

North Tyneside Council
Report to Cabinet
Date: 18 September 2023

Title: Ambition for Education – Update

Portfolio(s):	Education, Inclusion, Employment and Skills; Supporting and Protecting Children; and Finance and Resources	Cabinet Member(s):	Councillor Steven Phillips Councillor Peter Earley Councillor Anthony McMullen
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Report from Service Area:	Children Services Commissioning and Asset Management Resources	
Responsible Officer:	Julie Firth, Director of Children Services Mark Longstaff, Director of Commissioning and Asset Management Jon Ritchie, Director of Resources	Tel: 0191 643 1454 Tel: 0191 643 8089 Tel: 0191 643 5701
Wards affected:	All	

PART 1

1.1 Executive Summary

North Tyneside has an education system to be proud of. A strong performer regionally and nationally, this reflects the hard work of Head Teachers and their teams, governing bodies, Elected Members, Authority staff and the fantastic children and young people.

The Authority believes that education is the catalyst for social mobility and the mitigation of deprivation; championing the learner continues to sit at the heart of the Authority's decision making. Officers continue to work with schools to tackle the priorities within the Ambition for Education document and the Special Educational Needs and Disabilities (SEND) Inclusion Strategy to improve outcomes for all pupils, to build on the Authority's partnerships to

transform lives, uncap the potential of children and young people, and mitigate against the longer-term impact of COVID-19. However, all of this needs to be achieved in a challenging environment for both schools and the Authority.

The purpose of this report is to:

- Outline the national and local context
- Outline the key strategic challenges currently facing the education system in North Tyneside, the work already underway as part of the Strategic Education and Inclusion Review, and the further work required to tackle these challenges in partnership with educational leaders. The key challenges are as follows:
 - Financial sustainability of Schools, in particular, Secondary provision;
 - Increasing demand in relation to Children and Young People with Special Educational Needs and Disabilities (SEND);
 - Post-16 Provision; and
 - Local Plan proposals on School Places and Catchment areas.

1.2 Recommendation(s)

It is recommended that Cabinet:

- (1) Note the key elements regarding the national and local context and note the continued challenges facing education;
- (2) Recognise the significant work that has happened in relation to the key strategic challenges regarding Special Educational Needs and Disabilities provision prior to and since joining the Safety Valve Intervention Programme in April 2023 and agree to progress the work identified;
- (3) Note the work that has progressed regarding the Education Review; and agree to progress the work with schools and governing bodies in the North East Planning Area and to seek a firm commitment by the end of October 2023 from them to protect the integrity of the current three-tier system and to continue to collaborate and work closely together to ensure educational and financial sustainability;
- (4) Agree that if no firm commitment is received from schools and governing bodies in accordance with recommendation (3) above, to receive a further

report to allow Cabinet to consider the alternative options available to the Authority to manage the existing financial risk;

- (5) Note the activities in relation to Catchment area amendments across the borough; and the intention to begin engaging with schools to explore options around future capacity / demand potentially arising from Local Plan Strategic sites;
- (6) Authorise the Director of Children Services, the Director of Commissioning and Asset Management and the Director of Resources in consultation with the Cabinet Member for Education, Inclusion, Employment and Skills, the Cabinet Member for Supporting and Protecting Children and the Cabinet Member for Finance and Resources to take all necessary steps to progress the work set out in the recommendations above; and
- (7) Agree to receive further reports as required on the progress made as set out in the recommendations above.

1.3 Forward Plan

Twenty-eight days' notice of this report has been given and it first appeared on the Forward Plan that was published on 4 August 2023.

1.4 Council Plan and Policy Framework

This report relates to the following themes in the Authority's updated Our North Tyneside Plan 2021-2025:

- A family friendly North Tyneside
- A thriving North Tyneside
- A caring North Tyneside

1.5 Information

1.5.1 Background

Schools and Officers in North Tyneside have established and sustained an education system to be proud of, as a collaboration they strive to sustain improvement and improve outcomes for all children and young people.

Historically, schools and colleges in the Borough have performed well in public examinations and against inspection frameworks with 95% judged to be good

or better by Ofsted. However, the Authority also recognises gaps in outcomes for disadvantaged pupils. At the end of the academic year 2022, performance data showed that despite pupils' overall outcomes comparing favourably with national outcomes, those of disadvantaged pupils continue to lag behind those of their non-disadvantaged peers and remain stubbornly below the national average. The picture is compounded further for those pupils identified as long-term disadvantaged for whom the gap between them and their peers is stark. The disruption to education experienced during the pandemic continues to impact on schools and settings. This remains a continuing priority for the Authority.

In 2021/22 challenges and disruptions to education continued, despite this most pupils in Y11 and Y13 accessed their first-choice destination, and the proportion of pupils deemed as not in education employment or training (NEET) remained in line with national figures at 2.6% (national 2.4%). This is testimony to the determination of both school staff and Authority Officers and their work with young people.

Central to the Authority's ambition for education is a desire to equip all students with the knowledge, skills and resilience needed to contribute to an unknown future and the world of work which may not be fully understood.

Within the Council Plan Policy Framework, key strategic documents are currently in place:

- Children and Young People Plan 2021-2025
- Ambition for Education Strategy in North Tyneside 2020-2024
- SEND Inclusion Strategy 2021-2024
- Joint School improvement Strategy
- North of Tyne Education Challenge
- Children and Young People's Mental Health and Emotional Wellbeing Strategy 2021-2026

*'Making North Tyneside an even greater place for children and young people to thrive; where all can access a high-class education with a culture of inclusion and achievement.'*¹

Our 'Ambition for Education in North Tyneside' document sets out the priorities and targets for education from 2020 to 2024. It builds on the vision provided by 'Our North Tyneside Plan' and the 'Children's and Young People's Plan'. The Authority's targets align with the 'North of Tyne Education Challenge' and 'Joint

School Improvement Strategy.' They also support the delivery of the Authority partnership's SEND Inclusion Strategy. Work is now underway with Officers to create the Ambition for Education Plan 2024–2027.

