

Children's Services
222 Upper Street N1 1XR

Report of: Executive Member for Children, Young People and Families
Meeting of: Executive
Date: 5 September 2024
Ward(s): All
Decision No. I028221

The appendices to this report are exempt from publication

Subject: Working together to drive educational excellence through financially viable and inclusive schools - School Organisation Plan Phase 3

1. Synopsis

- 1.1. The School Organisation Plan aims to address two key objectives: address the surplus school places across the borough and support the financial viability of schools whilst not compromising the quality of education or inclusivity of our schools.
- 1.2. This plan sets the strategic direction for pupil place planning across the borough and has been developed alongside the Education Plan and the SEND Strategy to ensure that the principles applied to managing our school estate reflect our corporate and political commitment to driving educational excellence through inclusive and sustainable schools. This supports the delivery of a quality educational experience for all children and young people through a diverse curriculum offer.
- 1.3. This report set out the proposals for Phase 3 of the School Organisation Plan to secure a thriving and resilient education landscape in the context of significantly falling pupil numbers which puts children first. If all the proposals within the report are agreed at Executive in September, the number of surplus places across primary and secondary will further reduce, these reductions will incrementally work their way through the system year on year.

- 1.4. This report reinforces the focus of our School Organisation Plan as a proactive whole-borough approach to school organisation, focusing on strategically enhancing the school estate for the maximum long-term benefit of children and their families.
- 1.5. The objective of this report is to ask the Executive to agree the proposals set out within the recommendations (3) to strengthen the corporate response to school organisation, so that there is a whole council collaborative approach and approve the recommendations in exempt Appendix A.

2. Background

- 2.1. Islington Together 2030 sets out our ambition for a child-friendly Islington where all children and young people are rooted in a community where they feel safe, can thrive and are able to be part of and lead change.
- 2.2. Contributing to this, the Local Authority has a duty to plan for sufficient school places as set out in the Education Act. In exercising this duty, the Education Plan, SEND Strategy and School Organisation Plan were agreed at Executive in October 2022 with the collaborative aim to drive educational excellence through inclusive, financially viable schools and address significantly declining pupil numbers. With 46% of schools projecting to be in deficit by 2025/26, this means that the Council has had to make some very difficult decisions and will need to continue to do so.
- 2.3. Birth rates in Islington and across London have reduced significantly and this decline is projected to continue. This is leading to falling school rolls with 538 surplus reception places in Islington Primary schools, with a vacancy rate of 25% in October 2023. This increased from 20% in October 2022. For Secondary schools, there were 307 surplus places in Year 7, a vacancy rate of 18%. Table 1 shows the surplus capacity across all primary and secondary year groups in Islington. Local authority areas are advised to maintain on average a surplus of 5% places across local area education systems.

Table 1. Overall surplus capacity in Islington Primaries and Secondaries (January 2024 census)

| Phase | NOR Jan 24 | PAN | Surplus capacity - number | Surplus capacity - % |
|------------------|------------|-------|---------------------------|----------------------|
| Primary (R-6) | 12067 | 15360 | 3293 | 21.4% |
| Secondary (7-11) | 7229 | 8615 | 1386 | 16.1% |

- 2.4. Phase 1 and 2 of our School Organisation Plan were approved by Islington Council's Executive on 13 October 2022 and 19 October 2023 respectively. These plans set out critical measures to address high levels of surplus capacity in our schools, to safeguard the best outcomes for children. In order to reduce surplus places, the Local Authority can reduce Published Admission Numbers (PAN) or reduce the number of schools. The reduction of PAN affects admission into reception and year 7 only and is then in place for the subsequent year i.e. a reduction of PAN takes 7 years to impact across all year groups of a primary. The total PAN figures referenced in table 1 will be reduced over time as the PAN reductions filter through the year groups.

