

**EDUCATION AND LIFE-LONG  
LEARNING COMMITTEE**

**DRAFT REPORT**

**POLICY REVIEW OF THE SUPPLY  
OF SCHOOL PLACES**

## **Foreword**

This review was started by the Pre-16 Education, Schools and Early Learning Committee and completed by the Education and Life-Long Learning Committee. Evidence presented to the Committee indicated that treatment of this issue in the past had been somewhat uneven. There is a need to revise existing procedures and to produce a clear and consistent methodology for calculating the capacity of schools. This will provide a firm foundation on which local education authorities can plan future provision of primary and secondary school places, for the benefit of pupils and the wider community.

This report complements the report on 'Early Years Provision for Three Year Olds' issued by the Committee earlier this year. The Assembly Cabinet quickly implemented the main recommendations of that report and I hope that this report will receive equally favourable consideration by the Minister (Jane Davidson) and her Cabinet colleagues.

I am grateful to Members of the Pre 16 Education, Schools and Early Learning Committee and also past and present Members of the Education and Life-Long Learning Committee - Lorraine Barrett, Eleanor Burnham, Jane Davidson, Janice Gregory, Christine Humphreys, Pauline Jarman, Gareth Jones, Huw Lewis, Jonathan Morgan and Alun Pugh - for their work on the review. I would also like to thank the Secretariat and all those who submitted their views to the Committee, or otherwise contributed to the review.

**Cynog Dafis AM**  
**Chair, Education and Life-Long Learning Committee**

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## **Chapter 1 - Introduction**

### **Remit**

The Pre-16 Education, Schools and Early Learning Committee (now defunct) agreed the remit for this policy review at its meeting on 30 June 1999.

*"To look at the provision of school places, in particular the level of unfilled places with a view to:*

- (i) Establishing what is the optimum level of unfilled places, allowing for flexibility;*
- (ii) Determining the costs of retaining levels of surplus in excess of this optimum; and*
- (iii) Identifying the actions local authorities need to take to effectively manage their stock of school places."*

The Pre-16 Committee at its meeting on 25 May 2000 received a paper [PRE 16 08-00(p.1)], which provided background information to the policy review and set out proposals for the conduct of the review.

### **Background**

There had been concern for a number of years that action was required to rationalise the provision of school places, largely because of falling school rolls, movements in population and changes in the pattern of demand. Maintaining a higher than necessary level of school places ties up resources that could be better used to improve the quality of education. Moreover, failing to deal with surplus places could have educational as well as financial consequences, if it resulted in small schools or small sixth forms which could not deliver the breadth of the curriculum effectively.

The Audit Commission carried out a study, which included in depth fieldwork in England and Wales, and published a report entitled 'Trading Places' in December 1996. This was followed by a handbook (July 1997) which provided guidance for local action and examples of good practice.

The Trading Places report acknowledged that local education authorities (LEAs) had to achieve a difficult balancing act to provide the right number of school places in the right locations. They had to ensure that they provided sufficient places in order to avoid over crowding, large class sizes and parental dissatisfaction. But if they provided too many places or maintained provision in the wrong parts of their areas, they tied up scarce resources in under-utilised school premises and in operating inefficient small classes, schools or sixth forms.

To maximise value for money, LEAs must seek a close fit between pupil numbers and school places, but it would be unreasonable to expect an exact match. LEAs had to allow for natural fluctuations in the school population: if an increase was expected, perhaps where there was new house building planned, it might be more cost effective to retain existing unfilled places until the additional pupils enter the system. It was also necessary to allow some spare capacity to cater for variations in parental choice, particularly for different types of school such as Welsh medium, single sex or a particular religious denomination. The margin required varied from location to location.

Even where unfilled places were genuinely surplus to requirements it was not always cost effective to remove them. The nature and layout of the school building may not lend itself to closure of surplus classrooms; or if there were no alternative schools within reasonable travelling distance, closure of a whole school would be unrealistic.

There was no consensus on what is an appropriate level of unfilled places. The Audit Commission suggested that LEAs should aim for individual school occupancy rates within the range of 85% to 105%. This equated approximately to a target of no more than 10% unfilled places in an authority

as a whole. The Commission also proposed that LEAs should focus attention on any schools with an occupancy rate of over 110% or under 75%, since these schools were likely to be suffering serious overcrowding or to have a large amount of under-utilised space.

Similarly there was no agreed minimum feasible size for a school or a sixth form. Some 14% of Welsh primary schools had less than 50 pupils. The Audit Commission found that the cost per pupil started to rise dramatically when a primary school had fewer than 90 pupils on a roll and that there was no evidence that smaller schools delivered higher quality education to compensate for the higher running costs. In rural areas, however, small schools may be necessary, particularly in the primary sector, if the next nearest school was a long distance away. For the purpose of analysing data, we have adopted the Audit Commission's definition of a small school as one with a capacity of under 90 pupils for a primary school and under 700 pupils in a secondary school.

### **Measuring capacity and occupancy**

The starting point for effective management of the supply of school places was reliable and accurate information. The physical capacity of every school was calculated using standardised MOE (More Open Enrolment) formulae which took account of the size and number of teaching areas, with additional space allowed for children with special educational needs. For secondary schools, all teaching areas were included, taking account of their utilisation rates: for primary schools only main class bases were counted. Schools may admit more pupils than their calculated capacity.

Capacity information, however, had not always been calculated consistently - there was sometimes a poor understanding of capacity measurement at school level - and this was often out of date. The formulae were introduced some ten years ago, since when school buildings may have been altered, utilisation of space may have changed or the number of children with special educational needs altered. Schools had not always reported these changes to the LEA. In addition, local government reorganisations had resulted in the

loss of some records. LEAs varied in the extent to which their capacity data had been updated.

### **School Organisation Plans**

Each LEA is required, under Section 26 of the School Standards and Framework Act 1998, to prepare a School Organisation Plan (SOP) for its area, looking ahead over a five year period and reviewed annually. Guidance on the preparation of these plans was issued in May 1999. All 22 LEAs prepared their first draft SOPs in Autumn 1999 for publication, as required, by 1 January 2000. The National Assembly was one of the statutory consultees and officials made detailed comments on each draft, mainly on whether the contents met the specific requirements set out in the guidance.

