

Leicester
City Council

WARDS AFFECTED
Type in Ward

FORWARD TIMETABLE OF CONSULTATION AND MEETINGS:
Cabinet

25 January 2005

SPECIAL SCHOOLS REVIEW – INTERIM SOLUTION

Report of the Corporate Director of Education and Lifelong Learning

1. Purpose of Report

- 1.1 To inform Members of budgetary issues relating to special schools currently under review and to seek members' views on a possible interim solution prior to considering the longer-term future of special schools in the City.

2. Summary

- 2.1 Falling rolls in a number of special schools have placed pressure on school budgets. By the summer of 2005, three of the six special schools currently under review as part of the first phase - Moderate and Severe Learning Difficulties (MLD/SLD) - of the SEN review, will be facing significant financial problems.
- 2.2 Proposals for realigning these schools have been the subject of informal consultation. However, even if these were to be agreed, they would not be ready for implementation in time to prevent the schools from facing financial crises. Each school would have to undertake a significant staffing reduction exercise to balance their budgets that would inevitably result in a reduction in the quality of education and support on offer.
- 2.3 Possible interim solutions that would enable a continuation of quality education have been discussed with the head teachers of the schools concerned. The relative merits of each are set out in the paper.

3. Recommendations (or OPTIONS)

- 3.1 Cabinet is recommended to:
- (i) note the current financial difficulties faced by special schools currently under review;
 - (ii) note the comments regarding a preferred option for an interim measure for resolving these difficulties;

- (iii) express an opinion on a preferred option for an interim solution to secure sustainable special school places, prior to considering longer-term options for realigning special schools within the City.

4. Headline Financial and Legal Implications

- 4.1 To make the special schools concerned financially viable would require additional funding in the region of £250k. Without this funding, schools would be required to cut their core costs. Provision of support funding is unlikely to be agreed by Schools Forum and would be unpopular with the many schools that have made cuts in staffing to balance their budgets.
- 4.2 Capital funding for the interim changes will be from the proceeds of the sale of closed school sites. This is dependent on achieving the sales.
- 4.3 Implementation of any interim option will lead to additional short-term staffing cost in the Education Department that will have to be met from existing Departmental budgets.
- 4.4 There are likely to be some additional costs resulting from premature retirement and compensation costs (PRC).

(David Wilkin, Head of Education Finance - ext 7750)

- 4.5 The interim options proposed in the report all involve school reorganisation proposals that require consultation and the following of the formal processes set out in the School Standards and Framework Act 1998. The options will also require statutory processes to be followed on the amendment of individual children's statements of Special Educational Needs. The employment law rights of staff employed at these schools will also need to be respected.

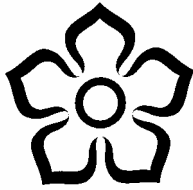
(Guy Goodman, Assistant Head of Legal Services - ext 7054).

5. Report Author

Paul Livock
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Ext: 7704

DECISION STATUS

Key Decision	Yes
Reason	Significant in terms of its Effect on communities Living or working in any One ward of the city
Appeared in Forward Plan	Yes
Executive or Council Decision	Cabinet



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SUPPORTING INFORMATION

1. Report

- 1.1 Parents of children with Special Educational Needs have a legal right to express opinions on how and where their children should be educated. Parents who are not in agreement with an LEA's proposals for educating their child have strong rights of appeal to the SEN and Disability Tribunal (SENDIST). Recent government legislation has strengthened the child's right to be educated along with their 'mainstream' peers. The LEA's SEN Policy recognises these rights.
- 1.2 The increased pressure from parents to have their children with Special Educational Needs supported in mainstream schools and the establishment of Schools with Additional Resources (SARs) have led to falling rolls in special schools. This, in turn, has placed pressure upon the budgets of the special schools concerned. By April 2005, three special schools will require significant financial support in the region of £250k, if they are to continue with their present staffing levels.
- 1.3 The table below sets out the current and projected numbers for the next academic year. It should be noted that, although some additional places can be purchased to take into account pupils whose needs are identified mid-year, the LEA is required to keep these to a minimum.