- 2.5. Proposals and decisions for school organisation are determined using an evidence base comprised of a number of factors. These factors include overall demand and projected demand for school places that are assessed against the capacity in the school estate, alongside detailed analysis of the position of schools which identifies those schools with the biggest sustainability challenges and their local context. From this analysis, schools are prioritised for action to secure financial viability and high quality, inclusive provision for pupils. The actions taken can include, for example, specific financial measures resulting from increased management oversight; and/or reduction of Published Admission Numbers (PAN) through to the very last option of school closure.
- 2.6. Through the delivery of the proposals in phases 1 and 2, the school estate is reducing by 255 reception primary school places and 145 Secondary School places. The projected deficit budget position across Islington schools has improved and is projected to improve further, although ongoing assertive action will still be required to secure a financially viable school estate for the long term. There is consensus between the Local Authority and school stakeholders that this assertive action is necessary.
- 2.7. It is recognised that as the School Organisation Plan is implemented, consideration is given to the best use of vacated sights. Council departments are working together to ensure options are considered against the broader capital assets plan. An education chapter of the developing Strategic Assets Management Plan (SAMP) is under development and will include within its scope Early Years, Schools, Special schools and Alternative Provision.
- 2.8. As a Local Authority, we offer a number of traded services to schools and are reviewing these services to ensure that they continue to offer value for money and best meet the needs of schools, in the context of falling rolls and the reduction in school balances. Part of the review will include an assessment of the offer provided to schools, to support their long-term financial viability.
- 2.9. If the proposals set out in Appendix A proceed, they would deliver the further reduction required of five and half forms of entry (165 places) for reception and six forms of entry (180 places) for year 7 places. These, together with Phases 1 and 2 of the school organisation plan, will reduce the excess capacity of school places for reception and year 7 by 2026.
- 2.10. Through strategic school closures and reducing the Published Admission Numbers, the present year on year projected increases in schools' deficit balances and the high level of surplus places can be addressed. Where schools close and their pupils move to other Islington schools, those schools benefit from the increased per pupil funding each year.
- 2.11. The financial impact of phase one is a deficit reduction of £0.5m, phase 2 is estimated to be £1.5m and the recommendations for phase 3 included in Appendix A are estimated to be £2.7m. The financial implications for each proposal within phase 3 are detailed within Appendix A. The projected deficit of £15m in October 2023 is now estimated to be closer to £10m. It is not possible to have a definitive total figure as we are reducing the overall level of projected deficit year on year, the position shifts for each school.
- 2.12. In addition to school organisation changes, strengthening management oversight of school budgets has ensured that budget deficits have reduced. This rigorous oversight and management action process will continue.

3. Recommendations

- 3.1. **Agree the continued strategic approach to School Organisation as detailed in this report.**
- 3.2. **Agree the following proposals to progress with corporate colleagues:**
 - 3.2.1. Agree a principle to prioritise development of the expanded childcare offer on school sites.
 - 3.2.2. Align Additionally Resourced Provision (ARP) and review of Alternative Provision (AP) to the School Organisation programme.
 - 3.2.3. Continue developing a set of principles of engagement with Headteachers so that on the agreed expectations of how to engage with school closures/amalgamations in a way that is professional and supportive.
 - 3.2.4. Align the School Organisation Plan with our corporate commitment to greener schools.
 - 3.2.5. Align the developing Strategic Asset Management Plan (SAMP), specifically the education chapter to agree a process for vacated school sites and alternative uses of vacant premises managers houses.
 - 3.2.6. Embed the implementation of the School Organisation Plan within a corporate communication plan that sets out the compelling vision to drive educational excellence through an inclusive, financially viable school estate. This will support the goals of 'Putting Children First' the Education Plan agreed at Executive in October 2022 alongside the SEND Strategy and School Organisation Plan.
- 3.3. **To approve the recommendations in exempt Appendix A.** These recommendations are exempt as they contain the following category of exempt information as specified in Schedule 12A of the Local Government Act 1972, namely: Exemption 6: information relating to a proposal to give a statutory notice.

4. Introduction

- 4.1. Phase 3 of the School Organisation Plan builds on the vital work that has already begun to shape the school estate. Over the last 18 months we have taken critical and decisive measures to protect our vision for children resident in the borough in the context of significantly falling school rolls and the associated negative impact on school budgets.
- 4.2. We have engaged with partners across the Council to consider how future school organisation measures can be delivered strategically and in line with the provisions set out in the Council Plan, 'Islington Together 2030'.

5. Benefits of a strategic approach to School Organisation

- 5.1.1. A strategic approach will result in aligning our services under one compelling vision related directly to the priorities set out in 'Islington Together' our corporate plan and aligned to the three plans agreed at Executive in October 2022: the Education Plan, The SEND Strategy and the School Organisation Plan.