Each SOP contained three sections, covering:-

- (i) Relevant demographic information, including projected pupil numbers and the number on roll at each school compared with the capacity;
- (ii) A statement of the authorities policies and principles in relation to such matters as the appropriate size of primary and secondary schools, the distance pupils might be expected to travel to school, class sizes and how parental preferences, including preference for Welsh medium education, might be met; and
- (iii) Conclusions, drawn from the above, on the need to add or remove places in any part of the LEA area.

Welsh Office Circular 26/99 gives guidance on the preparation of School Organisation Plans.

## Chapter 2 - Consultation

### Introduction

A consultation exercise was carried out between 1<sup>st</sup> June and 20<sup>th</sup> September 2000. A copy of the consultation letter is at Annex 1 and a schedule of those consulted is at Annex 2. A total of 44 organisations were consulted, from whom 22 responses were received - including 10 responses from local education authorities. A summary of the responses is set out below, related to the remit.

### Summary of Responses

#### (i) **Establishing what is the optimum level of unfilled places, allowing for flexibility.**

- Most respondents highlighted endorsed the statement that "... not all unfilled school places are surplus and not all surplus places can be removed."
- The majority of LEAs who responded accepted the Audit Commission's suggested school occupancy rate of 85 to 105% with no more than 10% unfilled places as reasonable but felt that these should not be applied rigidly. Some authorities needed more flexibility than others to cater for changes in parental preference, population fluctuations or special factors which restricted options for rationalisation such as isolated rural schools. They needed to be able to take account of local circumstances.
- There was concern at the aim of fixing a minimum feasible size for a school or a sixth form - local conditions could impact on this and what might be uneconomically small in urban areas might be the only feasible solution in rural areas.
- There was a need to be flexible to cater for changing patterns of demand for Welsh medium education, denominational education,

single gender and nursery education. The role of schools in the community and their role in the provision of life-long learning should be considered especially in light of 'Communities First' and the new duty on local authorities to prepare whole community development plans and their importance in the emerging Community Consortia for Education and Training (CCETs).

- ❑ Concern was expressed that the Audit Commission's approach to 'value for money' was too mechanistic and did not take account of the wider context of education in the community.
- ❑ Account should be taken of issues relating to the need for qualified teachers in Wales and the location of employment opportunities for those being trained.
- ❑ The ability to deliver a high standard of education across the curriculum should be considered, particularly in small schools with only two or three teachers and small sixth forms.

**(ii) Determining the costs of retaining levels of surplus in excess of this optimum**

- ❑ Some Local Authorities had Asset Management Plans which were used to help identify costs.
- ❑ Many schools already put their spare space to good use e.g. to expand information technology (IT) facilities, provide staff rooms, libraries, resource areas.
- ❑ Problems of 'mothballing' facilities if services such as heating cannot be isolated.
- ❑ Use of temporary accommodation and sub standard buildings are factors to be considered.

- Looking at the alternative models of provision e.g. clusters of schools (federations), sharing of resources.
- Using facilities for external use so as to generate income e.g. links to life-long learning agenda; community facilities e.g. meeting rooms.
- The cost of transporting pupils to alternative provision must not be overlooked.
- Significant savings were only likely to arise from school closures.

**(iii) Identifying the actions local authorities need to take to effectively manage their stock of school places.**

- Need more robust information about existing stock; the condition of this stock and improved forecasting of demand. Many saw the School Organisational Plans and the Asset Management Plans as key planning tools to improving the management of their stocks of school places.
- The need for the National Assembly to have more regard to the impact of initiatives on this planning e.g. steps to reduce class sizes impacts on accommodation usage.
- Analysis of the demand for and provision of Welsh Medium Education needs to be included in all School Organisation Plans so it is part of the LEAs strategic planning of places. Similar issue with denominational education provision.

## **Other Matters**

### ***LEAs' monitoring arrangements***

- Most referred to the work which forms the basis of their School Organisation Plans including annual reviews of school capacity, of pupil forecasts and of demand by area and by sector i.e. Welsh medium, denominational, special needs, nursery, single sex.
- Regular meetings with Welsh Language Board and Church Education Directors.
- Review Standard Admissions Numbers and catchment areas.
- Asset Management Plans
- Involvement in the ADEW Benchmarking Club on Critical Success Factors and Performance Indicators.

### ***LEAs' plans to improve and develop their pupil forecasting methodology***

A number of sources of data were identified which LEAs used to inform their forecasting methodology:

- 'Live-birth data'
- Health Authority data on immunisation statistics
- Information on Housing developments
- Information on economic development e.g. building of factories or business centres
- Survey of early years provision in the LEA

- ❑ Information from the ADEW Benchmarking Club
- ❑ Projections are calculated on an area basis and/or a school catchment area basis.
- ❑ No single methodology across Wales
- ❑ Data is only usually accurate for some 3 years forecasting which means that the 5 years cycle of the School Organisation Plan can be speculative for the final 2 years.

***How LEAs' action plans are drawn up and implemented***

There was no clear response to this question, rather respondents identified elements of the process they adopted. There was no evidence of a single approach across Wales although all authorities now have to produce School Organisation Plans on an annual basis which should include such conclusions.

- ❑ Annual assessments and review of forecasting occurs including Welsh Medium Education places and inter-denominational places.
- ❑ Consultation with School governing bodies.
- ❑ Concern that parents are not part of the process especially as parental choice is a factor to be considered in forecasting demand
- ❑ Consideration of the accommodation needs and the standard of accommodation available

### ***Welsh Medium Education***

- There was some concern that the demand for Welsh Medium education was not an integral part of all LEAs strategic planning for supply of school places. Much good work was taking place between the Welsh Language Board and some LEAs, but the Board felt that lack of integration lead to Welsh medium schools being accommodated in sub standard premises, being over-crowded, and a lack of long term strategies to meet increasing demand. They were also concerned about a lack of cross-authority liaison where schools had a high percentage of pupils from other LEAs attending them.
  
- There was also concern that community issues should be taken into account when considering the impact of rationalising school places on rural and small schools as this could have a detrimental effect on the future of the Welsh language itself.

