

<b>Report to:</b>	Cabinet	<b>Date of Meeting:</b>	4 November 2021
<b>Subject:</b>	St Teresa's Catholic Infant School		
<b>Report of:</b>	Executive Director of Children's Social Care and Education	<b>Wards Affected:</b>	Birkdale: and neighbouring wards where pupils reside
<b>Portfolio:</b>	Cabinet Member - Education		
<b>Is this a Key Decision?</b>	Yes	<b>Included in Forward Plan:</b>	Yes
<b>Exempt / Confidential Report:</b>	No.		

### **Summary:**

At the Cabinet meeting held on the 5<sup>th</sup> March 2020, Members agreed to allow St Teresa's Governors' further time to provide an alternative financial proposal based on a half form entry from Reception to Year 2. This was presented to Cabinet on 30 July 2020 by the Governing Body who appealed to Cabinet to allow the school to remain open and to operate under a Licensed Deficit Budget Agreement.

The Governing Body explained that they had been working hard to develop a robust financial plan but the situation with COVID 19 had meant that they had been unable to promote themselves as much as they would have liked. Members agreed to allow the Governing Body more time to provide a financial plan that provided assurance that the school was viable going forward.

The Local Authority has held termly monitoring meetings to review the financial plan submitted to Members with the Governors and Leadership Team of the school.

The Governing Body has now come forward and having exhausted all options to address the pupil numbers and financial situation, requested that the council considers beginning formal consultation to close St Teresa's Catholic Infant School.

### **Recommendation:**

(1) Members agree to begin formal consultation process on the closure of St Teresa's Catholic Infant School within the timescales identified in Section 4 of this report.

### **Reasons for the Recommendation:**

The Local Authority has the power to consider all options and to agree to the request made by the Governing Body.

**Alternative Options Considered and Rejected:** (including any Risk Implications)

Alternative options have been explored by the Governing Body with support from Officers prior to the governing body making their request.

**What will it cost and how will it be financed?**

**(A) Revenue Costs**

The financial deficit at 31<sup>st</sup> March 2022 is projected as -£134,500 and the deficit position at the 31<sup>st</sup> August 2022 is expected to be higher than this because of closure costs identified in paragraph 3.3. However, some of these are unknown at this time and further work will be needed to identify these costs. There is also the potential for some pro rata DSG school formula funding allocation to offset the final deficit position.

There will also be a loss of funding for Education functions to maintained schools (£500), the loss of Traded Service income (£34,450) and reductions to the amounts de-delegated funding towards specific central functions (£3,100).

The Council has sufficient provision assigned to cover the closing deficit, however losses in income from Traded Services will need to be met from with appropriate Service Department budgets. The overall financial position of the school will be carefully monitored up to the point of closure and will be reported to members when this is known. This will be a more financially favourable option for the council than the school remaining open and the deficit increasing which will have an impact on the overall Council finances

**(B) Capital Costs**

N/A

**Implications of the Proposals:**

<b>Resource Implications (Financial, IT, Staffing and Assets):</b> Staff from Corporate Finance and Corporate Personnel together with Business Support have continued to provide support to the Governors and Leadership Team of St Teresa's Infant School over the last 18 months	
<b>Legal Implications:</b> Any proposal to close the school will follow the requirements of the School Organisation (Establishment and Discontinuance of Schools) Regulation 2013 and statutory guidance.	
<b>Equality Implications:</b> There are no equality implications	
<b>Climate Emergency Implications:</b>  The recommendations within this report will	
Have a positive impact	Y
Have a neutral impact	N
Have a negative impact	N

The Author has undertaken the Climate Emergency training for report authors	Y
As the school building would not be used then this will impact on less use of energy. It will also impact on car usage in the area.	

**Contribution to the Council's Core Purpose:**

Protect the most vulnerable: All children including those with SEND and vulnerable groups will still be able to attend a Catholic school.
Facilitate confident and resilient communities: All children will be able to attend the school which they would normally move to in KS2 as this is currently only an infant school.
Commission, broker and provide core services: All children will still be able to attend a Catholic school in the catchment area.
Place – leadership and influencer: N/A
Drivers of change and reform: N/A
Facilitate sustainable economic prosperity: N/A
Greater income for social investment: N/A
Cleaner Greener N/A

**What consultations have taken place on the proposals and when?**

**(A) Internal Consultations**

The Executive Director of Corporate Resources and Customer Services (FD 6565/21) and the Chief Legal and Democratic Officer (LD 4766/21) have been consulted and any comments have been incorporated into the report.

