

## APPENDIX B

### WORCESTERSHIRE SCHOOLS FORUM CONSULTATION SUMMER TERM 2007 PROPOSALS FOR A SCHEME TO SUPPORT SCHOOLS IN FINANCIAL DIFFICULTY

#### SUMMARY OF CONSULTATION COMMENTS

##### **Q1.**

Do you support the proposal to introduce a scheme to support schools in financial difficulty?

##### Astwood Bank First

Yes – Comments made on supporting schools with poor financial management are right but need to recognise there are some situations that arise which cannot be planned for.

##### Basdey First

Yes – Provided the schools in financial difficulty meet the LA stringent criteria and are not in deficit as a result of poor financial management.

##### Broadwas CE

No – Should be supported by County Council not penalising well performing schools.

##### Far Forest First

Yes – In small schools, which are financially well-managed can still get into trouble when circumstances work against them e.g. maternity, long term sickness, etc.

##### Inkberrow First

Yes – We are currently at the start of a 2<sup>nd</sup> year of submitting a deficit budget caused entirely by staff illness and absence. It is hard to see how we will get put of this position and feel strongly that the children deserve to have money spent on new resources.

##### Leigh and Bransford

Yes – Support in principal with the proviso other schools equally under funded do not lose out in the process to financial weaknesses elsewhere.

##### Lickey Hills Primary

Not Sure – Although the scheme has very definite and firm criteria, the source of funding (DSG headroom) is a concern. It is still money that could go to good use elsewhere. Section C4 also implies that some schools will and some will not receive support – perhaps depending on DSG availability? Can see the value of

the scheme but can also see it could be unfair to schools that have had to make hard choices and meet their financial limits.

#### Oak Hill First

Yes – As long as criteria are rigidly applied.

#### The Marlpool First

Yes – Subject to the very tight restrictions proposed and subject to the review of the scheme in the medium term. WSF should be made aware of how much progress schools in financial difficulty are making. Also open scrutiny of schools who fall into this category in the future – if figures rise is this because of the fall back scheme? If so, the scheme must cease. WSF should have all the information to enable a pattern to be established. The last thing wanted is for the scheme to encourage poor financial management of schools.

#### The Vaynor First

Unsure – Why would anybody not wish to consider a scheme that supports schools in financial difficulty? I would expect that more schools than not would endeavour to adopt best practise when producing budgets though there are still a high number of schools with a deficit budget in our region.

Certain schools with a high proportion of high scale teachers and low intake could find themselves falling into the deficit bracket and are perhaps more deserving of such a scheme.

Would the funding come from a central pool funded by a reduction in the money made available to schools?

It would also be very important to monitor whether schools deliberately overspend knowing that this overspend could be subsidised by this scheme on a 50-50 basis.

More information regarding funding sources is required before a definitive “Yes” or “No” answer can be given.

#### Webheath First

Yes – Provided that schools that are just managing to run their budgets are not penalised financially. Provided that schools with large reserves are required to ‘spend it or lose it’.

#### Blackminster Middle

No – May encourage lack of financial discipline.

#### Dingleside Middle

Yes – A support scheme is essential.

Bishop Perowne CE College

No – no other schools should suffer from the financial mis-management of others.

Christopher Whitehead Language College

Unsure – Not totally opposed **but** generally no.

The context of the deficit has to be taken into account. Is it a previous regime? Exceptional circumstances? Or financial extravagance?

I would hope the LA could monitor and intervene/support in exceptional circumstances.

Hanley Castle High

Yes – Support the need for a scheme in principle, but recognise the real difficulty in establishing a clear scheme, which will operate in a timely and equitable way.

Kingsley College

No – It is the LA's duty to monitor individual schools finance and to intervene to prevent the need for additional money to be found. There are many circumstances such as the creation of new schools when there has been no additional funding. This scheme seems to be rewarding poor controls both by schools and the LA.

North Bromsgrove High

Yes – We see this as a strategy, which provides schools in our situation to release themselves from the encumbrance of significant debt, which is unlikely to have been created by present management.

Stourport High

Yes – in the sense that schools should be assisted to reduce the deficit through prudent financial management. However very concerned that this could 'support' less prudent schools and where this would be funded.

Trinity High

No – Schools should not have been allowed to run up such deficits in the first place.