### ***Denominational Education***

- Similar issues with regard to the need to integrate the needs of inter-denominational education into the strategic planning process.

### ***Small Schools***

- Although the issue of the Supply of School Places was separate to that of small schools it was frequently referred to in the responses received. In particular the future of small local schools was seen as essential to the continuation of flourishing communities especially in rural areas. This was also linked to the issue of the Welsh language which is strongest in rural Wales.

- The quality of teaching in small schools was an issue with some respondents commenting on the difficulty of providing a high quality of education across the full range of the curriculum in schools with only two or three teachers. Estyn in its response highlighted that not all small schools result from a failure to deal with surplus places and some small schools do succeed in delivering a high quality of teaching.
  
- The majority of respondents advocated looking for a new way of delivering education in rural communities, which built on the small schools and enhanced its role in the community. The clustering or federalisation of schools was suggested as an option. Also the linking of the school into the life-long learning agenda and becoming a community education resource centre.

## **Chapter 3 – Other Evidence**

### **Oral presentations**

The committee held two oral presentation sessions:

- Aberaeron (17<sup>th</sup> November 2000); and
- Merthyr Tydfil (14<sup>th</sup> December 2000)

These sessions built on the consultation exercise covered in Chapter 2 and oral evidence was received from:

- Audit Commission
- Welsh Local Government Association
- Small Schools Association
- Welsh Language Board
- Diocesan Church Authority
- Estyn

The minutes of these sessions give a detailed account of the evidence received. [ELL 2-00 (min) and ELL 5-00 (min)].

After receiving this evidence, the committee decided to suspend further consideration until it had received a report on managing school places from the Audit Commission.

### **Audit Commission Report; 'Managing School Places'**

This survey was carried out by District Audit, on behalf of the Audit Commission. Its objectives were:

- To ascertain the levels of surplus places and overcrowding;
- To assess the approach to the management and removal of surplus places in particular in those schools which have less than 75% occupancy, and to review progress as compared to previous audits;

- To ensure that MOE capacities have been validated to gain an accurate picture of the extent of surplus places;
- To review progress on implementing our recommendations arising from the 1996 and 1999 follow up audits; and
- To ascertain barriers to change.

The Audit Commission's report is at Annex 3.

The audit covered ten LEAs:

- Bridgend County Borough Council
- Ceredigion County Council
- Denbighshire County Council
- Flintshire County Council
- Neath Port Talbot County Borough Council
- Newport County Borough Council
- Powys County Council
- Rhondda Cynon Taff County Borough Council
- Torfaen County Borough Council
- Wrexham County Borough Council

In its overall conclusions, the report stated that auditors found significant variation in:

- The extent to which authorities are strategically managing school places
- The extent to which authorities have a systematic approach to forecasting at primary and secondary school level
- The interpretation of National Assembly for Wales (NAW) guidelines for measuring capacity

- As a result, there are major differences in surplus places and overcrowding between rural and urban schools, primary and secondary levels, and individual authorities.

Auditors also found that:

- LEAs do not recognise the cost implications of surplus places
- Progress by LEAs to improve the management of school places is variable.

### **Summary of Evidence**

The following views were presented to the Committee, in addition to the Audit Commission report referred to above.

#### ***School Organisational Plans***

School Organisational Plans should be the prime means for local authorities to set out their conclusions about supply and demand using up to date capacity information. These should not be produced in isolation but read across to the LEAs' asset management plans. In any future central guidance there should be reference to planning aids and the adoption of best practice, including examples of best practice. Central guidance should provide a set of consistent principles with enough flexibility to reflect local requirements and best educational practice. It was suggested that the work undertaken by the ADEW working part on 'benchmarking' could be used as a basis for identifying the common principles and also offers good practice examples.

#### ***Standards of education***

All presenters agreed that there was no evidence of any correlation between performance and school size at primary level. However, in the smaller secondary schools performance deteriorated. It was important that Estyn's advice on the standards of education and best practice should be considered by LEAs when developing school rationalisation plans.

### ***Capacity calculations***

The Audit Commission's reports provided further information about the varied approaches taken by Local Authorities to the More Open Enrolment capacity formulae. There is a need for a review of the capacity assessment methodology and also for more consistent application of the formulae by LEAs. A paper on calculating the capacity of a school was presented to Committee on 17<sup>th</sup> November 2000 [ELL 02-00 (P2)] and is reproduced at Annex 4.

The Committee agreed that the number of surplus places should not be used as the single indicator of where rationalisation proposals might be needed. Consideration also needed to be given to issues such as the condition of school buildings, social policies and the impact on the community, sustainability, parental choice, transport and geographical location. Parental choice was important in all situations but particularly so in terms of Welsh language provision and denominational schools.

### ***Welsh Medium Education***

The needs of Welsh medium education should be included in mainstream local authority planning and in school organisational plans. The Welsh Language Board should be formally included as a partner in the consultation process and development of local authority and school organisation plans. This would ensure that the current ad hoc approach to Welsh medium provision would be replaced with a more strategic approach.

The Minister had suggested the establishment of a working group to look at the strategic development of Welsh language provision in schools. She proposed that membership should include National Assembly officials, Welsh Language Board, and the Welsh Local Government Association. Members may wish to consider this further in association with the remit of the Culture Committee's review of the Welsh Language and specifically the area relating to education.

### ***Special Needs Education***

Consideration needed to be given to the way children with special needs were included in the capacity calculation, both for those with stated learning needs and those with physical disabilities.

### ***Catchment Areas***

The WLGA suggested that the use of 'catchment areas' for schools would assist in developing close community links and strengthen schools that were seen as 'unpopular'. This had more relevance to urban areas, in rural areas choice was limited by transport difficulties and the sparseness of population.

### ***Alternative usage***

In considering surplus situations and rationalisation proposals it was essential that alternative solutions, other than school closure, should be explored thoroughly. Evidence of such consideration must be included in any proposal for closure and rationalisation. In exploring alternative uses of school accommodation the wider needs of the community should be considered, particularly where the lifelong learning agenda could be progressed.

Facilities such as IT and video-conferencing in schools should be seen as a community asset and not just for the school. It was emphasised that taking this broader perspective to schools could also unlock access to alternative sources of funding e.g. Objective 1 and lottery funding. These ideas support the proposals for the "Communities First" initiative in widening community involvement/participation by utilising the existing provision of school facilities.