**(B) External Consultations**

“Teams” meetings with Governing Body and Leadership Team in School, emails with Governing Body, elected members and LA officers

**Implementation Date for the Decision**

Following the expiry of the “call-in” period for the Minutes of the Cabinet Meeting

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## **Appendices:**

Statement from Governing Body requesting that the Council begins the formal closure process of St Teresa's Catholic Infant School. (Annex A)

## **Background Papers:**

There are no background papers available for inspection.

### **1. Introduction/Background**

- 1.1. St Teresa's Catholic Infant School has suffered from falling pupil numbers since receiving a poor Ofsted judgement and they have never fully recovered from this even after achieving a good Ofsted judgement in February 2018. There has also been a decline in the nursery/infant population in the area which has exacerbated the problem.
- 1.2. Governing bodies have a duty to set a balanced budget each year and the Governing Body of St Teresa's Catholic Infant School has worked hard to reduce costs and set a balanced budget, however the school has been operating under a Licensed Deficit Budget Agreement since April 2019.
- 1.3. On 30<sup>th</sup> July 2020 Cabinet agreed to cease the statutory closure process for St Teresa's Infant School and to allow the Governing Body time to implement the revised financial plan which they had presented to Members. The Governors gave Members assurance that the revised financial plan would bring the school back into a balanced budget position and make it viable going forward.
- 1.4. The Governing Body have now explored all avenues to increase pupil numbers and reduce the financial issues however this has not impacted on an upturn in pupil numbers. The Governing Body contacted the LA and the Archdiocese on 20<sup>th</sup> October 2021 to ask the LA to consider consulting to close the school.

### **2. Pupil Numbers / School Capacity**

- 2.1 St Teresa's Catholic Infant School now has 15 pupils on roll as at October 2021 which means that the surplus capacity is now 75 or 83.33%. All pupils would be accommodated in Our Lady of Lourdes Catholic Primary School, which is the feeder school for children in Key Stage 2.

### **3. Financial Position of St Teresa's Catholic Infant School**

- 3.1 St Teresa's Catholic Infant School has been struggling financially for several years and the Governing Body has worked hard to reduce costs but have unfortunately not been able to set a balanced budget since 2018/19.
- 3.2 The school ended the 2020/21 financial year with a deficit of -£55,316 and although the Governing Body has made several staffing adjustments in August 2021 the current budget shows the deficit rising to -£134,466 by the end of the current financial year.

- 3.3 There will continue to be staffing and running costs in 2022/23, if the school continues to operate until 31<sup>st</sup> August 2022. When the school closes there will be closure costs associated with the discontinuation of the site along with any potential contractual liabilities that are still outstanding and severance costs for displaced staff. Many of these costs are unknown at this time but will add to the identified deficit position at 31<sup>st</sup> March 2022. There may be some residual School funding from 2022/23 to offset some of the additional costs but, again, this cannot be calculated at this time.
- 3.4 Maintained schools pay a contribution from their delegated budget each year to the Local Authority towards the costs of meeting its statutory education functions and central services to maintained schools. The amount St Teresa's currently pays for this support is £3,600 and this income will be lost when the school closes.
- 3.5 St Teresa's Infant school also buys into many traded services from the Council which will cease when the school closes and this will mean a further reduction in income to the Council of approximately £34,500

#### **4. Timescale for consultation on formal closure of the St Teresa's Catholic Infant School.**

4.1 The consultation process timescale on the formal closure of the school would be as follows:

Action	Start Date	End Date	Comments
Initial report to Cabinet	04/11/21	18/11/21	Allow 10 working days for publication of minutes and call in
Consultation	22/11/21	4 weeks consultation period which would end on 17/12/21	Stat Guidance says for the LA to determine the length but best practice for it to be in term time
Report to Cabinet on outcome of consultation and permission to publish statutory notice	03/02/22	17/02/22	Allow 10 working days for publication of minutes and call in
Publication of Notice	02/03/22		
Representation period	02/03/22	30/03/22	Four weeks statutory period
Decision – Cabinet	26/05/22		This leaves three months for staff consultation.
Implementation	31/08/22		

- 4.3. The deadlines for each stage are influenced by Cabinet deadlines and call in so these have been built into the dates above. If these are not adhered to then the whole timescale will slip. According to the Department for Education guidance it is up to the proposer to determine the nature and length of the pre-publication consultation.
- 4.4 If the Council agreed to a 6 weeks consultation period then this would require an extra 9 days at the start of term to cover the Christmas holiday period and so finish on 17th January 2022. The deadline for submission of reports to Cabinet for the February meeting is 17th January 2022 and so any report would then have to go to the March 2022 meeting and the process would be postponed further.
- 4.5 It is recommended Council agree to the shorter 4 weeks consultation period included in the table above to meet the proposed closure date of 31/08/2022.