1.5.2 Attainment and Progress

The following provides some headline information around pupils' achievement:

- Whilst there are no statutory requirements for schools to submit their end of Early Years assessment data, officers continue to support schools and settings to moderate their assessment information.
- In 2023, 79% of pupils reached the thresholds for the phonic screening check at the end of Year 1. This is an increase of 4% on 2022 but remains lower than pre-pandemic outcomes of 83%. The emerging national average for phonics screening check is 79%: this is yet to be confirmed.
- If pupils do not meet the standard on the phonics screening check, they must re-sit in the next assessment window when they are in year 2. In 2022, 45% pupils who re-sat the check met the standard, however, in 2023 this has risen to 73%.
- In 2023, Key Stage 1 outcomes have improved on 2022 across reading, writing, maths, and the combined measure. The combined figure for reading, writing, and mathematics is 56% compared to 54% in 2022. Writing and reading outcomes are static, however, the proportion of pupils achieving the expected standard or above in maths fell by 7% compared to 2022.
- In 2023, Key Stage 2 outcomes in North Tyneside are in-line with emerging national averages. Although reading outcomes seem to have decreased slightly on 2022 figures, pupils performed strongly in a particularly difficult reading test when compared to the emerging national average. (NT 76% compared against an emerging national average 72%)
- Externally marked examinations at both Key Stage 4 and 5 were completed with no modifications in 2023. A level results in 2023 show a slight decrease on 2019 outcomes. The Authority average points for 2023 is 33.4 (33.8 2019) and an average C+ grade (average C + grade 2019).
- At Key Stage 4, Attainment 8 scores have increased to 46.1 from 45.9 in 2019. 65% of young people in the borough achieve standard Grade 4 pass in English and mathematics, very much in line with 64.1% in 2019.
- As with the national trend our disadvantaged students have seen a greater impact on their results than non-disadvantaged students across the borough from the pandemic disruption.
- 95% of pupils attend good or outstanding schools, compared to 87% nationally.

- 95% of parents and carers received their first-choice primary school compared to 92% nationally.
- 90% of parents and carers received their first-choice secondary school compared to 83% nationally.

1.5.3 National Context

1.5.3.1 National Context – General

The academic year 2022/23 has been a challenging one for schools and young people. The key issues that schools have been dealing with this year are:

a) Funding & budgets

Those who are in Senior Leadership positions are acutely aware of the financial pressures on schools. Pay awards and rising costs due in part to utility bills, have been putting increased pressure on schools. The government has decided to accept the reported School Teachers' Review Body (STRB) recommendation of a 6.5% pay rise for teachers in England from September 2023 but they have said a total of 3% will need to be met with additional funding, while schools will be expected to meet the rest of the rise (3.5%) through existing budgets. It is not just schools themselves who are feeling the financial pressure. The impact of the cost-of-living crisis is having an impact on many families, with a knock-on effect on other areas. It has also been a difficult year for schools to manage with several days affected by industrial action.

a) Teacher retention & recruitment

A key theme for schools this year has been dealing with staff shortages, high staff turnover rates and difficulties in recruiting staff and even finding supply staff to cover short-term absences.

b) Covid catch-up

Schools are still finding it difficult to help students catch-up with lost learning due to the pandemic. The situation has not been helped by continuing significant absence levels due to Covid in the last academic year.

c) 2023 Exam series

Schools have also expressed concern about the 2023 exam series. This has been the first year post-Covid that the exams return to 'normal', yet the impacts of lost learning and absences are still being felt, whilst teachers have felt under pressure to maintain or improve results.

d) Pupil mental health

Some teachers are concerned about the ongoing impact of increased mental health issues that they can see in their pupils. This is contributing to higher absence levels and poor behaviour in some settings.

e) Ofsted Inspections

Ofsted has announced changes to how school inspections are carried out to reduce pressures on teachers and school leaders while making sure school inspections are rigorous and accurate. The main changes are:

- There will be a formal consultation on changes to the complaints system.
- They are proposing to change how safeguarding is inspected.
- Headteachers will be allowed to share the provisional outcomes of inspections privately with colleagues.
- Schools will be given more information about the timing of their next inspection.
- They are not proposing to change the one-word rating system.

1.5.3.2 National Context – Schools White Paper (2022) update

Cabinet will recall that in March 2022, the government published its White Paper (Opportunity for all: strong schools with great teachers for your child). The vision within the white paper was to introduce and implement standards that will improve children's education, deliver the right support if they fall behind and give them the tools to lead a happy, fulfilled, and successful life. The Schools Bill, which would have introduced several aims from the white

paper into legislation, has however been scrapped and now will not be going ahead. However, the Department for Education (DfE) has said that it "remains committed" to the white paper's objectives including:

- Schools are still **expected to deliver a 32.5-hour school week**. The DfE's 'expectation' is for mainstream state-funded schools to deliver 32.5 hours per week (or 6.5 hours per day) of school time from **September 2024**.
- **All schools will be inspected by 2025**. Ofsted will inspect every school under the 2019 Ofsted inspection framework by the end of the **summer term 2025**. This includes 'outstanding' schools. The government has said that it has no plans to pass legislation or new guidance to change the inspection system.
- **The plans for all schools to move into academy trusts by 2030 are not going ahead**. Schools with 2 consecutive Ofsted ratings below 'good' are included in expanded intervention powers under the statutory schools causing concern guidance and if a school meets this criteria, they can be moved into an academy trust (or to a different trust, if they are an academy). The DfE is not enforcing the 2030 target and there are currently no plans to do so in the future. There are no requirements for all schools to start moving to academy trusts, and no mechanisms to force strongly performing schools into academies. However, the government indicates this is still the direction of travel. This potentially reduces the scope that the Authority has to facilitate school/system changes, especially in instances where schools are individually facing financial pressures.

Following the White Paper in March 2022, the Authority, on behalf of a group of schools, submitted an expression of interest to be part of a Local Authority Multi Academy Trust (MAT). The DfE subsequently announced in February 2023 that they would no longer be taking forward the proposals for LA-established MATs.

1.5.3.3 National Context – SEND and Alternative Provision (AP) Green Paper (2022) update

Cabinet will recall that the SEND and Alternative Provision Green Paper (2022) identified three key challenges facing the SEND system:

- **The system is failing to deliver improved outcomes** for children and young people with SEND. Children and young people with SEND are not consistently being helped to fulfil their potential.
- **Parents' confidence in the system is in decline**. Too many parents have lost faith in a system that is not sufficiently responsive to them, which is increasingly adversarial, and in which they face long waiting times to

access information and support for their children, including accessing therapists and mental health support.

- Despite substantial additional investment, **the system has become financially unsustainable**. The government has increased investment in high needs by over 50% from 2019–20 to 2023–24, with no marked improvement in outcomes or experiences.