1.4 **Current Numbers on Roll (NOR) and Projected NOR for Academic Year 2005/6**

	Funded places 2004/05	Numbers On Roll Autumn 2004	Leavers 2005	NOR 2005-06	Projected pupils for 2005-06	Proposed Funded places 2005-06
Ellesmere	255	255 (37)	40 (8)	215 (29)	255	255
Emily Fortey	85	85 (12)	8 (0)	77 (12)	85	85
Nether Hall	75	72 (4)	6 (1)	66 (3)	72	75
Oaklands	55	53 (3)	15 (1)	38 (2)	42	40 - 45
Piper Way	55	53 (9)	12 (0)	41 (9)	51	50 - 55
Western Park	48	41 (13)	13 (4)	28 (9)	28	28
Total	573	559 (78)	94 (14)	465 (64)	533	533 - 543

(Numbers of County pupils in parentheses)

- 1.5 The most pressing problem is that of Western Park School, which is all-age and must, therefore, offer a full secondary curriculum. It will be unable to employ an adequate staff team from the funding available from 28 pupils. In order to sustain its ability to offer appropriate provision for all of its pupils, an additional sum in the region of £100,000 would be required. Piper Way School has been receiving additional financial support for the past year from the Schools Forum 'Schools in Difficulties' budget and will continue to require a level of support in the region of £ 80,000 for forthcoming years. Piper Way experienced financial difficulties when its numbers fell to 45 in the last academic year. Oaklands school numbers will be at a similar level in the next academic year. Oaklands School has used reserves to balance its budget in the past. Changes in the Local Management of Special Schools (LMSS) funding formula and falling rolls will mean a further reduction in funding for which the school appears not to have sufficient resources. Therefore, it would be necessary for the school to take remedial action to balance its budget on an ongoing basis.
- 1.6 At present, the single option available to schools in financial difficulties has been an application to Schools Forum for interim funding until the financial difficulty can be addressed. This funding is part of the Schools Block budget and retained with the agreement of all schools to be used for this purpose. The funding is intended as a single opportunity, short-term solution. Therefore, it is unlikely that such funding would be agreed for a further year to support Piper Way. The addition of more schools requiring a similar level of support would place significant pressure on the Schools Block.
- 1.7 The Schools Forum is an *advisory* Committee only. However, should the LEA seek to use the funding for this purpose, or to be seen to be supporting selected schools with falling rolls, it is likely that there would be strong reactions from many mainstream head teachers and governing bodies who have been forced to take action to reduce staffing in order to balance their own budgets. Therefore, without substantial additional funding, an interim arrangement appears unavoidable.
- 1.8 It should be noted that none of these options suggests a means of maintaining Western Park as a viable school. However, to do nothing would mean the

school closing without any credible plan for offering alternative quality education for the remaining pupils, and reduced options for staff - other than any redeployment opportunities that may arise at the time.

Interim Options:

- 1.9 Consultation has been undertaken with special school head teachers who have proposed a number of possible interim solutions. Briefly, these can be summarised as follows:

Model 1

- 1.10 Piper Way (Primary MLD) and Oaklands (Primary MLD) Western Park (Primary pupils) amalgamate to form single (MLD) primary school (around 100 places) for pupils with Moderate Learning Difficulties.
- 1.11 Emily Fortey (all-age SLD) remains (85 places)
Nether Hall (all-age SLD) remains (75 [places])
- 1.12 Ellesmere and Western Park (secondary pupils) merge (around 270 places)

Model 2

- 1.13 Emily Fortey and Piper Way merge (incl Autism unit) (135 places)*
Oaklands and Nether Hall merge (120 places) *
Ellesmere and Western Park secondary department merge (270 places)

* The primary Departments in each of these two mergers would be able to combine to provide a teaching approach for pupils with *Generalised* Learning Difficulties (GLD).

Model 3

- 1.14 Primary pupils from all five schools - Oaklands, Piper Way, Western Park, Nether Hall, Emily Fortey - amalgamate into **two** schools (80 places each) serving West and East city; one offering MLD/SLD provision and the other, MLD/SLD plus 'high dependency' provision.
- 1.15 2 all-age SLD schools (Nether Hall, Emily Fortey) to be redesignated as **two** secondary SLD sites (60 and 47 places), or amalgamated as **one** secondary school (107 places)
- 1.16 Ellesmere amalgamates with Western Park secondary Department

Western Park/SAR option

- 1.17 A further refinement of all three options would be for Western Park secondary Department to become the core structure for a secondary SAR and to transfer as an entity. This would have the advantage of:
- 1.18 a) retaining the teaching/non-teaching team and their expertise intact;

- b) offering some stability: allowing pupils to stay together;
- c) swifter strategic progress: a stable pupil and staff group offers a positive start to a secondary SAR;
- d) familiarity: many pupils may be already familiar with secondary school via inclusion placements, therefore, possibly more acceptable to parents.

