

**INTERNAL AUDIT**

**FINAL REPORT**

CARE & LEARNING SERVICE

MANAGING SCHOOL ROLLS

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|  | **DRAFT DATE:** 20/04/16 |  |
| **REF:** HAD06/003 | **FINAL DATE:** 06/06/16 |  |

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# Introduction

The purpose of this report is to record the findings of a recently completed audit review of managing school rolls. The audit was undertaken as part of the annual plan for 2014/15 but delays in obtaining the necessary information has meant that the audit could not be completed during this year.

Having the correct capacity and school roll forecasts figures is vital in ensuring we can plan to provide the right number of school places in the right locations and where this is not the case, put both temporary and permanent solutions into place to achieve this.

In order to promote a more consistent approach to school capacity modelling amongst Local Authorities in Scotland, the Scottish Government produced guidance on “Determining Primary School Capacity” in October 2014. The Education, Children and Adult Services (ECAS) Committee of 12/11/14 agreed that the Council would adopt the Guidance.

# Review Objectives

The objectives of the review were to ensure that:

1. Current arrangements to calculate planning capacity in schools complies with all statutory requirements. School roll forecasts are calculated in accordance with the agreed methodology based on best practice and takes account of the lessons learned arising from pressures experienced in recent years.
2. There are appropriate plans in place to ensure that the new Scottish Government’s Determining Primary School Capacity Guidance (October 2014) is implemented by the agreed timetable.
3. Appropriate plans are in place to manage the future demands at Bun-sgoil Ghàidhlig Inbhir Nis.

# scope, Method and coverage

The audit reviewed the arrangements for school roll forecasting and the calculation of planning capacity in schools. The main focus was on Inverness primary schools – Bun-sgoil Ghàidhlig Inbhir Nis, Holm, Kinmylies, Lochardil, Merkinch, Milton of Leys, and Smithton. This was due to issues which were reported to the City of Inverness Committee on 02/12/14 relating to increasing school rolls. Primary schools outwith Inverness with projected over-capacity were also looked at, namely Aviemore, Ben Wyvis, and Knockbreck (Tain).

The audit also examined the arrangements in place setting out short and long term plans to address roll pressures at Bun-sgoil Ghàidhlig Inbhir Nis.

School roll forecasting is within the remit of the Development Plans section, Development & Infrastructure Service (D&I) and the calculation of school planning capacity is within the remit of the School Estates section, Care & Learning Service (C&L). Both Services were consulted during the course of the audit.

# Main Findings

The main findings of the review, referenced to the above review objectives, are as follows:

## 4.1 School roll forecasting and planning capacity calculations

This objective was partially achieved. School roll forecasting is carried out by the Development Plans section (D&I) using a documented methodology. The forecasting technique used is a ‘single year of age cohort survival model’ in which pupil numbers recorded in the annual school census are rolled forward by one school year in the following September, with the Primary 1 intake forecast based on records of children registered with GPs. Other factors are taken into consideration such as placing requests, the number of new houses likely to be built, and population and birth rate projections. It is consistently applied apart from denominational and Gaelic schools where a different model is used due to the lack of a traditional catchment area.

The methodology is based on best practice guidance set out in the Department of Education and Skills (DfES) “UK Best Practice – Pupil Projection Guide”, the aim of which is to assist Local Authorities to make accurate projections of pupil numbers in individual schools. There is no known standard roll forecasting technique recommended for use in Scotland.

4.1.1 One of the significant factors that affect school enrolment is the number of new build houses, and calculated pupils per new build house ratios which are used for different areas of the Highlands. These ratios are based on a 2008 Highland Council study which identified pupils living in 60 recently built developments across Highlands and provided 3 different ratios as follows:

* Major family friendly, edge of town, developments and new townships – 0.25 primary pupils per new house and 0.13 secondary pupils per new house
* General developments in all areas apart from Sutherland – 0.20 primary pupils per new house and 0.10 secondary pupils per new house
* Sutherland – 0.12 primary pupils per new house and 0.08 secondary pupils per new house.

However, as these ratios were last calculated in 2008, they may no longer reflect the current number of pupils per new house in the Highland Council area which could result in inaccurate school roll forecasts.

4.1.2 Draft school roll forecasts are supplied to the Care & Learning Service for comment prior to being finalised. However feedback from the Service and individual schools is by exception rather than on a more formal basis which would give assurance that forecasts are as accurate as possible. The Research Officer (D&I) has stated that more feedback would be welcomed as this would further validate the forecasts. It is understood that a review is already underway, involving officers of both Services, to review and improve the process relating to preparation and scrutiny of school roll forecasts.