On 2 March 2023, the government published, 'The SEND and AP Improvement Plan - Right Support, Right Place, Right Time', setting out its **five strategic priorities and plans** to transform the SEND system over the coming years:

a) A national system underpinned by National Standards

- Development of National Standards, to be tested and then published at the end of 2025. These will set out what children, young people and their families can expect locally across education, health, and care.
- Introduce local SEND and AP partnerships that bring partners together to plan and commission support for children and young people with SEND and AP.
- Invest £2.6 billion between 2022 and 2025 to fund new school places and improve existing provision for children and young people with SEND or who require AP.

b) Successful transitions and preparation for adulthood

- Publish guidance to support effective transitions between all stages of education, and into employment and adult services.
- Invest £18 million between 2022 and 2025 to double the capacity of the Supported Internships Programme.

c) A skilled workforce and excellent leadership

- Introduce a new leadership level SENCo (Special Educational Needs Co-ordinator) NPQ (National Professional Qualification) for schools, and review the Initial Teacher Training and Early Career Frameworks
- Increase the capacity of specialists and fund up to 5,000 early years staff to gain an accredited Level 3 early years SENCo qualification to support the early years sector, with training running until August 2024.

d) Strengthened accountabilities and clear routes of redress

- Publish a local and national inclusion dashboard from autumn 2023 to support the development of local inclusion plans, giving parents improved transparency of local performance, informing decision-making, and driving self-improvement across the system

- Deliver updated Ofsted and Care Quality Commission (CQC) Area SEND inspections from 2023 with a greater focus on the outcomes and experience of children and young people with SEND and in alternative provision.

e) A financially sustainable system delivering improved outcomes

- Increase core school funding by £3.5 billion in 2023/24 compared to the year before, of which almost £1 billion of that increase will go towards high needs. This means high needs funding will be £10.1 billion in 2023/24.
- Support local authorities through the Delivering Better Value and the Safety Valve programmes and share the best practice from local areas with inclusive and sustainable high needs provision more widely.

1.5.4 Local Context

1.5.4.1 Local Context – Schools Rebuilding Programme and Capital Investment

The School Rebuilding Programme is a 10-year programme that was announced in 2020. The programme sought to identify 50 schools in each of the 10 years for capital investment to address condition issues in school buildings.

The first wave of schools identified in 2020 included Whitley Bay High School, and work is currently on site to provide significant new accommodation for the school, including the retention of two more recent blocks. Works are due to complete in August 2023 in relation to the new buildings, moving on to demolition of redundant buildings and establishment of new external areas between Autumn 2023 and Summer 2025.

The second wave of schools were announced by the Government earlier this year, determined by the DfE, and Local Authorities and Responsible Bodies were invited to submit expressions of interest for future waves of this 10-year programme. North Tyneside submitted 12 expressions of interest for maintained schools across the borough, and in July 2022, it was confirmed that Wellfield Middle had been successful in gaining investment within wave three of the programme. A further announcement was made in December 2022 indicating that Redesdale Primary, Marden Bridge Middle, and George Stephenson High Schools have been identified to gain from funding via the programme.

1.5.4.2 Local Context – Academisation in North Tyneside

A number of schools are currently considering moves to Academy status. The below provides a summary of the status at the time of writing:

Battle Hill Primary, Denbigh Primary, Hadrian Park Primary and Spring Gardens Primary Schools have received approval from the DfE to move to Academy status and form a new Multi Academy Trust, named Centurion. The proposed date for conversion is 1st January 2024.

John Spence Community High School has received approval from the DfE to move to Academy status and join the PELE Academy Trust. The proposed date for conversion is 1st November 2023.

Whitehouse Primary School was issued with an Academy Order following an Inadequate Ofsted rating in 2022. The Authority is currently working with the DfE and NEAT Academy Trust to agree terms of conversion. The proposed date for conversion is 1st January 2024.

Amberley Primary, Holystone Primary, King Edward Primary and Monkhouse Primary Schools are considering formation of a new Multi Academy Trust.

The nine Roman Catholic Primary schools across the borough completed a process to move to the Bishop Bewick Catholic Education Trust in the Summer of 2022.

Stephenson Memorial Primary School has received approval to convert and join SMART Multi Academy Trust and Grasmere Academy has received approval to transfer to SMART Multi Academy Trust. A date has not yet been confirmed for either.

1.5.5 Strategic Education and Inclusion Review – Context and Principles

Cabinet will remember that, in the September 2022 Cabinet Report, a number of key strategic challenges facing education provision in the Borough were identified as priority areas for the Strategic Education and Inclusion Review.

The key priorities of the Review are to:

- **Establish financial sustainability of schools in particular Secondary Schools**

- Establish appropriate provision in meeting the increasing demands in relation to children and young people with Special Educational Needs and Disabilities
- Review and improve the Post 16 arrangements across the borough
- Consider the impact of Local Plan Proposals on school places and review of catchment areas

The Authority is seeking to ensure that it maintains a sustainable, sufficient, and high-quality educational system in North Tyneside which enables all children and young people to achieve positive outcomes, including those with additional needs.

There are a number of principles behind the Education Review. These are that as a community of leaders in education, the Authority believes that all children and young people have the right to attend a school:

- which provides continued and improving high quality provision for all children
- which is good and in which they experience excellent teaching
- which provides a safe environment for children
- where young people are supported to become responsible citizens
- where all children are valued in an atmosphere of inclusion
- where the number of pupils on roll enables school leaders to provide a diverse curriculum appropriate for 21st century learning
- which successfully prepares pupils for work, and ensures they are employable
- which offers learning skills that match job opportunities
- where buildings are fit for purpose and facilitates learning
- which provides leading practice in progression across the phases from cradle to career
- which successfully engages with the community including businesses and particularly parents and carers, to the benefit of all
- which has strong partnerships with other schools and providers to ensure the achievements for all North Tyneside pupils, secured by collaboration over recent years, are sustainable
- which is of an appropriate size for the LA to fulfil its statutory responsibility regarding pupil places
- which contributes to the Local Plan and associated development

These principles were originally established in 2014 and then discussed and endorsed again at a Headteacher briefing in April 2022.

The Strategic Education and Inclusion Board (SEIB) has been set up to oversee the successful delivery of a dedicated programme of work. There are currently four officers appointed/seconded to the Education Review team.

Conversations with the majority of school leaders have taken place and a document outlining the rationale, context, and priorities behind the Education Review has been produced and has been shared in advance of the meetings. It is hoped that taking the time to meet Headteachers in this way has helped to further develop strong relationships with schools and Headteachers. The meetings have been well received and the documentation in advance has led to informed and productive discussions.

A School Place Planning Strategy will be produced annually and shared with all schools in the first half-term of each academic year. This will cover mainstream and special and will draw on a variety of sources of information. Headteachers have found the information that has been shared so far very useful, and it is the intention to share this on annual basis to inform planning at both local authority level and at individual school level.

Conversations across different parts of the Authority and different planning areas have so far focused on different aspects of the Review and the recommendations in this report reflect this. The Authority is very keen to work in partnership and have a collegiate approach to working with the schools to overcome challenges and make the most of opportunities. The Authority also worked with and supported schools considering and deciding to join or form multi-academy trusts (MATs).

1.5.6 Key Strategic Challenges facing Education provision in the Borough

1.5.6.1 Financial Sustainability of Schools, in particular Secondary Provision

Cabinet will be aware that school funding is a matter for the DfE; either by direct funding agreements with Academy Sponsors or delegated by local authorities to schools where budget management is the delegated responsibility of each governing body.

