

From: Roger Gough, Cabinet Member for Education and Health Reform  
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To: Education and Young People's Services Cabinet Committee – 23 November 2016

Subject: **The Commissioning Plan for Education Provision in Kent 2017-21**

Classification: Unrestricted

Past Pathway of Paper: The 2016-20 Version was presented at the Education and Young People's Services Cabinet Committee on 15 December 2015

Future Pathway of Paper: Cabinet - 9 January 2017

Electoral Division: All

This report provides the Committee with the opportunity to comment on the Commissioning Plan for Education Provision in Kent 2017-21, prior to final approval by Cabinet.

**Recommendations:**

The Education and Young People's Services Cabinet Committee is asked to consider and endorse or make recommendations on the Plan prior to the final version being considered and approved by Cabinet on 9 January 2017.

**1. Introduction**

- 1.1 The Commissioning Plan for Education Provision in Kent (KCP) is a five year rolling plan which is updated annually. It sets out how Kent discharges its statutory responsibility, as the Strategic Commissioner of Education Provision, to provide sufficient Early Years, SEND, Primary and Secondary places and to ensure that there are appropriate learning pathways for pupils at Post 16. It is also our responsibility to ensure that we have enough places in the right locations, to meet the demands of increased pupil numbers and parental preferences. It reflects the fact that the Local Authority role has changed to being the commissioner, as well as continuing to be a provider, of education provision.
- 1.2 There have been significant increases in the birth rate, birth numbers and inward migration as well as other demographic changes over recent years, which require substantial increases in the provision of school places in the coming years. The KCP sets out the principles by which we determine proposals, and it forecasts the need for future provision. It also sets out plans to meet the commissioning needs which arise in each District in Kent, in more detail for the next two to three years.

## 2. Proposal

- 2.1 This updated KCP for the period 2017-21 is a 'live' document which underpins our on-going dialogue and consultation with schools, District Councils, Diocesan Authorities and Elected Members, to inform the process of ensuring there are sufficient school places of good quality in the right locations, and other provision including childcare, for Kent children and families.
- 2.2 The yearly number of births in Kent increased by 24% in the period 2002-12. The number of births dropped in 2013, but has risen since. Local Kent Health Authority data shows a greater rise than Office of National Statistics; it is this birth data which underpins our forecasts. The number of Primary age pupils is expected to continue rising significantly from 119,943 in 2015-16, to 127,859 in 2020-21, which almost 8,000 extra pupils over the next five years. Beyond this point strategic forecasts suggest that the number of Primary pupils will continue to rise until 2030 at which point they will drop slightly. The number of Secondary age pupils (Years 7-11) in Kent schools is expected to rise significantly from 78,007 in 2015-16 to over 93,749 in 2022-23. Beyond this point the longer term strategic forecasts indicate a continuing rise in pupil numbers. Longer term forecasts are heavily influenced by new housing development beyond 2026.
- 2.3 This Commissioning Plan, therefore, identifies the need for additional permanent and temporary school places each year as follows:

by 2017-18	by 2018-19	by 2019-20	between 2020-21 and 2022-23
<i>Primary</i> 9.5FE* permanent 150 Year R places 30 Year 2 places 30 Year 3 places	<i>Primary</i> 12FE* permanent 30 Year R places	<i>Primary</i> 13FE* permanent	<i>Primary</i> 51FE* permanent
<i>Secondary</i> 10FE permanent	<i>Secondary</i> 26FE permanent	<i>Secondary</i> 17FE permanent 60 Year 7 places	<i>Secondary</i> 26FE permanent 210 Year 7 places

\*NB the FE figures above are rounded to the nearest 0.5FE

- 2.5 Much of the additional provision will be achieved by expanding existing schools. While in many cases the need for new and expanded schools is dependent on future housing development, the increase in demand for education places continues to be significant.

## 3. Financial Implications

- 3.1 The Local Authority as Strategic Commissioner of Education Provision has a key role in securing funding to provide sufficient education provision in the County, particularly in schools. The cost of providing additional school places is met from Government basic need grant, supported borrowing by KCC and developer contribution monies. The previous Medium Term Financial Plan (2016-19) made clear that KCC was no longer in a position to undertake any further prudential borrowing to support new provision (as it has done in the past - notably with the Special Schools programme). To do so would place the Council in breach of one of its key fiscal indicators that net debt should not exceed 15% of its net revenue expenditure. This position has not changed in respect of the new Medium Term Financial Plan (2017-20). Delivery of the additional schools places will rely more than ever on an appropriate level of funding from Government and securing the maximum possible contribution from developers where appropriate

- 3.2 Figure 3.1 summarises KCC's spending and phased spending on school places for the period 2010 – 2020.