4.1.3 Prior to the adoption of the Scottish Government Guidance in November 2014, school capacity calculations were based on work undertaken by an external Consultant, which was before the current Estate Strategy Manager was in post. The view of this Manager is that there was scope to improve consistency in the way in which they had been calculated, and better reflect the true capacity of a large number of schools.

 Following the adoption of the Guidance, school capacity calculations were revisited by the Schools Estates section (C&L), starting with Inverness primary schools. The Guidance recommended that there should be no more than 2 measures of primary school capacity: Planning Capacity and Working Capacity. Planning Capacity is calculated as follows:

1. Determine which teaching spaces will be included. The Planning Capacity should only include class bases and should not include ancillary or general purpose (GP) areas. The Guidance recommends that each primary school should have one GP per stream, with streams being calculated in multiples of 7.
2. Determine the size of selected class bases.
3. Determine the maximum number of pupils which could be accommodated in each class base by dividing total class size by 1.7m2 and apply class size maxima (the Planning Capacity for each class base is capped by either the size of the room or the class size maxima, whichever is less).
4. The total Planning Capacity of the school can be found by adding together the Planning Capacity of each class base involved in the calculation.

 Working Capacity is calculated in the same way as Planning Capacity but takes into account the organisational needs of a particular school session.

 However, the Guidance does state that it remains a Local Authority’s responsibility to choose how to calculate capacity in their area. Therefore, in light of lessons learned from the review of Inverness primary schools, approval was sought to further refine the guidance and methodology in a report to the ECAS Committee on the 18/05/16. It was felt that the revised approach would provide a more realistic measure of the likely impact on schools of fluctuating rolls and that this would be particularly useful in future investment planning, determining if school rolls should be capped and in establishing where developer contributions are justified. The following revisions were agreed and will now be used for capacity calculations:

* The focus should be on the likely number of classrooms required in the future based on the roll projections rather than a notional capacity figure
* Streams should be calculated in multiples of 8 in relation to GP rooms as opposed to 7 as suggested in the Guidance.

 Revised capacity calculations were examined for Bun-sgoil Ghàidhlig Inbhir Nis, Lochardil and Milton of Leys. Planning and Working Capacity had been calculated as per the Guidance. In addition the optimal pupil distribution had been calculated, based on school roll forecasts, and the required number of classrooms for each year had been determined as per the agreed revisions noted above.

## 4.2 Scottish Government’s Determining Primary School Capacity Guidance

This objective was not achieved. It was agreed at a meeting of the ECAS Committee on 12/11/14 that the Highland Council adopt the Scottish Government Guidance on Determining Primary School Capacity. The Guidance recommended that if Local Authorities chose to adopt the Guidance, it should be implemented from January 2015 for the start of the new school session in August 2015 where possible. The Council’s intention was to have revised capacity figures in place for most Highland Council primary schools by August 2015.

Additional resources (a Graduate Estates Officer) were put into the Estates Team in order to update the capacity figure calculations and facilitate implementation of the Guidance by August 2015. However, in July 2015 the Estate Strategy Manager stated that the process was more complicated and time consuming than envisaged and was taking longer to complete than planned. Therefore, revised primary school capacity figures were not available in August 2015 as intended. In a further update in December 2015, it was stated that limited progress had been made since August 2015 and that the proposal was to complete and publish the revised capacity figures at the same time as updated roll projections although no timescale was given.

Subsequent changes to the way in which primary school capacity figures will be calculated (4.1.3) has meant that work is currently ongoing to revise these figures with a view to publishing them later in 2016 along with school roll forecasts.

## 4.3 Management of future demands at Bun-sgoil Ghàidhlig Inbhir Nis (BSGI)

This objective was fully achieved as officers are aware of the pressures facing BSGI and are pro-active in attempting to find a long-term solution. A review of ECAS Committee minutes showed that regular updates to Members were provided. It was agreed at the ECAS Committee of 20/05/15 that a feasibility study would be undertaken into the implications of either remaining on the current site or building a new school on a different site as a long-term solution. Moving classes off-site was also identified as a possible short-term solution. The current position, as reported to the ECAS Committee on 18/05/16, is that options for increasing the capacity of BSGI are currently being considered as part of the wider review of investment requirements across Inverness schools.

# 5. Conclusion

Whilst the school role forecasting undertaken by the Development Plans section uses a methodology compliant with best practice, one of the factors used for new builds was calculated 8 years ago and it is questioned whether this reflects the current position. This process could also be improved further if formal feedback was provided from the Care & Learning Service, though it is recognised that both Services have already initiated a process review in advance of the completion of this audit.

