance of providing Secondary education in Hungerford.
  - (2) The appointment of a new Headteacher.
  - (3) Rising standards.
  - (4) Improving reputation.
  - (5) Forecast pupil growth in both primary and secondary, with the former already putting pressure on available primary pupil places in the town.
  - (6) The allocation of additional homes to Hungerford within the Council's Core Strategy.
  - (7) Concerns about the financial viability of JOG until pupil number reach circa 520.
- 1.3 It was agreed that officers would hold a local stakeholders' meeting to discuss future options with relevant members and local school representatives, including the Headteachers and Chairmen of Governors of John O'Gaunt, Hungerford Primary and Hungerford Nursery Schools.
- 1.4 This meeting provided an opportunity for a constructive assessment of the current situations, including the challenges faced in Hungerford. It provided a response to the various options set out in the original Hungerford Education Plan Report. In particular, it concluded that 'no change' was not an option as JOG would need to continue to improve its academic performance, grow in popularity and numbers, and become financially viable. Federation was seen as realistic options, though the favoured approach was to extend the School's age range to 4-18.
- 1.5 A solution which could improve JOG's financial viability, alongside meeting the need for additional primary places in the town, while retaining Hungerford Primary School at an optimum two forms of entry, could deliver benefits all round.
- 1.6 A second Hungerford Education Plan Report (21 March 2013), outlined the above. The report was welcomed by members, with officers being asked to explore four particular areas for development:
- (1) Sixth form provision.
  - (2) An 'all-through' 4-18 school.

- (3) Further federated arrangements with local schools to deliver economies of scale.
  - (4) Capital funding to support the above.
- 1.7 In addition, it was reported that officers were working with the Schools' Forum to support John O'Gaunt's budget and contribute to restructuring redundancy costs, thus allow the school to begin the 2013/14 financial year in balance.
- 1.8 The Forum accepted that the main reason the deficit had arisen was that pupil numbers were below the threshold of financial viability and the school would need a degree of subsidy until numbers had risen. With this in mind, the Schools' Forum agreed to allocate additional funds to JOG as a one off, to bring the budget back into balance. However, changes to the schools' funding landscape mean that no ongoing DSG formula subsidy can be provided.
- 1.9 Following the submission by the school of their budget proposals for the next 5 years (2013/14-2017/18) a meeting was held on the 11 July 2013 between the LA and the School, chaired by the Director of Communities and attended by the Leader of the Council and Portfolio holder for Children and Young People. Other officers present included the Heads of Finance and Education.

## **2. Future Plans**

- 2.1 The meeting on 11 July 2013 focussed on the need to address JOG's budget pressure and soon acknowledged that the school will need a financial support for up to 5 years to remain viable as it changes its character to an 'all through' 4-18 school and increases its pupil numbers to a 'break even' 520, which is forecast by 2017/18, but hopefully might come sooner.
- 2.2 The school's future academic success will have a direct impact on parental/community confidence and hence pupil numbers and budget. It was recognised therefore, that a key plank of the school's strategic plan would be to aim to become outstanding, as judged by Ofsted. This means the development of an innovative curriculum, confident learners and all teaching rated good or outstanding. All of these feature within the school's strategic plan (attached as Appendix A).
- 2.3 In planning for the school's change of age range to admit primary pupils, as soon as practicably possible, feasibility work is being undertaken by Property colleagues to establish what remodelling and new build work will be required. £2m has been allocated within the capital programme and it is extremely helpful that JOG currently has surplus accommodation which it might be possible to convert into primary space. A preschool group already operate on the school site.
- 2.4 In terms of timescale, while a change of age range for September 2014 is perhaps too ambitious, this should certainly be implementable for September 2015. Officers are already undertaking relevant background work and looking at how primary numbers in Hungerford might be managed in September 2014.
- 2.5 There is a substantial legal risk in terms of an implementation date of September 2014. The LA would not be the decision-maker; this would be ceded to the Adjudicator. There is a statutory process with fixed timelines to follow, which means that the decision would not reach the Adjudicator until after the September

2014 allocations had been made in April 2014. There is no timeline for the Adjudicator to determine whether to agree to the LA proposal. Therefore, there are two specific risks:

- (1) The Adjudicator may not grant permission before September 2014 and the provision could not legally commence.
- (2) Parents cannot choose the provision during the normal admissions application round - and there are difficulties in determining how and when parents could reasonably make a decision if the approvals from the Adjudicator are not received until Summer 2014. If September 2015 was the chosen date, the statutory process allows the LA to be the decision-maker, and be in control, and the timeline would allow for parents to make a choice during the annual admissions application window.

2.6 It is essential that the school will need to be held accountable in terms of achieving the vision outlined above and set out in Appendix A.

### **3. Finance**

3.1 The financial plan submitted by the school in May 2013 for the 5 years 2013/14 to 2017/18 was based on a cautious increase in pupil numbers over the period (an admission number of 95 from 2016/17) and without any significant further cuts to staffing and other costs. The planned deficit at the end of this financial year is predicted to be £182k (from an opening surplus position of £124k). By 2017/18 the overall deficit has grown to £1.2m, but with pupil numbers slowly increasing, the in year deficit starts to reduce (see Appendix B, Table 1).

3.2 The financial plan has been recalculated assuming higher increases in pupil numbers (an admission number of 100 from 2016/17) if the school was to improve its popularity. Just this small increase, assuming all the additional pupils are accommodated within the existing teaching structure, brings the school to an in year break even position in 2017/18 with an overall deficit of £580k (see Appendix B, Table 2).

3.3 If the school is to change its age range to admit primary pupils, this could have a significant positive impact on the schools finances. Assuming a half form entry from 2015/16 (plus some year 1 pupils), and assuming that the additional costs are for running the primary classes, with all other running/premises costs of the school remaining the same, the school has an in-year surplus by 2017/18 and the overall deficit is significantly reduced to £335k (see Appendix B, Table 3).

3.4 The future financial plans are based on the funding rates in the proposed school formula for 2014/15. The Government has announced its intention to move to national funding rates from 2015/16. If these rates differ significantly to the Council's existing rates, this will have an impact on these plans (which could be for the better or worse).

### **4. Conclusion**

4.1 Having considered a variety of structural options over the last twelve months, the report sets out a realistic way forward that aims to build sustainable, high quality secondary and primary provision in Hungerford and the West of the District. The

consequences of doing nothing are that the school's debt could spiral out of control and members would be faced with managing decline and closure.

4.2 To implement the plan, agreement is sought on the following proposals:

- (1) John O'Gaunt is redesignated an 'all through' school, with an age range of 4-18 years.
- (2) Circa £2m of capital investment is made at John O'Gaunt to provide primary accommodation and refurbish/redevelop other parts of the school to improve learning spaces.
- (3) The school be granted a licensed deficit of up to a cumulative maximum of £600k which is outside the "normal" conditions set out in the Council's 'Scheme for Financing Schools'. As a financial incentive, once the school has reached the optimum number of pupils to move the school into an in-year surplus position, the Council will contribute 50% of the in-year surplus sum towards repaying the cumulative deficit each year the school is in surplus up to the point when the deficit is cleared, and up to a cap overall of £200k.
- (4) That an annual report on progress be brought forward in the autumn of each year, written and presented by the Head and Chairman of Governors of John O'Gaunt.

## Appendices

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Appendix A - JOG Strategic Plan

Appendix B - JOG Financial Plans

## Consultees

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**Local Stakeholders:** John O'Gaunt School

**Officers Consulted:** Rachael Wardell  
Claire White  
Caroline Corcoran  
Mark Lewis  
Corporate Board

**Trade Union:** N/A