1.19 As with the original consultation, all proposals seek to retain the expertise of staff and to keep them as far as possible with the pupils with whom they have been working. Some options move closer to the recommended pattern of provision than others – i.e. retaining a preference for age-phasing and moving away from discrete ‘categorisation’.

1.20 The advantages and disadvantages of the above would appear to be as follows:

Model 1

1.21 This requires a major exercise in the transfer of pupils and staff from **three** schools onto **one** site, creating a single-phase MLD primary school (including an Autism Unit) but retaining all-age (SLD) provision. This option also retains discrete ‘categories’ of disability and would require significant preparation time if the Autism Unit were to transfer to a new site (i.e. away from Piper Way) as autistic pupils will have to become accustomed to a change in location and a larger population of pupils.

Model 2

1.22 This model offers the prospect of least disruption and has the advantage of removing categorisation by creating two Generalised Learning Difficulties (GLD) primary departments within the schools. The more ‘able’ pupils would transfer to Ellesmere College as normal, with the remainder staying on in the amalgamated school.

1.23 This option also has the advantage that the governing bodies of Piper Way and Emily Fortey have already proposed discussions with the LEA about a potential amalgamation and may, therefore, find this an acceptable solution. There would also be minimal disruption of staff and pupils and no significant disruption to the Autism Unit. Currently, one Head teacher manages both schools.

1.24 The amalgamation of Nether Hall and Oaklands would require some financial investment to adapt one site but this could be found from the disposal of the other. The transfer of Oaklands School to Nether Hall would involve fewer pupils and staff than the reverse. However, it is likely that any amalgamation proposal for the two schools may be unpopular with parents – particularly in the case of the transferring school - perceiving their building to be ‘lost’. If this element of the option were to be declined, this would further reduce disruption within the current year but would not resolve the prospect of financial difficulties in future years. However, Members may wish to consider these

issues as part of their future deliberations on the SEN review, following this interim period.

Model 3

- 1.25 This solution would present a significant upheaval for four of the five schools, involving large-scale movement of pupils and staff (and plant). However, this option is closer to the original Review consultation proposal in that it offers age-phased schools that have a greater potential for working with mainstream schools.
- 1.26 Although, in effect, this brings the long-term solution forward, it does not offer the option of forward planning of pupil places and either of the two primary schools could find themselves with the same financial problems within 2-3 years. It is unlikely that the creation of **two** secondary schools would be viable (one school would have only 47 pupils on roll). The amalgamation of Emily Fortey and Nether Hall on one site would be the most viable option - but also likely to be strongly resisted by either school.
- 1.27 In addition, the operation would have to be managed without extra funding (via BSF) - and hence, the improved facilities - that the long-term solution offered. Therefore, it is likely that at present, this option would meet with the greatest resistance from all interested parties.

SAR (Western Park) Option

- 1.28 There is considerable merit in the transfer of a cohort of pupils and staff to a single sustainable site. This would also align with the LEA's Inclusion Policy. However, the relevant mainstream schools have not been approached to consider this option and the potential transfer of pupils currently on the roll of a special school – effectively back into mainstream – has not yet been tested with parents. Given that the funding to permit the retention (and transfer) of staff will be wholly dependent upon the number of pupils transferring, this is, clearly, a crucial consideration and one that does not offer an immediate solution to the school's pressing problems.

Preferred Option

- 1.29 On balance, Option Two – the proposal to merge, as far as possible, Western Park with neighbouring special schools and to amalgamate Piper Way and Emily Fortey, Oaklands and Nether Hall – would appear to offer the prospect of securing sustainable education whilst causing least disruption to pupils with special needs. An amendment to this option would be to undertake the above, with the exception of the merger of Oaklands and Nether Hall. This would further reduce the turbulence in special school places. Further consideration of the future of Oaklands School could be given in the following year when the school's financial position becomes clearer. This *amended* option, therefore, is recommended to Members.

Operational Issues

- 1.30 In all of the above arrangements, a redeployment exercise would need to be undertaken and if approved, pupils allocated to other special schools. Such a decision would be subject to a prescribed process and would need to be the subject of a full formal consultation exercise.
- 1.31 In order to effect any of the above, it will be critical to begin the process as soon as possible: staffing consultations must be completed in order to assign individuals to posts in the 'new' school(s) and pupils will require draft amended statements of SEN to secure their placements.
- 1.32 Within the Education Department, the relevant sections will need to engage some temporary staffing in order to complete the process within prescribed timescales. This is estimated to cost £30k.