The main source of funding for mainstream primary and secondary schools is the Dedicated Schools Grant (DSG) schools funding formula, which is largely driven by pupil numbers attending the school. Schools have delegated budgets and carry forward surpluses and deficits from year to year. At 31 March 2023, there were 16 maintained schools within a cumulative deficit of £13.329m this was offset by 49 maintained schools with a cumulative surplus of

£12.947m leaving school balances at the end of the financial year in deficit of £0.382m.

The emerging position for 2023/24 is one of continued financial challenge for a number of schools, both in terms of deficit approvals and reduced surplus balances held by schools. Budget plans agreed by individual school Governing Bodies for the 2023/24 financial year indicate a forecast in-year deficit of £7.774m, which would increase the deficit on school balances to £8.156m at 31 March 2024.

There has been a significant amount of work done over a long period of time in support of all schools in managing financial challenges. Work has included:

- As previously reported to cabinet, the Authority agreed with the Education and Skills Funding Agency (ESFA) to allow their School Resources Management Advisors (SRMAs) to work with schools in 2022/23 in order to produce a comprehensive review of their finances.
- The SRMA visits during 2022/23 brought independent challenge and analysis of the deficit schools in North Tyneside. This offer has been extended into 2023/24 with follow up visits for the original schools included and visits to those schools new to deficit will be arranged in September 2023.
- Quality Assurance mechanisms have improved. Through work undertaken with colleagues from School's Forum a renewed 'Schools in financial difficulty support and challenge framework' has been implemented. This has reduced the time afforded to schools to bring about balanced budgets. Schools must now show how they can achieve balanced budgets and repay deficits within three years.
- Improved financial planning tools and use of deficit clinics is enabling schools to better identify financial pressures and begin to take action to reduce pressures earlier.
- Independent financial reviews have been completed. Schools have received detailed reports on curriculum and staffing expenditure matched against national benchmarking data.

The significant challenge around Secondary Schools is predominantly linked to surplus places across the Secondary estate as a result of parental choice, settlement patterns and individual school choices. The Authority are also seeing the borough-wide birth rate reducing, changes in area demographics, a slower than expected build out rate of new homes and surplus school places increasing in some areas of the borough.

In 2023/24, fourteen Schools have sought deficit approval to the value of £14.826m, see table 1 below:

Table 1: Deficit School Positions 2023/24

	Outturn 2022/23	Budget Plan 2023/24	Comments
	£m	£m	
Benton Dene Primary	(0.018)	0.022	Deficit clinic held and recovery plan submitted
Forest Hall Primary	0.013	0.052	
Greenfields Primary	0.078	0.041	
Holystone Primary	0.133	0.129	
Balliol Primary	0.097	0.125	
Ivy Road Primary	0.149	0.164	Existing deficit school with in-year balance.
Silverdale Special	0.044	0.079	Awaiting outcome of funding review for current cohort of pupils
Coquet Park First	0.051	0.157	Structural deficit under consideration
Whitehouse Primary	0.044	0.008	Financial notice of Concern issued
Wallsend St Peter's Primary	0.092	0.113	
Beacon Hill Special	1.232	1.946	
Longbenton High	1.697	1.51	
Norham High	3.984	4.352	Structural deficit under consideration
Monkseaton High	5.546	6.128	Structural deficit
Total	13.142	14.826	

Initial deficit review sessions took place in July 2023 with more planned for September, these were helpful and productive sessions, and the recovery

plans included some innovative and forward-thinking solutions to the current financial difficulties. The Authority has reviewed the deficit recovery plans submitted by individual schools for the current financial year. Following this review, the Authority anticipates that five schools will be able to recover from the in-year deficit position and will be able to outturn in a balanced position by the end of the financial year. This does require some support from the Schools in Financial Difficulty funding that is held by Schools Forum as a reserve to support those schools with relatively small deficit balances.

This does however leave nine schools with deficit balances that cannot be resolved within the financial year and that will require the Authority to approve a licenced deficit agreement. Cabinet should note that of the nine schools in deficit there are three schools that are currently/expected to be in structural deficit, i.e. they are schools that have been unable to submit a 3 year recovery plan that shows the school coming back into either an in-year balanced position by year 3 of their recovery plan or if they are a school that is new to deficit that a cumulative balanced position cannot be reached by year 3 of their budget plan.

There is one school (Ivy Road Primary) that has an existing deficit however they have submitted a budget plan which shows an in-year balance and looks to address the cumulative deficit over coming years. There is also on-going work with one of the special schools who submitted a deficit budget plan for 2023/24 (Silverdale) to look at appropriate levels of funding for the needs of their current cohort of pupils.

The specific circumstances relating to each of the remaining seven schools requiring a licenced deficit agreement are described in more detail below:

a) Coquet Park First School

- Coquet Park first school is a Private Finance Initiative (PFI) school with a high proportion of the budget committed to the PFI contract charges. The PFI contractual obligations also result in a reduced opportunity to generate additional income from external sources.
- 2022/23 was the first financial year that the school ended with a deficit balance of £0.051m and they have been unable to submit a budget plan which shows them coming back into financial balance within 3 years. In line with Scheme for Financing Schools, the school is now expected to be classified as a structural deficit, however officers

continue to work with the school to bring them back into financial balance.

b) Wallsend St Peters Primary School

- 2022/23 was also the first financial year that Wallsend St Peters Primary school ended the year with a deficit balance of £0.092m. The 3-year budget plan submitted does project that they will be back in financial balance by the end of 2024/25 with a cumulative deficit of £0.033m by the end 2025/26.

c) Whitehouse Primary School

- Whitehouse Primary School was the subject of an academy order during 2022/23 and at the time they were projecting a year end deficit position. Since they were a forced academisation, any deficit balance on the date of transfer would become the Authority's responsibility. The Authority issued the school with a Financial Notice of Concern which required tighter budgetary control and increased restrictions around decisions with financial implications.
- They ended 2022/23 with a deficit balance of 0.044m and the academisation which was due for September 2023 has been delayed. This will allow additional work on the 3-year budget plan to ensure that they can be brought back into financial balance before the transfer is complete.

d) Beacon Hill Special School

- Beacon Hill Special School was one of the schools to receive an SRMA visit during 2022/23 and this review identified several areas for the school to focus on to reduce expenditure and address the in-year deficit.
- Work is also on-going with the school to look at pupil numbers and banding reviews, this is part of the wider DSG Management plan work and regular meetings are held between officers and the Head Teacher.
- Beacon Hill ended 2022/23 with a deficit balance of £1.232m and a deficit review session will be undertaken in September 2023.