### ***Cost of surplus places***

The Audit Commission gave a 'rule of thumb' average cost of £203 per primary school surplus place and £281 per secondary school surplus place.

## Chapter 4 - Recommendations

### Introduction

Since the Committee last received evidence on this matter, LEAs have submitted a further round of School Organisation Plans and these are being assessed by officials in the National Assembly's Education and Training Department.

In addition, Carmarthenshire County Council has recently produced a report entitled 'Planning School Places - Primary Schools - The Way Forward'. The introduction to this report states:

"A central objective of the Authority is to provide better and more lifelong learning opportunities for all the people living within the county. Whilst the School Standards and Framework Act 1998 imposes particular duty on Local Authorities to promote high standards in schools, lifelong learning is about more than simply achieving school results, important though this is. It promotes social inclusion and is a prime means of enabling people to combat deprivation and is key to equipping people with the skills needed to improve the economic health of the County.

A key aim therefore is better integration and management of the key cross-cutting themes of Lifelong Learning, Social Exclusion, Community Development and Regeneration and Planning Services for Young People.

The development of school buildings and facilities as community, as well as pupil used assets, is a fundamental part of this agenda and the following conclusions therefore reflect this principle."

It is clear therefore that some LEAs are developing their own strategies for planning school places for the benefit of the whole community. The National Assembly should encourage all LEAs to develop such strategies.

## **Recommendations**

Recommendation 1: That the Minister should commission the Audit Commission to

extend its recent survey on 'Managing School Places' to include the remaining 12 local education authorities in Wales;

Recommendation 2: Based on the findings of this survey and the previous survey at Annex 3, the Minister should arrange for revised guidelines to be drafted on planning school places, for consultation with LEAs and other relevant organisations; and

Recommendation 3: That these guidelines should include reference to:

- School Organisational Plans;
- A simplified methodology for calculating the capacity of schools (updating WO circular 13/95);
- Greater use of school buildings by the local community;
- Small schools;
- Rural schools
- Welsh medium provision; and
- Cost implications.

## **Monitoring and evaluation**

The Committee would anticipate that these recommendations could be implemented within the following timescale:

- Audit Commission survey - 4 months
- Produce draft guidelines and hold consultation - 6 months

This would allow sufficient time for the revised guidelines to be issued before the start of the academic year 2002-03. The Committee will scrutinise the Minister on the implementation of these recommendations in the normal course of business.

**EDUCATION AND LIFELONG  
LEARNING COMMITTEE**

**Annex 1**



To Consultees re Supply of School  
Places

**Cynulliad Cenedlaethol Cymru  
The National Assembly for Wales**

Bae Caerdydd / Cardiff Bay  
Caerdydd / Cardiff  
CF99 1NA

1 Mehefin 2000/ 1 June 2000

**POLICY REVIEW: SUPPLY OF SCHOOL PLACES**

At its meeting on 25 May the Committee agreed to take forward a review of the policy on the 'Supply of School Places' in Wales. The Committee confirmed that its remit would be:

To look at provision of school places, in particular the level of unfilled places with a view to:

- I. establishing what is the optimum level of unfilled places, allowing for flexibility;
- II. determining the costs of retaining levels of surplus in excess of this optimum; and
- III. identifying the actions local authorities need to take to effectively manage their stocks of school places.

I enclose a copy of the paper considered by the Committee at their meeting, PRE 16 08-00(p.1), which you might like to refer to before you begin to frame your response.

The Committee, in taking this forward will have regard to the work already done by the Audit Commission and District Auditor and to guidance that has issued from the Welsh Office, and now the National Assembly for Wales, to Local Education Authorities (LEA). The main source of evidence for the Committee on how LEAs are tackling this problem will be their School Organisation Plans.

In addition the Committee would like to invite you to contribute to the review by letting it have your views on the three areas that it will be considering as listed above. One of the key findings of an analysis of the School Organisation Plans received to date is the absence in many cases of conclusions on the need to remove or add school places

The Committee would like to hear from local authorities as to:

- I. Their monitoring arrangements;
- II. Their plans they have to improve and develop your pupil forecasting methodology;
- III. How conclusions are drawn and action plans drawn up and implemented.

The Committee would like to hear from the Audit Commission and District Audit their assessments of the conclusions they draw about the extent of surplus places in Wales, the cost of continuing to provide such places and the action being taken by LEAs to improve their planning and to implement action plans.

The Committee would like to hear from LEAs; and from the Welsh Language Board and the Inter Diocesan Schools Commission (Roman Catholic Church) and the Board of Mission of the Church in Wales on the subjects of provision of places respectively for Welsh Medium and Denominational education.

The Committee would welcome the views of organisations representing school governor and parents on the issue of supply of school places.

A full list of those being consulted is attached at for your information.

The Committee will be inviting some organisations to present oral evidence on the issues identified during the autumn term. A list of those organisations is available at Annex 2.

The Committee would be grateful if you could submit your contributions to this review by **Wednesday September 20**. It hopes that this will give you sufficient time bearing in mind that the school holiday period occurs during the consultation period. All contributions received will be summarised and put before the Committee during the autumn term. The Committee intends to complete this policy review by Easter 2001 and publish a full report of its consideration and recommendations together with all the contributions received.

Contributions should be provided bilingually and electronically by e-mail to [education.comm@wales.gsi.gov.uk](mailto:education.comm@wales.gsi.gov.uk), in Word format if possible. If this causes you any problems please phone me so that we can discuss alternatives.

The Committee will also be inviting any interested party who may wish to comment to do so via its website.

If you wish to discuss any of this please do not hesitate to contact me on 029 20 898164 or the Deputy Clerk, Holly Pembridge on 029 20 898019.