Revised primary school capacity figures, based on the Scottish Government Guidance, have not been completed within previously agreed timescales. However, as a result of lessons learned from the review of Inverness schools, a revised approach was agreed by Committee and work is ongoing to update capacity figures accordingly.

As a result of the audit, 1 high grade and 2 medium grade recommendations have been made. All of these have been accepted by management and the final agreed action is due to be implemented by 31/10/16.

# 6. Audit Opinion

The opinion is based upon, and limited to, the work performed in respect of the subject under review. Internal Audit cannot provide total assurance that control weaknesses or irregularities do not exist. It is the opinion that **Limited Assurance** can be given in that weaknesses in the system of controls are such as to put the system objectives at risk, and/ or the level of non-compliance puts the system objectives at risk.

# 7. ACtion plan

The Action Plan contains **3** recommendations as follows:

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| **Description** | **Priority** | **Number** |
| Major issues that managers need to address as a matter of urgency. | High | 1 |
| Important issues that managers should address and will benefit the Organisation if implemented. | Medium | 2 |
| Minor issues that are not critical but managers should address. | Low | 0 |
| **Total recommendations** |  | **3** |

| **REPORT** **REF.** | **GRADE** | **FINDING** | **RECOMMENDATION** | **MANAGEMENT AGREED ACTION** | **IMPLEMENTATION** |
| --- | --- | --- | --- | --- | --- |
| **RESPONSIBLE OFFICER** | **TARGET DATE** |
| 4.1.1 | Medium | The pupil per household ratios used to estimate the ‘number of additional pupils as a consequence of new builds’ are based on a 2008 study. This is one of the factors used to forecast school rolls and there is a risk that this information many not reflect the current position. | A new study should be undertaken on more recent new build schemes to establish if there is a need to update the pupil per household ratios used in the school roll forecasting model. | 1. Carry out a new study using the 2008 methodology to determine if Inverness specific household ratios have altered.
2. Compare Inverness ratios against figures from comparable Scottish cities to provide benchmarking.
 | Head of Planning & Environment | 31/10/16 |

| **REPORT** **REF.** | **GRADE** | **FINDING** | **RECOMMENDATION** | **MANAGEMENT AGREED ACTION** | **IMPLEMENTATION** |
| --- | --- | --- | --- | --- | --- |
| **RESPONSIBLE OFFICER** | **TARGET DATE** |
| 4.1.2 | Medium | The school roll forecasts are prepared by the Development & Infrastructure Service but there is limited feedback provided from the Care & Learning Service. However, it is understood that a review is already underway, involving officers of both Services, to review and improve the process relating to preparation and scrutiny of school roll forecasts. | 1. Meetings should be held between Care & Learning and Development & Infrastructure officers to provide feedback on the school roll forecasts to ensure that this is accurate and reflects the future needs of the Care and Learning Service.
2. The documented School Roll Forecasts Methodology should be updated to reflect any changes to the process agreed as part of the review.
 | 1. Put in place a programme of regular (2-monthly?) meetings between D&I and C&L to monitor current forecasts and any emerging development or educational pressures.
2. As a result of staffing changes within D&I, discussions have already commenced between the two Services to review the process, roles and responsibilities in relation to forecasting. That review to be concluded over summer/autumn 2016, for review and sign off of roll forecasts to be published later in 2016. The documented methodology will be updated as part of this process.
 | Head of Resources/ Head of Planning & EnvironmentHead of Resources/ Head of Planning & Environment | Immediate30/09/16 |

| **REPORT** **REF.** | **GRADE** | **FINDING** | **RECOMMENDATION** | **MANAGEMENT AGREED ACTION** | **IMPLEMENTATION** |
| --- | --- | --- | --- | --- | --- |
| **RESPONSIBLE OFFICER** | **TARGET DATE** |
| 4.2 | High | Revised primary school capacity figures, based on the Scottish Government Guidance, have not yet been completed and published. However, some changes to the way in which capacity is calculated were agreed by the ECAS Committee on 18/05/16 and work will now begin to revise these figures with a view to publishing them later in 2016. | 1. Revised primary school capacity figures should be finalised as a matter of urgency.
2. The methodology for calculating primary school capacity, including recently agreed revisions, should be documented in order to provide full transparency regarding the calculation of school capacity figures.
 | 1. ECAS Committee agreed to revisions to the methodology in May 2016, which will provide improved capacity estimates, and inform ongoing planning for future schools investment requirements. That revised approach will result in revised capacity figures by October 2016.
2. Updated methodology note to be prepared and published within the same timescales as set out at 4.2 (i) above.
 | Head of Resources/ Estates Strategy Manager | 31/10/16 |