

WESTMINSTER COUNCIL**SCHOOLS' FORUM – 28th MARCH 2022****REPORT BY BI-BOROUGH DIRECTOR FOR EDUCATION****WESTMINSTER SCHOOLS FORUM PAPER PROVIDING AN UPDATE
ON PRIMARY SCHOOL CAPACITY AND STRATEGIC FINANCIAL
MANAGEMENT****PURPOSE OF REPORT**

This report provides an update from the recent Westminster Strategic Working Group and recommends the next steps.

FOR DECISION**1. INTRODUCTION**

Schools Forum approved the key recommendations of the ISOS primary school review in October 2020 to reduce surplus capacity and address the financial management of schools identified as at risk. Whilst some progress has been made and regularly reported to Schools Forum and the Education Partnership Board, surplus capacity remains high with projections indicating a trajectory of declining pupil numbers. The recommended reduction of four to five forms of entry is yet to be fully achieved with current and projected pupil numbers indicating the necessity for further reductions if schools are to be in position to provide a healthy and realistic 3-year budget plan. Forum had agreed that the Strategic Working Group should reconvene to consider and put forward further recommendations to Schools Forum. The group met on 27th January 2022.

2. REMOVAL OF CAPACITY

2.1 Between 2017 and 2019 the LA and schools acted together to remove approximately six forms of entry from primary school provision in response to falling pupil numbers. However, it has become evident given that the projected decline in birth rates, impact of Brexit, benefit reforms and more recently the unprecedented impact of Covid-19, pupil numbers have fallen at a rate that has seen once fully subscribed schools with waiting lists become undersubscribed.

The surplus capacity in January 2020 was recorded at 16.7%. The current surplus capacity recorded in the October 2021 pupil census is 22.2%.

2.2 The recommendation of the primary school review in October 2020 was to remove four to five forms of entry over one to two years based on a 16.7% surplus capacity. At the time, this presented as a reasonable and realistic recommendation. The Working Group has considered the increase in surplus capacity and the projections for the next 5 years and is of the view that further reductions are needed by September 2025.

2.3 The Working Group agreed that establishing a timeline to enable strategic planning to achieve the removal of four to five forms of entry would be helpful. It was agreed that;

the removal of five forms of entry be achieved by September 2023;

Further forms of entry to be removed by 2025. The working group should meet again to consider spare capacity, projections and school proximity factors and put forward a new recommendation to reduce spare capacity further.

2.4 At the time of preparing this report, the following reductions of primary provision have been approved.

School	Approved	Reduction	Implementation date
Our Lady of Dolours RC School	Reduction in PAN	0.5FE	Sept. 2022
George Eliot	Reduction in PAN	1.0FE	Sept 2023
Westminster Cathedral and St Vincent de Paul RC School	Amalgamation leading to reduction in PAN	1.0FE	Sept 2022
Total		2.5FE	

FE – Forms of Entry

PAN – Published Admission Number

2.5 At this stage, the removal of 0.5FE from Our Lady of Dolours is the only reduction that is reflected in the Capacity vs Surplus figure of 22.2%. Whilst the decision to reduce by half a form of entry has now been formalised and allows the school to resource and staff as a 1FE, in reality it has had no impact on addressing the increasing surplus.

2.6 There are key factors that can impede the ability to progress any decision to remove capacity and there are legal processes that must be followed that take

time. A consultation on changes to admission arrangements, as an example, can only be carried out in accordance with timelines set out in the [Admissions Code](#). This will be a year prior to the proposed academic year for change. The next opportunity to consult will be between 1st October 2022 to 31st January 2023 for the September 2024 intake. Any amalgamation or closure of schools must also follow statutory requirements set out in [Opening and closing maintained schools](#), with any further amalgamations unlikely to take effect until September 2023 at the earliest.

- 2.7 Informal capping of year groups continues to be in place for several schools that are larger than one form of entry to support the resourcing and staffing. Capping is only a temporary measure that is agreed between the LA and the school to support resourcing and financial management. However, this measure is not recognised legally and cannot be a long-term solution. The Working Group will be looking at schools where informal capping has been in place for some time and consider whether a permanent reduction in PAN for the 2024 year of entry should be a matter for discussion with the school.

3. FINANCIAL IMPACT OF SURPLUS PLACES

- 3.1 As the majority of school funding, in accordance with DfE funding regulations, has to be allocated on the basis of pupil numbers the impact of surplus places can be significant to a school's overall budget and financial viability. For every surplus place schools lose on average £4,880 per pupil and therefore 10 surplus places equates to nearly £49,000 while a school may still have the same number of year groups and class teachers etc. A one form entry school with 10% surplus will have about £102,000 less funding than a school with no surplus places. This demonstrates the significant budget impact surplus places has on school budgets and why reviews of school costs need to be undertaken at an early stage before the school is facing a significant deficit.
- 3.2 It is key that schools experiencing falling rolls produce realistic 3-year budget plans (in accordance with all DfE requirements for all schools) and deficit recovery plans (if necessary) and consider their options regarding future financial viability. These options could include staffing restructures, reducing costs, amalgamating with another school (s) and potentially closure.
- 3.3 Schools are required to provide regular budget monitoring reports, monthly for schools with deficits and quarterly for other schools. These reports enable and assessment of whether schools are on track with deficit recovery plans and budget plans and help target support to schools. It should be noted that headteachers and in exceptional circumstances chairs of governors will be contacted where schools do not submit financial returns in accordance with WCC deadlines.

3.4 Additional financial consultancy advice has been available to schools in deficit and facing budget pressures. The schools finance team also continue to provide additional training for schools.

4. RECOMMENDATIONS

4.1 Schools Forum is asked to:

4.1.1 agree that the focus of the working group is to remove five forms of entry with effect from September 2023.

4.1.2 agree that the working group should meet again to review spare capacity, projections and school proximity factors and put forward a new recommendation to remove further forms of entry by September 2025

4.1.3 note the financial impact of surplus places and additional financial consultancy advice available.

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