These schools have already received large amounts of intervention funding/LA support and PFI build.

This scheme moves the goal posts – even the football league has penalties for going into administration.

The scheme provides perverse incentives.

Schools in the situation described have still managed to fund existing projects and pay senior staff much higher than average salaries (where is the cost cutting other schools have to go through?).

Wolverley High

Yes – Support this reluctantly but believe that some circumstances require it.

**Q2.**

Do you have any comments on the 'unique individual school circumstances' as described in paragraph B2 of the draft scheme?

Bayton CE Primary

No – Do not support proposal as a whole.

Beaconside Primary

Yes – Greatest need maybe to support an action plan to move a school out of a category.

Broadwas CE

No – LA responsibility to monitor schools in financial difficulty and put in a plan to address the issues.

Far Forest First

Yes – Under point 5 if HT retires or moves on and leaves the new HT with a deficit budget the new HT should be given support. Not fair to take on new school and be saddled by other previous mis-management.

Leigh and Bransford

Yes – As a contract HT working in schools with unique circumstances feel such schools will need help to right themselves under new management. However, this must be done sensitive to other schools needs in such an underfunded rural County. Perhaps action before the rot sets in would be more cost effective as County receives budget summaries each financial year and knows the financial statistics.

Lickey Hills Primary

Yes – But why support schools changing OFSTED category? This should not impinge on good financial management.

The Vaynor First

Yes – The “unique individual school circumstances” is a very general phrase. Three examples are given but are there many more. If schools comply to these there are many other aspects in section (6) & (11) which one would need to abide by?

As Q1 above, it may be necessary to include circumstances where consideration is given to a school if intake is low or that a high proportion of teachers are on a high pay scale.

### Christopher Whitehead Language College

A qualified yes – if there is a clear time frame, expectation and standards linked to funding, i.e. danger is that continual poor funding is rewarded by extra funding, i.e. school in Special Measures.

### Hanley Castle High

Yes – Understand and agree the thrust of the exemplar criteria, but recognise that the judgements on these are inevitably subjective.

### Kingsley College

Yes – The circumstances are very vague – what ‘past issues’ – these need to be more fully defined.

### North Bromsgrove High

Yes – We believe the identified criteria are appropriate because they ultimately protect the interests of the students while corrective action on budgetary issues is taken and for them to learn in a thriving environment. We feel there is a need in regard to the second and third points for evidence of serious interventions/changes to have been made to the leadership of these schools to support their application to the scheme.

### Stourport High

Yes – Accept that new HT’s and GB’s need a way forward however the ‘circumstances’ seem to allow considerable flexibility and may disadvantage the more prudent schools.

### The Chase High

Yes – Very fair the ‘past’ should not hinder a ‘move forward’.

### Trinity High

No – The whole picture of support needs to be costed in real terms. Schools are constantly asked to assess IMPACT. Some schools have received considerable support but yet there is little impact. In such cases the LA needs to be more radical – not simply reactive.

### Wolverley High

Yes – The scheme should be very limited and the usual expectation should be such things as previous poor management and decisions outside of the control of the school e.g. introduction of an Academy that affects student numbers significantly, decisions made by the LA over catchment areas, schools after reorganisation facing exceptional circumstances. In the case of the first issue it should be expected that the HT responsible for the mis-management has resigned or is dismissed.

Blakebrook Special

Yes – But the third bullet point is too open ended.

**Q3.**

Do you agree with the proposed current and future qualifying time criteria as detailed in paragraph B6 of the draft scheme?

Bayton Primary

Yes – if support scheme is introduced.

Beaconside Primary

Unsure – Seems a long period during which time the debt may have been self-perpetuating.

Far Forest First

No – May be difficult to have surplus within 2 years – every situation is different.

Inberrow First

No – to the proposed timescales. We feel 5 years is too long in a child's life. You could have 3 years of restricted spending, which will have a knock on effect to future purchasing.

Leigh and Bransford

No – The deficits should be tackled earlier and financial expert advice given earlier along with quarterly budget monitoring to reduce costs. I chose to maintain an acceptable budget – support is there and HT's should use it early.