e) Longbenton High School

- The financial position at Longbenton High continues to improve and the overall deficit reduce.
- For a number of years, the financial position at Longbenton High School continued to be a concern to the Authority. The decline in pupil numbers and the continued need to support a balanced education curriculum within the school meant that the Authority had to work with the school with a more strategic approach.
- In the last two years the school's pupil projections and overall financial projections have been in line with the school's financial recovery plan, which have led the school to not only achieve a balanced in year position but also to contributing an estimated £0.180m per year to reduce the cumulative deficit balance of the school to £0.983m deficit by 2025/26. This is a significant reduction of £0.704m to the school's outturn which is acknowledged by the Authority.

f) Norham High School

- Previously classified as a structural deficit school but work was undertaken to address this. The school had previously submitted a 3-year budget plan which showed them being back in financial balance by 2023/24. At that time the school was no longer considered to be in structural deficit.
- The budget plan submitted for 2023/24 for the 3 years to 2025/26 shows the school being in an in-year deficit of £0.353m with the overall deficit position projected to be £4.560m by 2025/26, rising by £0.187m per year on average. Discussions are on-going about the school and the status of the deficit.

g) Monkseaton High School

- Monkseaton High School initially entered into a deficit position in the 2015/16 financial year and out turned in that year with a deficit balance of £0.626m. In subsequent years the school's deficit position has continued to deteriorate with the school ending the 2022/23 financial year with a deficit balance of £5.546m.
- Cabinet will note that over the last seven years the Authority has continued to work alongside the school to try to reduce the overall deficit position, but Monkseaton High School continues to operate as a

structural deficit school, in that it continues to forecast an in-year deficit for the 3-year budget plan submitted to the Authority.

- The 3-year budget plan submitted by the school in May 2023 showed that the overall deficit position is projected to be in the region of £6.907m by 2025/26, rising by around £0.436m per year on average. This is not a position that the Authority would be able to support through the deficit approval process.
- The School Resources Management Advisors (SRMA) visit to Monkseaton High School did not identify any areas of further significant savings beyond those already made and the financial position continues to be challenging, with the Governing Body managing a considerable structural deficit.
- The school has undertaken a lot of work to attempt to mitigate the growing deficit including the following:
 - the school has reduced staffing through a restructure process and a reduced senior leadership team structure;
 - Teaching and Learning Responsibility payments have been re-aligned considering the operating context of the school and a restructure of support staff structure and grades was undertaken;
 - creative consideration is given to all vacant posts in terms of best utilising current staff skills, expertise and interests;
 - the school have also worked to maximise the opportunities for income through school lettings;
 - they have reviewed all non-employee costs including building and maintenance costs and have worked with representatives from the Authority and business to explore energy saving solutions and continue to do so;
 - all contracts, service level agreements and other expenditure have been scrutinised and reviewed regularly for best value.
- Whilst officers are working with the school to manage the financial position the school still remains unable to bring about an in-year balanced budget.
- Surplus capacity within the school is proving the most challenging aspect of setting an in-year balanced budget due to significant under occupancy as a result of parental choice.

h) Recommendations from the Ambition for Education Cabinet Report September 2022

The Ambition for Education Cabinet Report in September 2022, recommended that the following work is progressed:

Working with Monkseaton High, and other stakeholders to:

- carry out option appraisals to address the structural deficit issues
- bring forward proposals to achieve educational and financial sustainability across the system.

The Authority has worked closely with the Headteacher and the Governing Body of Monkseaton High School this year in an appraisal of options to address the structural deficit issues. These are outlined in more detail below in section 1.5.6.1 i.

In light of this recommendation, and also because until recently Monkseaton High School was the only school in the Borough in a structural deficit, a major part of the work of the Education Review in the last year has focused on Monkseaton High School and the North East Planning Area.

i) The North East Planning Area

The North East Planning Area comprises fourteen schools (eight First, four Middle, two High). Eight of the schools are Foundation Trust schools and six are community schools. The educational outcomes are very strong on all available metrics and in Ofsted terms 4 are Outstanding and 10 are Good. The Authority is committed to ensuring that there is a sustainable, sufficient, and high-quality educational system in the planning area and to working closely in partnership with the schools to address the significant challenges faced, that stem from surplus capacity within the planning area (historic and current).

There have been a number of meetings held over the last year with all Headteachers in the Monkseaton and Whitley Bay area, in groups and individually to develop a shared understanding of the issues, and to work together to develop possible options moving forward. Regarding Monkseaton High School in particular, there have been a number of meetings with the Headteacher and Governors and throughout the course of this academic year several possible options for the school have been identified and discussed with the Headteacher and Governors. Some of the options rely on other schools making changes (that can only be made by individual school governing bodies) but all of the options discussed will have an impact on other schools in the North East planning area. This is why the recommendation is being made that the schools need to

collaborate closely. The options that have been considered and dismissed at this point are:

- To decommission the Monkseaton High post 16 offer.
- Monkseaton High School to retain Years 9,10,11 and become the post 16 venue for the Eastern planning area.
- To co-locate with Monkseaton Middle School.
- Monkseaton High School becoming a secondary school.
- To move the NE planning area to a two-tier system of education.

The option of Monkseaton High School changing its structure to become a secondary school (without a wider change in the planning area) and increase their age range to include Years 7 and 8, clearly has risks to it. It may (or indeed may not) make Monkseaton High School sustainable but if it did work it would be likely that it would de-stabilise other schools within North Tyneside.

Regarding the movement to a two-tier system, there is clearly strong support in schools and within the local community for the current system of education. The Authority recognise the opportunities and strengths of the current system of education in Monkseaton and Whitley Bay and would propose maintaining and indeed strengthening them. However, as noted above, the financial position for Monkseaton High school continues to be challenging and put simply, Monkseaton High School need more students in order to become financially sustainable in the mid to long-term. This is against the backdrop of surplus places within the planning area.

The Authority is committed to working closely in partnership with the school leaders and governing bodies to address the significant challenges faced and to promote, facilitate and encourage a system-driven solution. It is clear that a structural issue needs a structural solution and that there is the need to achieve a sustainable and affordable solution for the long-term. However, the governing bodies of each individual school would need to agree to any of the proposed solutions as this is not something that the Authority can mandate. However, as set out earlier, the Authority cannot allow the current forecast levels of deficits to continue.

The recommendation, therefore, is that the Authority work with Headteachers and Governing Bodies across the Whitley Bay and Monkseaton group of schools to retain the three-tier system while managing places, maintaining standards, and controlling costs. Initially this would be for Whitley Bay High School and Monkseaton High School to work

more closely together and explore opportunities for greater collaboration that would support both schools in order to achieve a sustainable and affordable solution for the long-term across the whole of the planning area.