- 5.1.2. It will ensure that there is one clear message about the future of the school estate which can be shared clearly with Headteachers, governors, parents/carers and all residents.
- 5.1.3. It moves away from individual decisions about a small group of schools to a more strategic approach which considers the education estate as a whole.
- 5.1.4. It will ensure collaboration across the Council on some of the most complex issues facing residents, including housing and employment. This strategic cross Council collaboration will also ensure that decisions about the opportunities from the spare building capacity resulting from the surplus spaces in Islington schools are maximised for the benefit of Islington residents. Vacated school sites and spare physical space in schools where there are separate buildings and floors that are no longer used by pupils are being analysed as part of the development of the cross Council Strategic Asset Management Plan. Examples of the opportunities that are being considered include:
- Family Hubs and Children’s Centres
 - Youth provision
 - Alternative Provision
 - Energy Centres
 - Flexible Working and Study spaces
- 4.3.6 Other benefits of our strategic approach are already in evidence, for example, with the development of the newly amalgamated Vittoria Primary School on the site of the former Copenhagen Primary School. Working with the school leadership and collaboratively across departments we are investing in, transforming and modernising the spaces for children within the context of the traditional Victorian school site.
- 5.2. Child-friendly Islington
- 5.2.1. As we shape the school estate, we can look at several proposals to support our mission for a Child Friendly Islington, as set out in our, Islington Together 2030 Plan.
- 5.2.2. The School Organisation Plan was agreed at Executive alongside ‘Putting Children First’ our Education Plan and the refreshed SEND strategy deliberately because the school estate cannot be reconfigured at the expense of the quality or inclusivity of our schools. The three plans collectively aim to drive educational excellence through inclusive, financially viable schools.
- 5.2.3. The next phase of the School Organisation Plan will design an education estate to best meet the needs of children and young people, whilst ensuring that we are working together to drive education excellence through financially viable, inclusive schools.
- 5.2.4. To achieve this, we ask that the Executive agrees this approach and agrees the proposals set out in Appendix A, to be undertaken to achieve this ambition.

- 5.2.5. To ensure that there is a strong case for change that underpins the implementation of the School Organisation Plan, there is a need for a corporate communication plan
- 5.2.6. Achieving a child-friendly Islington requires a strong connection within this corporate communication plan to the all the Missions set out in 'Islington Together'.

6. Impacts and Risks

- 6.1. Islington has a statutory responsibility to manage and make appropriate offers of education, within a reasonable distance, to all children affected by changes at their schools. We need to do this in a way that safeguards access to high quality education especially for vulnerable pupils and communities and those pupils with special educational needs.
- 6.2. In any proposed change for a school, officers will identify the needs of the existing cohort, especially for those pupils with an Education Health and Care Plan (EHCP) and identify appropriate mitigation to ensure that the right levels of support are in place and aid a smooth transition. An Equalities Impact Assessment (EIA) has been completed and is at Appendix B.

7. Challenges

- 7.1. Leading a school organisation programme is challenging as the proposals impact directly on communities and deciding about where to send your children to school can be one of the biggest decisions a parent/carer can make.
- 7.2. Phase 3 of the School Organisation Plan will build further on the actions and learning taken from Phases 1 and 2. Some challenges and mitigations have been set out in the table.

7.3. Table 2: challenges and mitigations

| Challenges | Mitigation |
|-----------------------------|--|
| Communications | It is essential that the compelling vision set out in our School Organisation Plan for high quality, inclusive, financially viable schools is shared across the community and is communicated well to all stakeholders through a dedicated corporate communication strategy. |
| Staff morale and well-being | There is a significant impact on staff working in schools that are proposed for amalgamation or closure. It is essential to ensure there is dedicated support both for staff well-being and for any changes to employment including personalised advice, coaching and mentoring. |
| Governance and oversight | The phased implementation of the School Organisation Plan will not fully address the financial fragility of schools. Therefore, it is being implemented alongside strengthened oversight of school budgets through the newly |