The Vaynor First

Unsure – The timings are quite subjective. It may be worth having more than one set of qualifying periods to suit different schools where there are many possible permutations, e.g. deficit for 2 or 1 year with a surplus of 2 or 1 year followed by in surplus for 2 or 3 years. Is there good reason to have a 3 or 4 year plan as an alternative option?

Although appreciating that the long term suggestion of this scheme will attract schools in long term financial difficulty, other schools may suffer harder in the short term and if such a school is in deficit for 3 years initially as the scheme currently suggests, this could bring real hardship on the school and in turn the performance of the pupils and this time cannot be retrospectively given back to the children

Dingleside Middle

No – Circumstances may prevent an in-year operating surplus for the following 2 years, which are beyond the control of the school. Intervention on a quicker timescale may prevent 3-year deficit positions reducing the effect of accumulation.

### Hanley Castle High

Unsure – Understand the need for caution and the desire to ensure any financial assistance is wisely targeted. However, the overall length of the proposed scheme (8 years) appears to be too long to benefit genuinely 'reformed' schools in a timely fashion.

Perhaps the 'qualifying' time could be reduced to 2 years deficit, followed by one year of surplus?

It is, though, appreciated that this introduces greater subjectivity in judgements and increases the risk of unsuccessful support and the consequent loss of confidence in the scheme.

### North Bromsgrove High

Yes – While we believe this permits the time to rectify their overspends before they become 'serious' the criteria of achieving a surplus (year on year) over two years is restrictive. We feel that demonstrates effective action to correct imbalances over a 2-year period should be sufficient evidence of real commitment.

### The Chase High

Yes – As long as 'everything possible' is done to rectify a deficit.

### Trinity High

Yes – but only if the scheme operates from 2007 onwards i.e. is not retrospective.

### Wolverley High

Yes – The main issue is what action the LA will take to prevent the situation arising. Another important issue is that a school has to demonstrate an in-year surplus before qualifying. In some circumstances, e.g. successive significant falls in pupil roll this may be difficult to do. However, it is again what action the LA takes to help the school reverse the deficit.

**Q4.**

Do you support the limits on support and matched funded proposals in paragraphs B8 and B9 of the draft scheme?

Bayton Primary

Yes – if support scheme is introduced.

The Vaynor First

Yes – Subject to where the funding is coming from it is perhaps reasonable. The 50-50 (LA – School) contributions need to be at or around this level to encourage schools to make good non-deficit budgets.

There would not be an incentive for schools to set a good budget if the LA were to fund 60, 70 or 80% contribution (trusting that schools satisfy all other qualification criteria (e.g. section 2, 6 & 11)).

Walkwood CE Middle

No - Do not think we should be so prescriptive. Suggest the school's contribution should be open to negotiation.

Hanley Castle High

Yes – Using benchmark limits seems reasonable.

Without the scheme the school would have to provide 100% of deficit recovery funding, so 50% assistance is a bonus.

However, it could be argued that a larger proportion of assistance could beneficially accelerate recovery to a non-deficit situation and hence enable the school to invest in development sooner.

North Bromsgrove High

Yes – These proposals are reasonable but challenging.

Stourport High

No – Need to fully understand the implications of this.

**Q5.**

Do you think all the necessary safeguards are covered in the list of criteria in paragraph B11 of the draft scheme?

The Marlpool First

Yes – May be others will be identified as the scheme gets underway. This will need to be standing item on the agenda for the WSF, maybe even a small group of HT's to scrutinise figures in detail before going to the WSF.

The Vaynor First

Yes – Are there too many safeguards? Should there be a minimum number of these criteria that are satisfied (see paragraph 1, Q7)?

Christopher Whitehead Language College

Yes – I would have the LA auditors working with Middle Management checking mid year spending/SIP, etc.

Hanley Castle High

Yes – Appears to be comprehensive.

North Bromsgrove High

Yes – it should prevent any school/leadership team 'using' the scheme as a 'way out' of taking necessary corrective action.

Trinity High

No – The school may have removed the key personnel but if they are simply moved or move elsewhere in the County the risk of deficit budgets still remains.

If not is there anything else that needs to be included?

Blakebrook Special

Yes – The school can demonstrate that its outcomes for learners are at least satisfactory.

**Q6.**

Do you support the proposals for application and approval as detailed in section D of the proposed scheme?