The current surplus capacity within some of the schools in the planning area is an issue that needs addressing in order to safeguard all of the schools, but the Authority believe that if the schools work closely together there is a sustainable solution that can be achieved at a system-wide level.

The preferred option of the Authority, in order to protect the integrity of the three-tier system of education and to maintain and support all of the fourteen schools within the current structure, is to find a way of working collaboratively that achieves educational and financial sustainability.

The Authority are giving a firm commitment to the three-tier system in the planning area and to working together with the schools to ensure it is viable and sustainable, but in order for this to be taken forward there needs to be a firm commitment from all the schools in the planning area to protect the integrity of the current three-tier system and to continue to collaborate and work closely together to ensure educational and financial sustainability.

The Authority intends to continue working with all the schools in the planning area over the course of the Autumn term 2023 to discuss how the schools can work with each other and with the Authority and to explain what the expectation of a firm commitment to working together would look like.

1.5.6.2 Increasing demands in relation to Children and Young People with Special Educational Needs & Disabilities

a) Current Position

The following provides an overview pertaining to the presentation of SEND in North Tyneside and the subsequent financial position of the High Needs Block within the Dedicated Schools Grant. Although the Authority has seen strong performance in 2022 as performance is more closely aligned with regional and national indicators, like many Authorities, there continues to be significant pressures on the High needs Block.

Need type:

- The Authority and its partners are experiencing an increase in the complexity of children and young people's presentations. Compounded by Covid 19, officers have observed an increase in those with needs relating to their mental health and emotional wellbeing, which has also contributed to an increase emotionally based school non-attendance. Identifying education settings with the right multi-agency support framework which sits around them to meet this complexity of need has become more problematic.
- The most prevalent need recorded by schools for SEND pupils in North Tyneside is Speech, Language and Communication Needs (SLCN), at 32%, which is higher than the national average (30%). This is followed by Social, Emotional and Mental Health needs (SEMH), at 22%.

Number of SEN Support Plans and Education Health and Care Plans issued:

- In January 2023, there were 5,702 pupils in North Tyneside schools with identified SEND; 3,913 were supported with an SEN Support Plan and 1,789 had an EHCP.
- In January 2023, North Tyneside maintained a total of 2,112 Education, Health and Care Plans (EHCPs) for children and young people aged 0-25. This represents a 74% increase in EHCPs maintained over the last five years since January 2019, down from a 98% increase in the five years to January 2022. Although the increase is reducing, this is resulting in significant pressures on the High Needs Block.
- For children and young people with an EHCP, this figure (2,112) represents 3% increase between January 2022 and January 2023, compared to a national increase of 9% in the same period. This is, however, a reduction in year-on-year increases for the Authority, which were 10.9% between January 2021 and January 2022, 15% between January 2020 and January 2021, and 32% between January 2019 and January 2020. This reduction has been sustained; in June 2023 there were 2,151 children and young people with an EHCP, representing a 0.6% reduction compared to 12 months ago.
- North Tyneside has over recent years issued more EHCPs per 10,000 0-25 population, compared to regional and national rates. In 2021, the national rate was 36.2, regional was 37.6 and in North Tyneside it was 56.1. In 2022, whilst national and regional rates increased, the rate in North Tyneside reduced to 48.4, now in line with regional rates (46.3), but higher than national rates (38.7).
- In January 2023 12.4% of children and young people are educated with a SEND Support Plan, up from 12% in January 2022. Although this remains

lower than national, this represents a positive movement in the earlier identification of SEND in North Tyneside.

Requests for Education, Health, and Care Needs Assessments (EHCNA):

- The Authority continues to receive a significantly higher number of requests for Education Health and Care Needs Assessments per 10,000 0–25 population, compared to regional and national. At 83.1 requests per 10,000 in North Tyneside in 2022, this is the highest number reported, and is higher than regional (70.2) and national (66.7) rates. At the end of June 2023 there have been 227 requests for an EHCNA compared to 243 in the same period last year, indicating a slight reduction should this trend continue.
- Of those requests for EHCNAs, the Authority has seen an increase in the number for children under 5 years of age; rising from 23% in 2019 and 2020, 32% in 2021 and 32% in 2022. Though this reflects the Authority's strength in identifying need early, this also may commit the Authority, where their needs do not reduce, to a spend for those children for most of their childhood, if an EHCP is agreed. So far this year it is 31.3%.

Special School Provision:

- In January 2023, 42% of children and young people with a North Tyneside maintained EHCP named a special school provision (maintained, non-maintained and independent specialist provision), compared to 35% nationally.
- In 2022, 71% of all new EHCPs issued a special school provision compared to 63% nationally.

b) The main reasons for the overspend are rising needs and pressures on budgets, attributed to:

There are significant pressures on the high needs budget because of:

- The disproportionately high number of EHCPs maintained by the Authority, all who receive top-up funding.
- The percentage of children and young people placed in special school provision compared to national comparators.
- An increase in the number educated in non-maintained and independent specialist placements, which cost the Authority more.
- A national extension in the length a young person can have an EHCP, increased from 18 to 25-years-old, with no extra funding to support this.
- The way funding is allocated to the Authority, meaning limited flexibility to transfer money from one area to another. Previously the Authority

had flexibility to determine how much money was allocated to different provision, but now there are four blocks of funding ringfenced to schools, high needs, central school services and early years. The Authority needs the permission of Schools Forum to transfer funding to high needs, limited to 0.5%, which has not been approved in recent years.

- The cost of funding the support for those with special educational needs and disabilities is not fixed. This is a demand-led service where costs can and do change considerably depending on the specific needs of the individual.

c) Department for Education Safety Valve Intervention Programme

In July 2022, the Authority was formally invited by the DfE to take part in the Safety Valve Intervention Programme. The programme commenced in 2020-21, with an additional £300 million in the Spending Review agreed to expand the programme into 2023/24; this included North Tyneside. The programme requires Authorities to develop a Dedicated Schools Grant Management Plan which describes how the high needs system can be reformed, achieving an in-year balance on the High Needs Block by 2027/28.

The DfE required the Authority to set out:

- How it will control its deficit and reach an in-year balance (as a minimum) and how quickly.
- How it will contribute to the reduction of the historic deficit through use of DSG surpluses, in addition to reaching an in-year balance.
- How it will ensure that the DSG Management Plan is deliverable, how it will be managed as it is implemented and how the plan will continue to ensure the appropriate support for children and young people with SEND. This includes agreeing who will be responsible for the ongoing monitoring of progress towards the agreement.

The Authority, working with school leaders and the wider partnership, co-created a DSG Management Plan, setting out its plans to build on the strong foundations in place, with three strategic priorities:

- to strengthen inclusion in schools and settings
- strengthen school place planning and provision in the borough to meet changing needs; and,
- strengthen the Authority's statutory functions and provide wrapped around support for schools and their settings.