Yours sincerely

**Chris Reading**  
Clerk to the Committee

## **Policy Review of Supply of School Places in Wales**

### **Organisations to be consulted as part of review**

All local authorities in Wales

Inter-Diocesan Schools Commission

Board of Mission, Church In Wales

Welsh Local Government Association

Welsh Secondary Schools Association

Wales Primary Schools Association

Association of Teachers and Lecturers, Wales

National Association of Schoolmasters and Union of Women Teachers, Wales

National Association of Head Teachers, Wales

National Union of Teachers, Wales

Professional Association of Teachers, Wales

Secondary Heads Association, Wales

Undeb Cenedlaethol Athrawon Cymru

Parent Teacher Association Wales

Governors Wales

Welsh Language Board

Further Education Funding Council for Wales

Higher Education Funding Council for Wales

District Audit

Estyn

Rheini dros Addysg Cymraeg

Cymdeithas yr Iaith Cymraeg

### Organisations consulted in the policy review

#### Written consultation exercise

1. The Committee initially sought views for this policy review through a written exercise. A letter inviting written submissions was sent to the relevant organisations (a copy of the letter, including a list of recipients is at **Annex 1**) and also posted to the committee's Internet site so that other organisations and individuals could submit their views. Written submissions were received from the following organisations:

Blaenau Gwent County Borough Council

Board of Mission of the Church in Wales

Caerphilly County Borough Council

Cardiff County Council

Carmarthenshire County Council

Conwy County Borough Council

Cymdeithas yr Iaith Gymraeg

Denbighshire County Council

Estyn

The Further Education Funding Council for Wales

Mr Gareth Jones

National Association of Head Teachers

(UK) National Association for Small Schools

Newport County Borough Council

NUT Cymru

Pembrokeshire County Council

Rhondda Cynon Taff County Borough Council

Torfaen County Borough Council

Welsh Funding Councils

Welsh Language Board

Welsh Primary Schools Association

Welsh Secondary Schools Association

**Oral Consultation sessions**

2. The Committee subsequently held oral consultation sessions with the following organisations.

Audit Commission

Small Schools Association

Welsh Local Government Association

Welsh Language Board

Diocesan Schools Authority

Estyn

# Managing School Places

*National Assembly for Wales*

Audit 2000/2001



DISTRICT AUDIT

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delivering public audit  
for the Audit Commission

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*Julie May*

*Note: The purpose of this report is solely to enable us to carry out our functions as prescribed by the Audit Commission Act 1998. No person or organisation should seek to use its content or place reliance on it for any other purpose.*

*Disclosure of information contained within this report to a third party is restricted by Section 49 of the Audit Commission Act 1998. Any individual who discloses information in contravention of*

## Introduction

At its meeting on 25 May 2000, the then Pre 16 Education, Schools and Early Learning Committee agreed to take forward a review of the policy on the 'Supply of School Places' in Wales.

This paper is presented in order to support this debate and it summarises the key findings from audits carried out by District Audit at ten Local Education Authorities (LEAs) during 2001 in respect of:

- levels of surplus places and overcrowding within authorities
- LEAs' strategies for the management and removal of surplus places and easing overcrowding
- LEAs' approaches to forecasting and measuring capacity.

## Background

*'Trading Places The Supply and Allocation of School Places'* published by the Audit Commission in 1996 acknowledged that LEAs have a difficult balancing act to provide the right number of school places in the right locations. They must ensure that they provide sufficient places in order to avoid over crowding, large class sizes and parental dissatisfaction. But if they provide too many places or maintain provision in the wrong parts of their areas, they tie up scarce resources in under-utilised school premises and in operating inefficient small classes, schools or sixth forms.

The Audit Commission suggested that LEAs should aim for individual school occupancy rates within the range 85% to 105%. This equated approximately to a target of no more than 10% unfilled places in an authority as a whole. The Audit Commission also proposed that LEAs should focus attention on any schools with an occupancy rate of over 110% or under 75%, since these schools were likely to be suffering serious overcrowding or to have a large amount of under-utilised space.

Since this national research by the Audit Commission, auditors appointed by the Audit Commission have reviewed the planning of school places by LEAs in Wales. During 1997 LEAs were audited to review the way in which authorities balanced the demand for the supply of school places by forecasting demand, adding or removing capacity in response to demand, addressing small schools and post 16 issues, facilitating parental choice and managing relationships with neighbouring LEAs and denominational bodies. Follow up work was done at some LEAs in 1998/1999 specifically to monitor LEAs' actions in response to the earlier work and to assess their preparations for new requirements in school planning including school organisation plans, infant class size reduction plans and admissions policies.

Auditors reported the findings of this earlier work at a presentation to the Education and Lifelong Learning Committee on 17 November 2000.

District Audit has since built on that work by carrying out audits at ten LEAs between February and March 2001. These recent audits specifically aimed to:

- ascertain the levels of surplus places and overcrowding within the authorities
- assess the authorities' approaches to the management and removal of surplus places and easing overcrowding
- review the approaches to measuring capacity
- review progress on implementing previous audit recommendations.

## **Overall conclusions**

Auditors found significant variation in:

- the extent to which authorities are strategically managing school places
- the extent to which authorities have a systematic approach to forecasting at primary and secondary school level
- the interpretation of National Assembly for Wales (NAW) guidelines for measuring capacity
- as a result, there are major differences in surplus places and overcrowding between rural and urban schools, primary and secondary levels, and individual authorities.

Auditors also found that:

- LEAs do not recognise the cost implications of surplus places
- progress by LEAs to improve the management of school places is variable.