Revenue and Capital Funding

- 1.34 If Western Park were to close, the site would be available for disposal. Some of this funding, therefore, could be utilised to meet the building costs of an 'interim' solution, dependent upon the sale of the site. The estimated valuation would be more than sufficient to fund adaptations for the interim solution, leaving a balance available for other purposes within the SEN review. Detailed costings would be presented in a separate report covering other aspects of the Review.
- 1.35 The Local Management of Special Schools Group – a group made up of officers and head teachers from mainstream and special schools – has drawn up a new model of funding for special schools which is due to go out for consultation shortly. This replaces the old methods of funding by "categories" (MLD, SLD, physically disabled, and so on) with *levels* of funding designed to better support the tasks that it will be necessary to carry out on behalf of each child. There are 6 levels of funding - level 6 being the highest.
- 1.36 Although this will have an impact on the budgets of some of the schools concerned, it will not be significant enough to improve the current funding position of those most affected by falling rolls.

2. Financial, Legal and Other Implications

Financial Implications

- 2.1 Any of the proposals will lead to additional short-term staffing costs to complete the necessary staffing review process. This will have to be met from existing Departmental budgets.
- 2.2 If the existing schools were to be made financially viable this would require additional monies being directed to all special schools. This amounts to an estimated £250,000 in 2005/06. If this were proposed it would be subject to

consultation with Schools Forum and with all schools. Unless additional monies were included, this could only be resourced from headroom left in the schools budget after the Minimum Funding Guarantee has been calculated. However, Schools Forum has agreed in principle, that such headroom should go to all schools for the re-grading of Teaching Assistants and Nursery Nurses where the evaluated additional costs are estimated to be £1.8m in 2005/06. Without this funding, schools would be required to cut their core costs.

- 2.3 There are likely to be additional costs resulting from premature retirement and compensation costs (PRC). In the event of no redeployment being possible, this could be approximately £100,000 (detailed figures are currently being modelled). The PRC budget is under severe pressure and additional growth in this budget will be required over and above that included in the current revenue budget strategy.
- 2.4 If the school closures are delayed beyond September 2005 additional costs will be incurred in keeping the schools viable. The exact cost is difficult to predict but the full year effect is around £250,000. This would be charged to the Schools Block and would therefore reduce the resources available to all other schools.
- 2.5 The amalgamation of schools may result in savings within the Individual Schools Budget (ISB). These savings cannot be accurately quantified as yet until more detailed proposals are produced. Any such savings would be ring-fenced to special schools and Schools with Additional Resources (SARs).
- 2.6 Capital funding for future changes will be from the proceeds of the sale of closed school sites. This is dependent on achieving the sales at the valuations given. The sale of school land, and the use of associated capital receipts, will also require DfES approval.

(David Wilkin, Head of Education Finance - ext 7750)

Legal Implications

- 2.7 The interim options proposed in the report all involve school reorganisation proposals that require consultation and the following of the formal processes set out in the School Standards and Framework Act 1998. The options will also require statutory processes to be followed on the amendment of individual children's statements of special educational needs. The employment law rights of staff employed at these schools will also need to be respected.
(Guy Goodman, Assistant Head of Legal Services - ext 7054).

3. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph References Within Supporting information
Equal Opportunities	Y	1.1 Throughout the paper
Policy	Y	1.1
Sustainable and Environmental	N	
Crime and Disorder	N	
Human Rights Act	Y	1.1
Elderly/People on Low Income	N	

4. Risk Assessment Matrix

Risk	Likelihood L/M/H	Severity Impact L/M/H	Control Actions (if necessary/or appropriate)
Adverse reaction from some sections of community to disposal of sites	H	M	Consultation must make clear the necessity of realignment to ensure the sustainability of Special School provision
SOC fails to agree arrangements for one or more schools	L	H	Consultation must stipulate the budgetary outcomes and their impact upon pupils and staffing if status quo remains. Appeal to Adjudicator.
Adverse community reaction to disposal of sites with playing fields	M	L	Only one site has this facility. If selected for disposal, negotiations must take future usage into account.
Legal challenge to amendment of statements of SEN	L/M	M	Amended statements must ensure that new provision matches needs as set out in statement.

5. Background Papers – Local Government Act 1972

- 5.1 Report to Cabinet 17 June 2002: Review of Special Education – Schools with Additional Resources (SARs)

6. Consultations

- 6.1 David Wilkin, Education Finance
Guy Goodman, Legal services
Gill Bodkin, Education Human Resources
Head Teachers of Ellesmere, Piper Way, Emily Fortey, Western Park, Oaklands, and Nether Hall Special Schools

7. Report Author

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