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| | <p>established, 'School Deficit Management Group (SDMG)' chaired by the Director of Learning and Achievement. This board monitors, scrutinises and challenges the actions undertaken by schools to reduce their deficits. It is proposed that the governance around the SDMG is reviewed alongside the School Organisation Group so that there is a clear and regular escalation route for decision making to the Director of Children's Services via the Children's Services Management Team meeting (CSMT) and the Chief Executive</p> |
| <p>Capacity and resources both within the Local Authority to deliver the School Organisation Plan and within schools that are impacted by the proposals.</p> | <p>Additional capacity is required across a range of functions, including:</p> <ul style="list-style-type: none"> • Senior officers to lead consultation processes with school communities • Dedicated programme management to run this major change programme to ensure that there is a distinction between operational activity and leadership oversight to prevent risk of drift and delay. • Additional staffing in key council services (SEND, Admissions, HR and Finance) to provide the support to pupils, parents and school staff. • Tailored in school support determined by the leadership of impacted schools. |
| <p>Inclusion – Supporting our commitment to an inclusive school estate while addressing the fragility.</p> | <p>With a high and growing number of children and young people identified as eligible for FSM and /or having special educational needs, it is imperative that any schools considered within the School Organisation Plan are fully risk assessed against impact on vulnerable communities through the EQIA and that sufficient resources are in place to mitigate the risk to these communities.</p> |
| <p>There are factors outside of the Local Authority's control in managing the school estate, which may compromise our ability to strategically address the challenges.</p> | <p>Strong relationships have been developed with Diocesan representative, Multi Academy Trusts and other stakeholders to support us in having a shared vision for the future of the Islington School estate. Our Education Board includes representatives of the key stakeholders.</p> |
| <p>Community impact</p> | <p>There is a significant impact on children, parents, carers and the wider community of any proposals to merge or close schools. This needs to be supported through running</p> |

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| | carefully considered consultations led by senior council officers, listening and responding to concerns. |
| Relationships with schools | The LA have a responsibility to support their schools, which can be compromised, when the LA have to make unpalatable decisions. There is an urgent need for more effective communication under a shared compelling vision for change that centres on the benefits of a financially viable school estate on the quality of education that is compromised through reduced resources. |
| Traded Services. The traded offer creates a dependency on income that is not guaranteed whilst 46% of schools in the borough are projecting deficits. | The traded services currently offered by the LA to schools will be reviewed. The review will inform the council's ongoing offer to schools to ensure it continues to achieve best value for money and is an efficient use of the Council's resources. Part of the review will include an assessment of the offer provided to schools, to support their long-term financial viability. |
| The physical school estate. Through the implementation of the School Organisation Plan, vacated sites become available. | Working across council departments we will ensure that these options align with the SAMP. An education chapter of the SAMP is being developed that will include within its scope, all education settings including Early Years to ensure value for money, whilst the community has best use of the assets. |

8. Implications

8.1. Financial implications

8.1.1. Islington's schools are presently forecasting a total deficit balance of £10,397 million by 2025/26. This is a reduction from the projected £15m deficit which was forecast in October 2023. Through strategic school closures and reducing the PAN, the present year on year estimated increases in schools' deficit balances can be reversed. Where schools close and their pupils move to other Islington schools, those schools will benefit from the increased per pupil funding each year. This should result in their balances improving year on year as long as pupil numbers remain stable in future. The proposals included in Appendix A of this report have the potential to reduce this deficit forecast by an estimated £2.664m annually from 2026/27, on the assumption that:

8.1.1.1. A minimum of 50% of pupils from any schools that close or amalgamate continue to go to an Islington school.

- 8.1.1.2. The deficit balances of federating schools can be eliminated on a timely basis. Schools that reduce their PANs will achieve a minimum 10% annual improvement in their balances.
- 8.1.2. For 2024/25 financial year the average pupil funding from the Schools Block Dedicated Schools Grant (DSG) is £6,058 for primary school pupils and £9,015 for secondary school pupils based on the allocations to Islington's schools. Since the majority of funding received by schools has been calculated on a per pupil basis, the continuing fall in school rolls since 2020/21 has negatively impacted many schools' financial viability.
- 8.1.3. School balances totalled a £10.275m surplus in 2019/20. Since then, they have continued to decline and have fallen by £4.3m; 41.8% when comparing the financial position at the end of 2023-24 to 2019-20. During 2023/24 they decreased from £6.291 to £5.980m and are currently budgeted by schools to more sharply decline during 2024/25 onwards. The decline year on year is partly due to falling pupil rolls (2020/21 total pupil numbers 15,987 compared to 2023/24 total pupil numbers of 14,772), but also due to inflationary cost pressures over the last few years that far exceeded individual schools' Dedicated Schools Grant increases. In summary, the budget schools received was significantly lower than the rate of inflation (RPI). Islington's average annual per pupil Schools' Block DSG funding increase from 2020/21 to 2023/24 was 4.1%, compared to the average annual RPI increase of 9.7% over the same period. The decline in school balances is a national issue, however, Inner London boroughs, in particular, have seen significant reductions in their total pupil numbers since 2020/21.
- 8.1.4. During 2023/24 financial year a total of 17 Islington schools have reported deficit balances, which are now expected to have a combined deficit total of £5.3 million at the financial year-end. Of this number, four schools with combined provisional deficit balances totalling £3.2 million have breached the maximum deficit schools' balance triggers. This means that their deficit is either over £500,000 or 20% of their entire school budget, and a further 7 schools now have deficits of concern (their combined provisional deficit balances total £1.5 million).
- 8.1.5. In response to the falling pupil numbers across the borough, the Council has already completed an initial Phase 1 school reorganisation and is presently concluding Phase 2. However, this will only go part way to ensuring Islington schools are financially viable in the future, with some schools still forecasting growing deficit balances over the next three years, and further projected falls in pupil numbers. This means that a further Phase 3 schools' reorganisation will be necessary to ensure children in the borough are able to attend quality, financially viable schools in the future, and to reverse the current financial risks. Alongside the implementation of the School Organisation Plan, financial oversight of all schools has been strengthened through the newly established School Deficit Management Group. This group routinely scrutinises the quarterly returns from all schools, escalating schools that are not complying with management actions to the DCS and Section 151 officer.