The Authority's submission was successful and on 15th March 2023, the DfE recorded in a Safety Valve Agreement that they would pay to the Authority, namely, £19.5m over a 5-year period to remove the forecast cumulative deficit, subject to the Authority reaching an in-year balance by 2027/28.

The Authority is on track to reach a positive in year balance on its High Needs Block by the year end 2027/28. The Authority's DSG management plan forecast a 2022/23 year-end pressure of £17.9m. The outturn position for 2022/23 was healthier than forecast, at a deficit of £17.392m. When including the DfE's first payment of £7.8m to the Authority, the outturn position for 2022/23 was a deficit of £9.592m.

The Authority is required to submit a report three times per year, describing the progress that the Authority has made on delivering the DGS Management Plan. The first was submitted to the DfE on 16 June 2023, receiving positive feedback on the progress being made and confirmation of the next instalment of the 2023/24 safety valve programme payment. The next report is due to be submitted by 15 September 2023.

d) High Needs Capital Grant

The Authority has received, for the financial year 2023/24, a High Needs Capital Grant allocation of £2.06m. This, together with previous allocations and contributions from Basic Need Allocation, is contributing towards a 10-class extension for Beacon Hill School, the Authority's school for pupils with Profound and Multiple Learning Difficulties.

In addition, and supporting the work of the Authority's Dedicated Schools Grant Recovery Programme, an additional grant of £4.69m has been awarded. This will support the ambitions of the recovery programme, particularly with reference to:

- Development of a 0-5 Early Years SEND Hub and Assessment Nursery provision
- Graduation and Inclusion in schools
- Development of Additional Resourced Provision in Mainstream Schools.

1.5.6.3 Post 16 provision across the borough

Cabinet will remember that the Post 16 review completed May 2022 had the overriding ambition to ensure that children and young people have access to the best Post 16 provision that is based on the following proposed principles:

- All students, including those who are disadvantaged and with special educational needs and/or disabilities, can access well considered curriculum that are responsive to their needs and interests and those of employers;
- All students, no matter what their need are in receipt of high-quality teaching and learning experiences that build students' knowledge and skills progressively and prepare them well for the next steps in their education, employment, or training;
- Students have flexibility and inclusivity of choice, with access to a broad range of academic, vocational and/or technical pathways; and
- There is longer term sustainability and suitability of any Post 16 offer.

This year Officers have worked with schools to:

- Ensure that information is consistently shared and signposted post 16 offer on the corporate website to create a one stop information hub for parents and pupils.
- A dedicated officer has worked to promote schools and business/industry partnership. And strengthen the depth and consistency of careers education across all North Tyneside schools in partnership with the Connexions team.
- As part of the Authority's SEND Improvement plan the SEND pathways across North Tyneside are being developed and a Preparation for Adulthood team has been established.

1.5.6.4 Local Plan proposals on School Places and Catchment areas

Cabinet will remember that the Cabinet Report of September 2022 outlined that work was progressing to review and update the implications of the Local Plan on Education in North Tyneside and consider options to review catchment area arrangements.

a) Birth Rates and pupil forecasts.

North Tyneside is currently experiencing a drop in the annual birth rate, as follows:

Birth Year	2018/2019	2019/2020	2020/2021	2021/2022
No of Live births	2232	1996	1918	1952
Comparison to previous year	+18	-236	-78	+34

Over the past twelve years the birth rate rose to a peak in 2010/11 of 2,445 (the current year 7 cohort). Since that year there was a decline in the birth rate in 2016/17 to 2170 (current year 1 pupils). Since 19/20, the birth rate across the borough has seen a further decline, moving from the number of births in 2018/19 of 2,232, to a birth rate in 2019/20 of 1,996, a drop of 236 births and a further drop of 78 births for the year 2020/21 to 1918. The birth rate for 2021/22 has been confirmed as 1,952, consistent with the recent decline.

The reduction in birth rate from 2019/20 will likely impact primary schools at Reception 2024 and the three following reception admission years.

There is also an early indication that the birth rate for the period September 2022 to August 2023 is consistent with the 2021/2022 birth period. The reduction is equal to 8 forms of entry across the borough in each Reception admission year between 2024 and 2027. There are, however, local fluctuations to this trend, within wards and catchment areas experiencing new housing developments, particularly around Valley, Killingworth, and Northumberland wards.

b) The Local Plan

The Local Plan was approved in 2017, indicating areas for new residential development, with an estimated increase of 17,000 dwellings to be delivered up to 2032. However, the economic crisis is impacting the build out rate of new developments, and therefore delaying the anticipated increase in pupil numbers.

The size and density of catchment housing is not relative to the school capacity. Across the borough, several schools operate at capacity levels greater than their locality demands, importing pupils from other areas. Conversely, some schools have sufficient in catchment pupil demand, but parental preferences indicate an export preference from that locality to other settings. These two choices increase commuting to schools, road safety and infrastructure concerns and impact environmental challenges locally and nationally.

There have been demographic changes in the borough; as of 2020, the population in North Tyneside, across all areas and ages was 208,871. The population in North Tyneside is projected to grow by approximately 5% during the period to 2030. However, the make-up of the population is aging, forecasting the number of residents over the age of 65 to increase by over 20%. It is additionally anticipated that the population of residents aged 0-19 will see a small reduction from 45,817 to 45,488.

Though North Tyneside is a relatively small borough, both in population and geography (32 square miles), the profile of the borough is broad, when considering levels of deprivation. 19,134 residents live in areas representing the 10% most deprived neighbourhoods in England, whilst 27,185 residents live in the 10% least deprived neighbourhoods in England.

The Education Review team continue to work with the Authority's Planning Department to monitor Planning Applications and the build out of new homes and evaluate impact upon pupil numbers in areas of development and across the wider borough. The two Strategic Sites of Murton Gap and Killingworth Moor are of particular interest. Developments have begun in Murton Gap with the approval of 300 new homes, planned to be built over a 6-year period. A further outline application for 2,700 homes, including a full application for 508 homes has been received. Applications have also been received in relation to Killingworth Moor, totalling 991 dwellings, though no approval has been granted at this stage.

Birth rates and pupil movement will be monitored in the area to determine if, where and when additional capacity may be required. This will include ensuring that any existing provision within the borough is forecast to have less than 10% / 5% surplus capacity, for Primary and Secondary schools respectively, prior to the introduction of additional capacity. Given the number of pending planning applications, it is proposed to commence dialogue with schools local to development areas, during the Autumn term 2023, to consider any opportunities to provide any increases to capacity.

Options to consider will include:

- Expansion of an existing school on its current site
- Relocation and expansion of an existing school to a new site within the Strategic development sites
- Provision of new school facility within the Strategic development sites.