Leigh and Bransford

Yes – Perhaps add that within the application detailed information of what work has already been done to cut the deficit, reasons why this did not work and why help is needed now.

Lickey Hills Primary

No – unsuccessful applicants should be able to re-apply if they can meet the conditions that caused the application to be rejected.

The Vaynor First

No – Why no right of appeal? Should there not be a process involving an independent body to ensure a fair and consistent approach?

Christopher Whitehead Language College

Yes – This should be transparent, i.e. school A is getting X to have a Behaviour Base. Helpful to all, highlights expectation.

Droitwich Spa High

Yes – However believe that the County Council also reserve the right to withdraw/cease funding if no headroom exists.

Hanley Castle

Yes – It is important to have WSF involvement in the approval process to avoid accusations of WCC unfairness or bias, particularly as there is no effective appeal against unpopular decisions.

Manor Park Special

Yes – but why is there no right of appeal against an unsuccessful application? Having given a reason for failure it may be possible to provide better evidence, etc. but only one re-application should be allowed.

**Q7.**

Are there any other comments you wish to make regarding these proposals?

Leigh and Bransford

Yes – Deficits should not be allowed to fester over several years; prompt action early is more cost effective for schools and the LA.

Oak Hill First

Yes – Governors willingly support small schools that find themselves in difficulty due to no fault of their own. Reluctant to support high schools with large budgets. Why were schools left so long without intervention/support?

The Marlpool First

Yes – Would like to think that any school benefiting from the new proposals would have their finances open to scrutiny by LA officers. Also suggest a HT of a similar school (size, FSM, phase, etc) who has managed to set and maintain positive budgets be asked to look at all areas of spending to identify areas of overspend. Benchmarking is required.

The Vaynor First

Yes – There are an awful lot of ticks in boxes necessary to qualify. Are many of them formalities or would this preclude even the better schools had they been in deficit budget for three years? If so should there be a minimum number of rules that are needed for application or is the document detailed in a way such that schools align with B2 & B6 and then only a very small number then satisfy section 11 and its 7 rules and hence are awarded funding?

Where exactly will the money come from? Will it ultimately mean less funding available for the schools not qualifying for financial assistance, which could in turn, bring them into financial difficulties?

For what reasons did the WSF previously resolve not to consider this scheme? What has changed to now make them think it worthy of consideration?

What would the safeguards be to ensure that the scheme did not support or protect poor financial management?

Christopher Whitehead Language College

Yes – I hope, perhaps naively, that schools will be rewarded for good financial performance, i.e. the incentive to always to prudent and not go for the easy quick fix can be frustrating.

Redundancy where there is excess staffing is virtually impossible with the excellent John Draper refusing schools to manage their staffing and ensuring schools carry staff unnecessarily. This has a major impact on budgets.

Please can we fight more publicly for a fairer funding system that lets our parents know the iniquitous system we are in.

#### Droitwich Spa High

Yes – There seems to be an inconsistency between the longevity of a package of financial support and the timescale of knowledge of availability of headroom. Also, approval needs to be Director or Assistant Director level.

#### Hanley Castle

Yes – The title of the scheme is somewhat misleading as support is only proposed for those who have essentially overcome financial difficulty, but are still faced with a legacy deficit situation. It is in effect a scheme to accelerate recovery from a legacy deficit. Perhaps School Deficit Recovery Scheme would be a more appropriate title?

#### Kingsley College

Yes - The vast bulk of questions assume agreement and are therefore not valid if you disagree.

#### North Bromsgrove High

Yes – Schools who manage their finances effectively are to be congratulated and this and the effective management of finances is what schools that are in debt aspire to. Regrettably circumstances can and do change a school's fortunes very quickly. To have the opportunity to take action to correct indebtedness and to rectify an inherited debt for a new leadership team is very important. It provides a realisable goal, which allows the school to aspire to 'normality'.

#### Stourport High

Yes – concerned that there may be a number of schools in these circumstances.

#### The Chase High

Yes – The school has had to respond to a deficit due to falling rolls in the 6<sup>th</sup> form – it has been hard but we have achieved it – schools must be encouraged to clear deficits by realistic cuts if necessary.

#### Trinity High

Yes – Closer monitoring from the LA should prevent such situations happening.