8.2. Legal implications

- 8.2.1. Section 14 of the Education Act 1996 requires local authorities to provide sufficient schools for primary and secondary education in their area.

8.3. Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

- 8.3.1. Islington Council declared a climate emergency in June 2019, committing the council to work towards making Islington net zero carbon by 2030. A 10-year Net Zero Carbon Strategy, with action plans, was adopted by the Executive in November 2020. The implementation of the School Organisation Plan 2022-25 will be progressed in a manner that aligns with and supports the delivery of the council's ambitions for creating a clean and green Islington. Key environmental implications that the school organisation plan impact is:
- 8.3.2. Improving the energy efficiency and reducing the level of carbon emissions of all buildings and infrastructure: schools form a crucial element of our non-residential buildings and infrastructure net zero carbon workstream given their number, size, and distribution across the borough. Decarbonisation Feasibility Studies have already been completed for 22 of our schools with a further 14 taking place during 2022-23. The impact on the environment and the findings from these decarbonisation reports will be fully considered in developing plans, and where there are falling rolls in making better use of the spare capacity thereby optimising energy efficiency.
- 8.3.3. Reducing emissions in the borough from transport: Schools again can play their part in delivering on this priority. In proposing specific measures as part of school organisation planning, the implications on school journey distances, school streets and potential changes to vehicle journey numbers will be fully considered in consultation with schools and key stake holders.

8.4. Equalities Impact Assessment

- 8.4.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding. A revised Equalities Impact Assessment was completed on 09 April 2024 and is included as Appendix B.

9. Conclusion and reasons for recommendations

- 9.1. The School Organisation Plan, alongside the Education Plan and the SEND strategy was agreed at Executive in October 2020, to drive the vision of educational excellence for all children, in financially viable, inclusive schools. Phase 3 sets out further changes to complement this vision.
- 9.2. Islington is a borough with a commitment to put children first, this is exemplified within the Education Plan, 'Putting Children First' and embedded within the ambitions of Islington Together 2030.

- 9.3. The impact of delivering the School Organisation Plan will be that the current financial risk arising from school deficits is managed down. The reason why this is important is that, ultimately, this financial risk, if not managed by schools, will sit with the Council. The Local Authority is the 'champion of the learner' and within this capacity, the LA has a responsibility to ensure the quality of education that children and young people receive is at least good.
- 9.4. The long-term impact of deficit budgets will ultimately compromise the LA's ability to ensure a quality of education as reduced resources will impact on staffing and reduced staffing will impact on the diversity of the curriculum offer.
- 9.5. By delivering the School Organisation Plan within a communication plan that highlights the benefits of a resilient, high performing school estate within a child friendly borough, the plan will shift to focus on the opportunities, rather than the challenges.
- 9.6. This report recommends that the Executive:
- 9.6.1. Agree the proposals set out within the recommendations (3) to strengthen the corporate response to school organisation so that there is a whole council collaborative approach.
- 9.6.2. Approve the recommendations in **exempt Appendix A**

10. Appendices

- Exempt Appendix A – School Organisation Specific Plan Proposals as Part of Phase 3
- Exempt Appendix B – Equalities Impact Assessment

Background papers:

None

Final report clearance:

Authorised by: Executive Member for Children, Young People and Families

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