Additional capacity would likely require formal consultation and return to Cabinet for approval. Funding for any new capacity would be considered at the time of the proposal and will likely include contributions from Housing developers under S106 / Community Infrastructure Levy, Government Basic Need funding or other funding sources.

c) Catchment Areas

Work under way includes a review of pupil admission numbers and revised pupil modelling with ongoing support to Head Teachers and Governing Bodies. Within the Authority, the focus is increasingly on planning for the implications of the Local Plan and the Master Plans for Killingworth Moor and Murton Gap. Some work has already been done to tidy up Secondary Catchment Areas while the spaces involved have no residents. However, more work will be required as the strategic sites come online.

Cabinet will remember that work has been carried out within the catchment system to simplify minor anomalies in the existing network. This work has aligned primary and secondary borders, where necessary, without affecting any residential addresses. Work is being undertaken with schools to consider changes to catchments not affected by the Local Plan but have existing anomalies that might see areas not aligned between primary and secondary families of schools. This will simplify arrangements between Primary and secondary catchments. Head Teachers are aware of the issues, but Cabinet will wish to note that any changes will require consultation as part of the annual Admissions Process with a report to Cabinet in Spring of 2024.

1.6 Decision options:

The following decision options are available for consideration by Cabinet:

Option 1

Accept the recommendations outlined in section 1.2 of this report.

Option 2

Not to accept the recommendations outlined in section 1.2 of the report.

Option 1 is the recommended option.

1.7 Reasons for recommended option:

Option 1 is recommended for the following reasons:

It reflects the priorities agreed by the Elected Mayor, Cabinet Member, Headteachers and Chairs of Governing Bodies.

1.8 Appendices:

None

1.9 Contact officers:

Julie Firth, Director of Children Services, Tel: 0191 6431454

Mark Longstaff, Director of Commissioning and Asset Management, Tel: 0191 6438089

Jon Ritchie, Director of Resources, Tel: 0191 6435701

Ian Wilkinson, Strategic Lead Education Review, Tel: 0191 6434610

1.10 Background information

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

- (1) [Review of Secondary School Provision Cabinet Report 14 October 2013](#)
- (2) [Education Review Cabinet Report 8 September 2014](#)
- (3) [Education Review – Feedback from Prepublication Cabinet Report 10 November 2014](#)
- (4) [Education Review – Feedback from Publication Consultation 12 January 2015](#)
- (5) [Education Review – Feedback from Publication Consultation Supplementary Report 12 January 2015](#)
- (6) [Education Review Update Report 13 July 2015](#)
- (7) [Education Review Cabinet Report 11 July 2016](#)
- (8) [Education for North Tyneside Cabinet Report 10 July 2017](#)
- (9) [Education for North Tyneside Cabinet Report 30 July 2018](#)
- (10) [LGA Education Funding Report, House of Commons, 4 June 2019](#)
- (11) [Education for North Tyneside Cabinet Report 29 July 2019](#)
- (12) [Ambition for Education Cabinet Report 25 January 2021](#)
- (13) [Ambition for Education Strategy 2020 – 2024](#)

- (14) [SEND Inclusion Strategy 2021 – 2024](#)
- (15) [Ambition for Education Cabinet Report 20 September 2021](#)
- (16) [North Tyneside Council Local Area SEND Ofsted Inspection](#)

- (17) [Special Educational Needs and Disabilities \(SEND\) and Alternative Provision \(AP\) Improvement Plan](#)
- (18) [Ambition for Education Cabinet Report 21 September 2022](#)

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

Schools continue to face financial challenges and the Authority is working with them to deal with those challenges. The Dedicated Schools Grant is a ring-fenced grant that reflects overall School financial position deficits as well as the financial position of the High Needs Block.

As reported to cabinet earlier, High Needs is currently projecting an overall pressure of circa £9.6m. The Authority is currently in the first year of the DSG Management Plan, agreed with the Department for Education, which will address the financial position of the High Needs Block and the deficit balance will be funded through the “safety valve” intervention programme as long as the plan is achieved.

Any future proposals as a result of national policy or local decisions that have financial implications will be brought to Cabinet as appropriate. The High Needs position and updates on the management plan will continue to be reported bi-monthly as part of the financial management report and longer-term impacts are being considered as part of the 2024 – 2028 medium term financial plan.

Whilst school budgets are set and agreed by Governing Bodies, for maintained schools in the Borough the Authority must recognise the cumulative balances on its balance sheet each year. As set out in the body of the report, at 31 March 2023 the cumulative position was a deficit of circa £0.4m, including the cumulative deficits of circa £13.3m.

The budget plans submitted by schools indicate a deteriorating forecast position, with the cumulative deficits forecast to increase to £14.8m. The actual deficit or surplus by the end of the year will be dependent on the outturn of the

maintained schools, as well as any schools that convert to academy status during the year.

In terms of academisation, the treatment of the schools' balances at the point of conversion will be dependent on a number of factors. In general, surplus balances would transfer with the school. Where the school is in deficit, the treatment will be dependent on the specific circumstances, but in some scenarios could result in the deficit crystallising and become the responsibility of the Authority (on the General Fund rather than DSG). This would have a revenue impact in year rather than being held on the balance sheet, so would need to be factored into the setting of the Authority's annual budget and medium-term financial plan.

2.2 Legal

The Authority has a legal duty to ensure that every child fulfils their educational potential. The report sets out the steps taken by the Authority to fulfil that obligation and what further steps are to be taken in that regard.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Discussions have been held with the Elected Mayor and Cabinet Members and with the senior team leading services for schools.

2.3.2 External Consultation/Engagement

- Discussion with Headteachers at Headteacher online Briefings and Collaboration meetings, individually and in partnership groups and through Headteacher representative Groups:
- Briefings and Reports to Headteachers and SENCOs
- Discussion with and reporting to the Department for Education regarding the Safety Valve Intervention Programme
- Collaboration on driving forward the SEND Improvement Plan with strategic partners across education, health and care, including children and young people, parents and carers.

2.4 Human rights

This report has been prepared having regard to Article 2 of the First Protocol of the Human Rights Act 1998 and a person's right to have an effective education.

2.5 Equalities and diversity

Inherent within the principles of working for the Authority's Ambition for Education is a commitment to work with school colleagues to close the gaps in educational attainment and progress, between the most vulnerable pupils and their peers. Any proposed changes will undergo Equality Impact Assessment during development if the potential for impact on people with protected characteristics is possible and will be reported to Cabinet.

2.6 Risk management

There are no risk issues arising directly from this report.

2.7 Crime and disorder

There are no crime and disorder implications arising directly from this report.

2.8 Environment and sustainability

There are no environment and sustainability implications arising directly from this report.

PART 3 – SIGN OFF

- Chief Executive X
- Director(s) of Service X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Assistant Chief Executive X