## **Key findings**

### **Levels of surplus places and overcrowding within authorities**

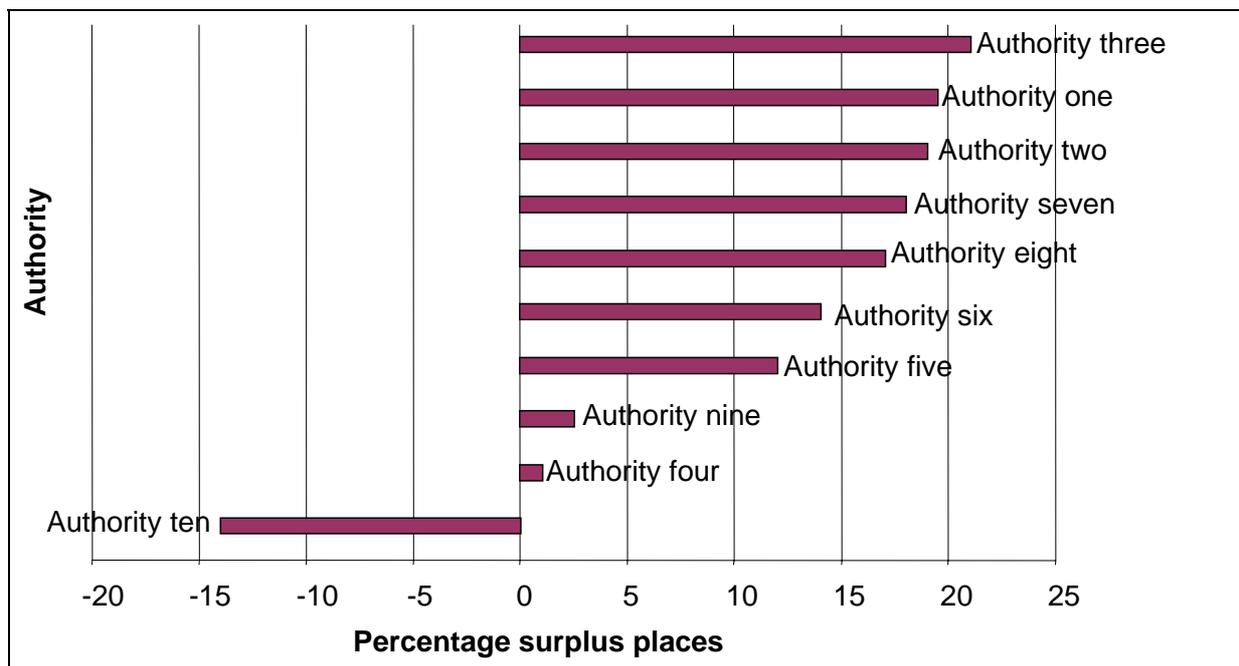
Different approaches to forecasting and measuring capacity means that it is difficult to use LEA data returns to the NAW to accurately assess the number of surplus places and extent of overcrowding in Welsh schools.

## Primary schools

In order to get a consistent picture for the ten LEAs audited, District Audit took the number on roll in primary schools from the January 2001 Stats 1 returns and re-worked them to ensure that pupils in designated nursery and special needs units were excluded. As accommodation for these categories is excluded from the More Open Enrolment (MOE) capacity measurement this hopefully provides a more consistent level of overcrowding and surplus places.

### Exhibit 1 Percentage of surplus places in primary schools

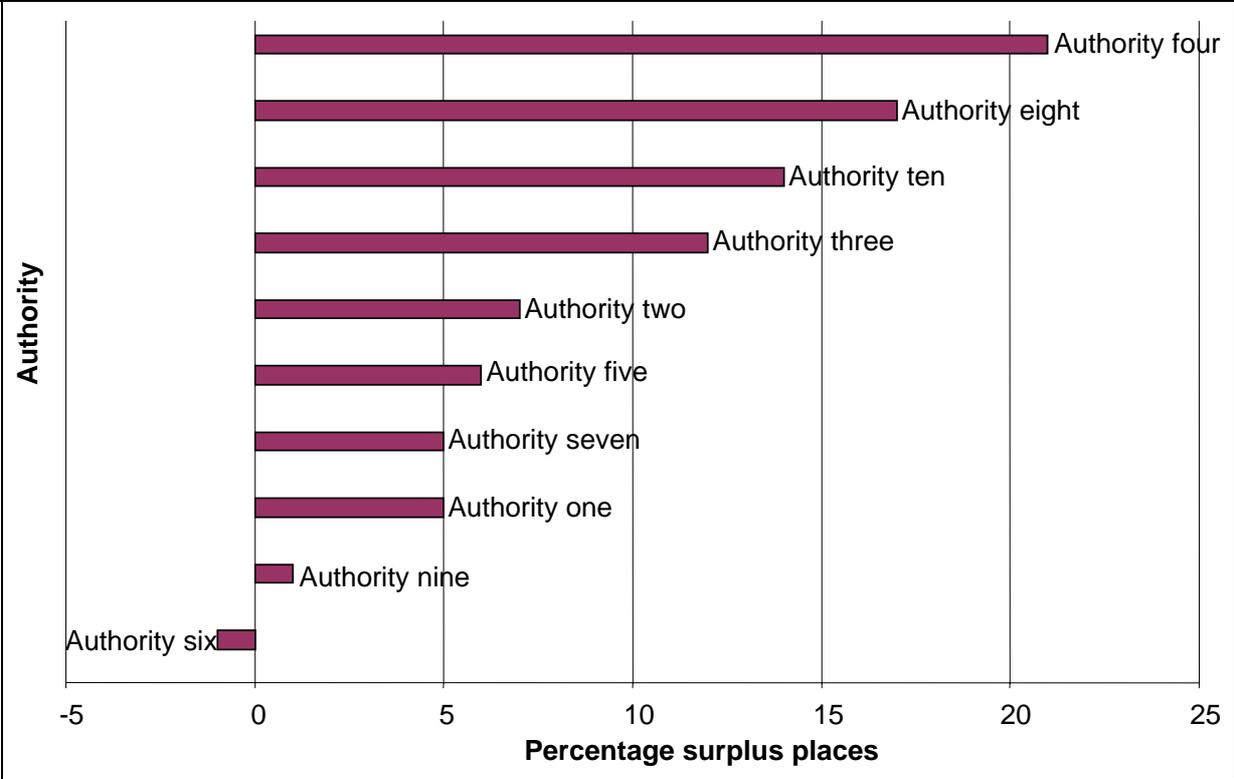
*Nine LEAs have overall surplus places ranging from 1% to 21%; and one LEA has overcrowding of 14%.*



## Secondary schools

### Exhibit 2 Percentage of surplus places in secondary schools

Nine LEAs have overall surplus places also ranging from 1% to 21%; and one LEA has overcrowding of 1%.



It must be recognised that within these overall figures for primary and secondary schools there are significant differences in relation to the number of surplus places and overcrowding as well as between rural and urban schools.

### LEAs’ strategies for the management and removal of surplus places and easing overcrowding

Three of the ten authorities included in this review are actively addressing issues of surplus places and overcrowding by reviewing individual schools as part of distinct geographical areas. This results in a programme to rationalise school places which includes targets.