**Figure 3.1: Summary of spending on school places 2010-2020**

Year	Cost by Funding Source				Total (£)
	Basic Need (£)	Council Borrowing and Funds (£)	Developer Contributions (£)	Other (£)	
2010-11	1,796,594	0	35,971	0	1,832,565
2011-12	7,860,135	0	2,865	0	7,863,000
2012-13	7,359,521	1,839,000	6,813,479	0	16,012,000
2013-14	14,052,384	1,545,000	703,198	62,888	16,363,470
2014-15	27,710,662	0	2,599,090	0	30,309,752
2015-16	79,569,970	28,181,399	8,596,322	325,000	116,672,691
2016-17	33,620,510	25,566,895	19,198,396	0	78,385,801
2017-18	43,031,376	26,255,213	30,145,846	0	99,432,435
2018-19	15,580,579	778,307	15,272,374	0	31,631,260
2019-20	6,050,000	1,050,000	0	0	7,100,000
<b>Total</b>	<b>236,631,731</b>	<b>85,215,814</b>	<b>83,367,541</b>	<b>387,888</b>	<b>405,602,974</b>

- 3.3 Government funding for 'Basic Need' is allocated on a formulaic basis assessed from information provided by local authorities about forecast numbers of pupils and school capacity. Such funding will only provide for predicted growth in numbers arising from changes in the birth rate and from inward net migration.

- 3.4 Last year we estimated the gap between the level of funding available and our initial cost estimate to provide the number of places needed to meet the pupil forecasts as being in excess of £100m across the MTFP period 2016-19. This significant funding gap was subsequently closed based on assumptions on the future delivery of new provision through the Free Schools programme and some difficult decisions taken on project phasing and scope. However, price inflation in the construction industry and the sheer number of places, particularly in the Secondary sector, will continue to make our capital funding position a challenging one.

It is clear from our experience over the past year that the assumptions made on Free School based provision now bring a greater degree of risk to the delivery of the Kent Commissioning Plan than expected. Free School projects are led by the EFA and to date we have witnessed delays to a number of projects, which have had financial and reputational consequences for KCC. We have been raising our concerns with the EFA and seeking to discuss options with them to reduce this level of risk.

In updating the Kent Commissioning Plan we have revisited the programme costs for the new MTFP period 2017-20. Our initial estimate of the revised gap faced in the MTFP period 2017-20 is £28m. This does not take account of the 2019-20 Basic Need allocation from the DfE which will not be known until February 2017. The 2018-19 allocation was £24.8m. Clearly a 2019-20 allocation of a similar order would significantly reduce this gap. Work is already underway to identify options to balance the programme by the time the County Council sets its budget in February 2017. The Commissioning Plan provides the evidence with which to lobby the DfE further, with a view to ensuring all authorities receive the financial support required to meet the National Challenge of ensuring sufficient school places. As previously described, further borrowing by the Council would not be prudent and we cannot look to divert the already low levels of funding for maintenance and modernisation of the existing estate.

3.5 For new pupil places required because of new housing development it is necessary to look to other funding, specifically developer contribution monies.

#### **4. Next Steps**

4.1 Following the Education and Young People's Services Cabinet Committee's comments, any final changes and amendments will be made prior to the Commissioning Plan being presented to Cabinet for consideration and approval on 9 January 2017.

4.2 The final approved Plan will be published as soon as it has been agreed by Cabinet.

4.3 The Plan will be reviewed, updated and published annually, in the autumn term, following updating of roll and forecast information and 6 monthly monitoring and review. The six month review will be reported to the Cabinet Committee in summer 2017.

#### **5. Recommendation(s)**

<p>5.1 The Education and Young People's Services Cabinet Committee is asked to consider and endorse or make recommendations on the Plan prior to the final version being considered and approved by Cabinet on 9 January 2017.</p>
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#### **10. Background Documents**

10.1 Vision and Priorities for Improvement

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/education-skills-and-employment-policies/vision-and-priorities-for-improvement>

10.2 Commissioning Plan for Education Provision in Kent 2016-20

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/education-skills-and-employment-policies/education-provision-plan>

10.3 Equalities Impact Assessment.

<http://www.kent.gov.uk/about-the-council/strategies-and-policies/education-skills-and-employment-policies/education-provision-plan>

#### **11. Contact details**

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