

Appendix 6

South Shields School (SSS) – Viability Issues and Options

The key issues facing SSS that have led to the Regional Schools Commissioner (RSC) no longer looking for a sponsor are about future viability. There is no evidence that the following underlying factors can be changed within a realistic timescale;

- **Demographic growth:** There is no material increase in the projected number of pupils within the catchment area for SSS. Based on actual primary data in the South Shields West Planning area numbers coming through into secondary sector over the next 7 years are static at best. This picture is replicated when looking at borough wide data.
- **Secondary places:** There is a substantial oversupply of places within the area of SSS with 5 other secondary schools within a short distance around SSS. 3 of the other 5 schools have substantial capacity to absorb numbers from SSS now and in the future.
- **Admissions patterns:** SSS has never been full with its peak number of 741 in the year it opened. Decline in numbers has accelerated over the last two years and many parents living in the catchment area have been expressing a preference for the other schools in the area.
- **Pupil Numbers:** Due to the admissions cycle it will be a minimum of 4 years before there could be any increase in total numbers, even based on the most optimistic assumptions, with numbers likely to continue falling during that time. It would take at least another 3 years beyond that point before there is any realistic chance of numbers returning to a minimum level enabling the school to be viable. The implications for children, young people, their parents and staff over that 7 year period are significant.
- **PFI:** The annual revenue cost of the PFI contract directly to the school is approx. £400k and is taking up an increasing proportion of the school budget. Additionally the long term PFI liability would transfer to the sponsor and DfE in a sponsored academy process which is a major issue for any potential sponsor.

Options Appraisal

A number of possible options have either been suggested or considered based on examples from other parts of the country. Any alternative option would need to address the underlying viability issues and have a level of credibility that would enable the RSC to restart the search for a potential sponsor. Any option would also need to be credible enough to be subject to detailed due diligence by both a potential sponsor and the RSC.

Structural Changes

A number of structural options have been considered but there are none that provide a credible approach to resolving viability issues at SSS. There is an overarching issue with all structural/shared site options as they assume a small PFI secondary school (500-550) is viable in the current context of reduced educational funding and impending implementation of National Funding Formula. Shared site options also build in that lack of viability on a long term basis due to the division of space required.

As the vast majority of funding is driven by pupil numbers the underlying viability risks remain, impacting on staffing, curriculum and the overall offer to pupils. Whilst this may be offset on a short term basis, all evidence shows that is not sustainable and would have a very detrimental impact on children's outcomes in the medium to long term. The following models have been reviewed as part of the process;

- **All-Through School with Primary**

- There is no primary pupil growth or place pressures in the surrounding area to SSS
- Sharing overhead, in particular PFI costs, may slightly offset financial pressure on SSS but would have a disproportionately large impact on the financial position of a primary school.
- Nearby primary schools do not have any site issues that would support a relocation. Forest View was a new build under the Primary TOPS programme.
- Option would provide major upheaval and risk for children, parents and staff of any Primary school chosen to move onto the SSS site. This option would need to work for both schools.
- Nationally experience of the all-through model is very mixed with significant issues about parental willingness to send primary aged children to a site shared with a Secondary School and the suitability of the 'match' in shared sites.
- This option does not address the fundamental underlying viability issues for SSS described above.

- **Shared site with Special School**

- There is pupil growth in particular areas (Primary Social Emotional and Mental Health SEMH and Autism)
- Capital funding is available for new Free Special School model but that is not matched by revenue with significant financial pressures already on High Needs Block budget.
- Substantial 'match' issues with developing either Primary SEMH or Autism provision on a shared site with a Secondary provision. As well as the practical issues created it would give major challenges from a parental perspective.
- With the exception of Primary SEMH any increase in places would be far more viable by expansion of existing provision rather than establishment of a new school.
- This does not address the fundamental underlying viability issues for SSS and would also present significant financial risk for any Special School in addition to the suitability issue.

- **Merger with another Secondary School**

- In capacity terms this could only work with Boldon School
- Any merger would still require the SoS to use discretion to make an exceptional case to revoke the SSS academy order.
- Both sites have PFI buildings with associated costs and restrictions that would not be resolved by merger onto a single site.
- A formal merger would require closure of both schools with the creation of a new school subject to the requirements of national policy (i.e. academy competition) This gives substantial upheaval for a significant period of time for 2 secondary schools impacting on children, staff and parents with very limited benefit to offset that.
- Alternatively a linked closure/expansion process could give the impression of a merger but in reality is not different to current proposal. This option could also not be justified legally as there is sufficient capacity in the system without any expansion in places.

- Mapping data of pupils at SSS shows a distinct split in the SSS cohort with a natural direction of travel to Boldon or Mortimer. A merger with Boldon on to their site would not provide access to the nearest option for a significant number of parents.

Standards Responses

- **Ofsted inspection:** The LA, RSC and the school have no control over inspection timescales and cannot 'order' an inspection
 - Ofsted's inspection framework indicates they are very unlikely to inspect the school in the next year
 - Any potential change in grading following an inspection does not legally remove the Directive Academy Order. There are some examples nationally of SoS using discretionary powers to revoke an order following an inspection but only after taking into account the level of improvement and all of the individual circumstances impacting on a school.
 - In 8 years since the implementation of the Academies Act only 4 Secondary Schools nationally have had their academy orders revoked in these circumstances and all 4 had very specific factors impacting on that decision that are not applicable to SSS
 - This does not resolve the viability issue
- **Allow time for numbers to grow based on improved results**
 - If the school was in an area with demographic growth and limited alternative places nearby this may be an option but that is not the case as set out above.
 - All the national experience shows there is a significant time lag on growth in numbers following improved results, even in areas with demographic growth and limited places.
 - The most optimistic projections still indicate around a 7 year cycle before the school would potentially reach a viable number of pupils. That also assumes changes in the pattern of parental preference away from schools that continue to perform at higher level than SSS.
 - The impact on standards due to the school's ability to maintain a full curriculum and successfully recruit and retain staff is critical. This may be possible in the short term but is likely to have a very negative impact over any realistic extended time period.
 - This option is likely to leave the school in limbo with no sponsor and declining unsustainable numbers with a very negative impact on outcomes for children.

Admissions

- Council to direct parents to SSS through the admissions process
 - This is not lawful, it goes against the requirement to allow expression of parental preference and would be in breach of the School Admissions Code. Council has to act fairly and impartially in dealing with admissions, and cannot favour one school over others.
- Oversubscribed schools in the area to reduce their Pupil Admission Number (PAN)
 - Academies do not have this flexibility and all oversubscribed schools are academies
 - PAN is only a guide so unless capacity was also reduced on a permanent basis admission appeals would be successful
 - Challenge in restricting parental preference for Outstanding schools which is in direct conflict with National Education policy
- Change catchment areas to alter admissions patterns to benefit SSS
 - As SSS, Boldon and Mortimer schools are all well under capacity catchment areas are not relevant as oversubscription criteria are never applied.