#### **Case study one, Torfaen County Borough Council**

The Authority's strategic approach to managing school places is good and there is a demonstrated commitment from management to ensuring an appropriate level of school places across the Authority. The approach is robust and focuses on those areas where there are large amounts of under-utilised space.

In order to ensure that school provision is appropriate the LEA is reviewing distinct geographical areas as part of a rolling programme over a five year period. This draws conclusions about levels of surplus places and overcrowding and analyses the areas where they occur. This results in a five year programme of review to rationalise school places which includes targets.

The approach to reviews is thorough and takes into account key factors including pupil disruption, parental preference and the impact on educational attainment.

Although this is good practice, implementation of these programmes is dependent on Member commitment and there is evidence that Members are at times reluctant to take what might be unpopular, although prudent, decisions.

Strategies in other authorities include:

- annually reviewing school numbers on roll and capacities and consulting on proposals for merger or closure but only implementing these on a 'no objections' basis
- considering proposals for school merger or closure as the opportunity arises, for example if a headteacher retires
- clustering a number of small schools with one headteacher.

A number of authorities have high levels of surplus places in small rural schools. These authorities are committed to maintaining the schools as part of the communities and guarantee a minimum number of teachers to ensure this, which clearly results in a dilemma for authorities.

## LEAs' approaches to forecasting and measuring capacity

### Forecasting

If authorities are to accurately plan the provision of school places detailed forecasting is essential. Whilst this review did not assess the accuracy of forecasting, authorities' use of a full range of data to inform planning was assessed. The extent to which authorities have a systematic approach to forecasting at primary and secondary school level varies greatly.

Some authorities undertake detailed forecasting for individual primary and secondary schools; others only forecast for individual schools at secondary level and plan on a county wide, or regional, basis at primary level. Most authorities use live birth data for forecasting and some supplement this with data obtained from inoculations and health checks. All authorities forecast for secondary schools by projecting primary pupil numbers based on feeder schools or catchment areas. All authorities try to allow for denominational, Welsh medium and cross authority transfers on the basis of historical trends but with varying degrees of sophistication.

The approach to forecasting pupil numbers from housing developments is weak at most authorities. At some LEAs it is based on a formula which has not been revised, in some cases, for many years. However, one authority undertakes extensive liaison with housing developers to obtain detailed information about ages of children moving into properties and in ascertaining parents' preference for schools.

#### **Case study two, Bridgend County Borough Council**

The Authority has a systematic approach to forecasting and is particularly proactive in its approach to forecasting for large housing developments.

Initial information is provided on housing developments from planners. Once building starts an LEA Officer liaises extensively with the developers to obtain details of possession. This is then followed up with surveys to obtain detailed information on ages of children moving into properties, whether moving from within the area and likely school preferences.

This is fed into pupil number forecasts and possession and family type are subsequently checked for accuracy.

### Measuring capacity

To accurately assess the level of surplus places and overcrowding there must be a robust approach to systematically measuring and validating capacity. Across Wales District Audit found an inconsistent approach to the interpretation of the guidelines for measuring capacity as set out in 'Welsh Office Circular 13/95, *The Supply of School Places in Wales*'. A grid showing eight authorities' different approaches to measuring capacity is attached in Appendix 2.

A minority of authorities systematically validate school capacities and can therefore be assured that information on surplus places and overcrowding is accurate. At these authorities schools are visited to ascertain that capacity measures are correct and in one authority consultants have drawn up a condition survey and detailed plans for each school to establish a sound baseline and computerised property records.

However, at most authorities school capacities are not validated in a systematic way. Some authorities have a rolling programme of validation, but a significant number update their records only on the basis of capital developments and rely on schools to advise them of minor changes to use on an annual basis. A number of discrepancies were found in relation to capacities of the schools visited which affected the level of surplus places. A number of primary schools are also changing the use of several rooms. This excludes them from the capacity measure, thus not giving a true picture of capacity at the school and understating surplus places.

One LEA has developed its own methodology for measuring secondary school capacities and one has done so for primary schools. In both cases the LEAs consider their own methodologies to be more appropriate.

## **Options for the way forward**

### **Key areas for action**

The NAW could consider:

- issuing guidance to LEAs on the NAW's policy on small schools, including rural schools, and this should include advice to Council Members
- re-evaluating existing guidelines on measuring capacity and issuing revised specific guidance in respect of open plan areas, shared areas, capacities required for sixth form, special educational needs and nursery pupils, and temporary accommodation.

LEAs should:

- establish a strategic approach to managing school places
- ensure school organisation plans reflect the NAW's statutory guidance
- undertake detailed forecasting to accurately plan the provision of school places
- validate capacity measurement and ensure that the information held accurately reflects usage of accommodation
- monitor levels of surplus places and overcrowding and establish a programme to rationalise school places, including timescales and targets.

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## Audit coverage

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Bridgend County Borough Council

Ceredigion County Council

Denbighshire County Council

Flintshire County Council

Neath Port Talbot County Borough Council

Newport County Borough Council

Powys County Council

Rhondda Cynon Taff County Borough Council

Torfaen County Borough Council

Wrexham County Borough Council

## Comparative data

*Comparative data showing some authorities' approaches to applying NAWs' guidelines on capacity.*

Issue	Authority 1	Authority 2	Authority 3	Authority 4	Authority 5	Authority 6	Authority 7	Authority 8
1 In primary schools do they calculate the NOR for the SOP by taking the stats 1 figure minus the number of pupils in designated nursery units? (Because their accommodation is excluded from the MOE calculation.)	Y	Y	Y	Y	Y	Y	Y	Y
2 In primary schools do they calculate the NOR for the SOP by taking the stats 1 figure minus the number of pupils in designated SEN units? (Because their accommodation is excluded from the MOE calculation.)	Y	N	N	Y	Y	N	N	N
3 In secondary schools, do they include designated SEN units in their MOE capacity?	Y	Y	Y	Not checked	Y	Y	N	N
4 Do they treat open plan areas by measuring actual areas used for teaching (excluding what would be thought of as natural corridors)?	N	Y	Y	Y	N	Y	Y	Y
5 For other shared areas in schools do they divide the space by the number of classes using the space?	N/A	Y	N	Y	N	N	N	N

*Continued overleaf*

Issue	Authority 1	Authority 2	Authority 3	Authority 4	Authority 5	Authority 6	Authority 7	Authority 8
6 Does the MOE measure of dividing by 1.8 give class sizes which are small (nowhere near the 30 which new build would provide) and which indicates overcrowding (in some cases unjustly)?	Y	Y	Y	Y	N	N	Y	Y
7 Has the LEA devised its own method of measuring secondary schools, based on actual class sizes, timetables and type of rooms required for the national curriculum?	Y	Y	N	N	Y	N	N	N
8 Is one group of 30 included in secondary common areas regardless of size?	Y	Y	Y	Not checked	Y	Y	N	N
9 Is the MOE calculated by the Authority on behalf of every school?	Y	Y	Y	Y	Y	Y	Y	Y
10 Does the LEA have a policy of converting temporary buildings into permanent?	N	Y	Y	N	Y	Y	Y	N
11 Does the MOE include temporary accommodation if it is used for teaching?	Y	Y	Y	N	N	Y	Y	Y
12 Do a lot of schools take rooms out of use (thus reducing the MOE capacity)?	N	Y	Y	Y	Y	N	N	N
13 Is the LEA aware that temporary accommodation bears capital charges (unless it's rented)?	N	Not checked	Not checked	N	Not known	N/A	Y	Y
14 Rural schools need two classrooms but national curriculum demands a separate PE area (does this add to the MOE capacity unfairly)?	N/A	N/A	N/A	Y	N	N	Y	N

### Technical note on calculating the capacity of a school

The capacity of schools to accommodate pupils is assessed using a standard formula, which is laid down in the Education (School Organisation Proposals)(Wales) Regulations 1999. There are separate formulae for primary and secondary schools and guidance to LEAs on how they should be used is set out in Welsh Office Circular 13/95.

The aim of the formulae is to offer a realistic assessment of the capacity of schools in the light of common patterns of use. The calculation must take account of all accommodation available whether in permanent or temporary buildings.

#### Simplified summary of how the formulae work

##### i. Primary schools

The primary school formula assumes each child requires a space of at least 1.8 square metres. Classrooms are measured and the area divided by 1.8 to reach the number of places in each, up to a maximum of 30 pupils per classroom. Any areas of the school which are not suitable as classroom bases such as corridors, staff rooms, libraries or halls are discounted from the calculations, as are rooms intended only to serve specific areas of the curriculum, such as IT or craft rooms.

Nursery classrooms are not included in the school capacity assessment and nursery children are not counted in the number of pupils on roll, so all data on surplus places exclude specific nursery provision.

Adjustments are made to allow extra space for pupils with statements of special educational needs (3 times the space assumed for other pupils); in addition any rooms set aside for special needs teaching are discounted.

##### ii. Secondary schools

For secondary schools all available teaching areas are measured and included in the calculations but are divided into four categories:

- general teaching spaces (classrooms, lecture rooms)
- light practical spaces (e.g. science or language labs, IT, art rooms)
- heavy practical and large spaces (assembly halls, cookery rooms, workshops, library)
- sports and PE spaces

Each of these has a different assumed occupancy factor, ranging from approximately 1.6 square metres per pupil in general teaching areas to 8 square metres per pupils in sports areas.

Again a maximum of 30 pupils per room is built into the formula.

Areas which are used for some of the time for purposes other than teaching e.g. dining halls or facilities shared with the community are only counted in proportion to the time they are actually used for teaching.

Pupils with statements of special needs are allowed four times the usual space. The results are also adjusted to allow slightly less space for older pupils and sixth formers than for younger pupils. In addition there is an adjustment for schools which are larger or smaller than average.

### **Standard numbers**

A school's standard admissions number is obtained by dividing the calculated capacity by the number of year groups in the school. The school must admit pupils up to that number so long as there is demand for places.

The calculation of the capacity and standard number should be made in consultation with the Headteacher (who will need to provide information on usage). If the school and authority feel the capacity assessment underestimates the real capacity of the school to accommodate pupils they may agree to set a higher annual admissions limit than indicated by the formula. However schools cannot opt for a lower limit than the capacity formula suggests.

### **Uses of the capacity formulae**

The current formulae have been in use since 1981. The capacity figures produced are used

- to determine whether any change to a school's standard number is justified. Such changes require consultation and publication of a statutory notice and can only be approved where there has been an alteration in capacity since the standard number was last set or other significant change.
- to demonstrate the need for enlargement of school premises, by providing an objective test of capacity rather than perceptions of overcrowding.
- in conjunction with the number of pupils on roll, to calculate levels of surplus capacity or oversubscription in individual schools, across different sectors of educational provision or across an LEA area.

### **Problems with the current formulae**

Concerns have been expressed about the formulae and the way they are implemented, including:

- the calculation of space required for SEN pupils. Because of the considerable additional space allowed for such pupils, schools that have SEN units can appear

to have a low overall capacity. In practice this can be resolved by setting a higher published admissions limit, but in some cases it can conceal surplus places. Only pupils with statements of special needs have extra space allowances.

- with the increased need to accommodate IT equipment in classrooms, the space allowance per pupil may be insufficient, although the formulae do make allowance for specialist IT areas.
- by excluding nursery provision, the formula does not assist LEAs in assessing their supply of places in this sector or in planning any expansion in nursery places.
- no allowance is made for initiatives to raise standards e.g. literacy and numeracy projects, ICT projects which require small work groups.
- confusion about how correctly to calculate the capacity for schools on split sites, or where pupils sometimes use community facilities such as halls or leisure centres.
- uncertainty about how the removal of certain rooms from general teaching use should be reflected in the capacity calculation and the effect this has on surplus place data.
- there is no additional space allowance made for schools which operate separate English and Welsh medium streams in some subjects.

### **DfEE Position**

Many of the problems detailed above are the same in England as Wales. DfEE have for some time been working on a revised method for assessing the capacity of schools and are aiming for a single, simplified formula, suitable for both primary and secondary schools. DfEE have consulted on their proposals and these are being considered by Assembly officials.

New regulations would then need to be laid and a guidance circular on how to operate the revised formula issued. Any changes would not come into effect before 2002 at the earliest.