

Green Text: Questions prepared by Cllr Blackie

Red Text: Questions prepared by parents of West Burton School

Black Text: Answers prepared by the LA (Strategic Planning, Finance Team and HR)

West Burton Financial Viability – Response to Questions Raised

- 1) How many pupils would it need on the school roll to bring West Burton (as a stand-alone school) into a break even financial situation?
- if it adopted the savings indicated by you in the attached Viability Assessment
 - if it did not

The school would need approx. 36 pupils to break even based on the funding formula and income and cost assumptions included in the budget projection provided. It is important to note:

- The budget projection provided is an example of an operating structure for a small school based on average costs for other small schools in North Yorkshire and actual costs and income for West Burton where available. It is up to individual schools to decide staffing levels, structure and non-staffing costs. Clearly these decisions will impact on the financial viability of the school and the break-even position.
- The break-even position assumes that the school continues to receive sparsity funding which is subject to the school continuing to meet the sparsity funding criteria. The sparsity funding calculation is based on the size of school i.e. the smaller the school the greater the value of sparsity funding received. A 'sparse' school of 22 pupils would receive £39,008, a 'sparse' school of 36 pupils would receive £30,980.
- The financial break-even position is calculated on the 2017/18 price base. Any future pay award and inflationary cost increases will impact on this position if there is no corresponding increase in funding levels.

The Bainbridge, Askrigg, West Burton (BAWB) Federation operate an amalgamated budget so the current financial position for West Burton is not reported separately, therefore a break-even number of pupils cannot be determined based on the current operations as the individual school budget position is not available (see also Q2 below).

- 2) I asked at our meeting last week for an explanation I can give to the meeting as to why the balances at West Burton School went down from £29,400 in 2015-16 to a deficit of £7,900 in 2016-17. Were you or Sally able to discover why there was a negative turnaround of £37,000 in the space of one year??

Although schools in a federation are allocated funding through the formula for the individual Schools, when it comes to managing finances, the model chosen by the federation is to manage the budget, and report it, as one single entity. However the school has been able to produce an indicative split for each school and these show the following balances at 31.03.17:

Askrigg: £17.6k deficit
Bainbridge: £0.2k surplus
West Burton: £21.5k surplus
Overall: £4.1k surplus

It is stressed however that these are indicative. If there were to be any change in school organisation (e.g. one or more of the schools were to close), the LA would undertake a due diligence exercise to ensure these figures were as accurate as is possible, albeit a certain amount of apportionment would be necessary. For example, this split is based on an equal allocation of some costs to all three schools. However were this allocation to reflect actual pupil numbers, the surplus reported for West Burton could potentially be much lower. These

figures differ from those reported last week in that the earlier figures were draft and before final accounting entries had been done. They also included the capital balances. In fact the council's financial system will match the return to DfE which will show only one figure for the federation and this will be a £4.1k revenue surplus and a capital balance of £20.7k.

We would therefore caveat these figures very strongly at this stage and before any due diligence has been undertaken.

The reported revenue balances (as per the Consistent Financial Reporting (CFR) Returns submitted by the school) for West Burton for the last 7 years are as follows:

Financial Year	Revenue Balance (£)	Funded Pupil Numbers
2010/11	4,894	43
2011/12	17,417	44
2012/13	23,687	42
2013/14	35,208	43
2014/15	35,684	41
2015/16	29,359	36
2016/17*	N/A	31

*Amalgamated CFR return submitted for the BAWB Federation.

- 3) Please explain the (MFG) funding cap to me. What is it other than a further drag on the financial resources of West Burton School ?? Who imposes it on primary schools ??

The Minimum Funding Guarantee (MFG) is a national requirement, with the funding methodology determined by the DfE. The DfE description is as follows:

The minimum funding guarantee is a protection for schools against significant year-on-year changes in pupil-led funding. For 2017-18, it limits the reduction in a school's pupil-led schools block funding to 1.5%. Gains in schools' per-pupil funding may be capped and scaled back to ensure that the funding of other schools in a local authority does not decrease by more than 1.5%. Capping and scaling may only be applied to the extent that it offsets the costs of the Minimum Funding Guarantee and it must be applied on the same basis to all schools.

The position in North Yorkshire is that a funding cap of 1.44% has been applied to schools with per pupil funding gains in order to fund the costs of the MFG in the local authority. In the case of West Burton the percentage change in funding for West Burton was 15.9% between 2016/17 and 2017/18 which resulted in the funding cap of 1.44% being applied and an associated reduction in the North Yorkshire formula calculated funding of £8304. The rationale for the funding cap in the case of West Burton appears to be historic and relates to national funding formula changes dating back to the change between 2012/13 and 2013/14.

- 4) You indicated to me that the so-called fairer funding regime that was on the point of being introduced when the General Election was called would offer a £25,000 annual contribution into the budget at West Burton School. Now the General Election is over, and Justine Greening MP (a keen supporter of this funding formula it appears) has been re-appointed the Secretary of State for Education, are there any early indications that it will be introduced ?? It would address significantly the budget deficit for West Burton School shown in your financial assessment.

No further information at this stage but we will continue to lobby for a fairer allocation of funding to schools in North Yorkshire alongside colleagues in other low-funded authorities..

- 5) You say that all schools with 20 – 30 pupils in the LEA will feature a deficit start budget in 2017–18. Of the 7 primary schools in the Upper Dales this would only leave Hawes Primary and Reeth Primary School in surplus, with Askrigg Primary School on the margins. Bainbridge / West Burton / Gunnerside / Arkengarthdale Primary Schools would all be in deficit. How can this desperate financial situation be addressed, in your view ??

Certainly all schools are facing financial pressures. In relation to the 7 schools in the Upper Dales the latest revenue financial information currently available to the LA is as follows:

BAWB Federation	Amalgamated budget for the Federation (individual school budgets not reported separately). This shows a 2016/17 Revenue Budget Outturn £4,125 as above. The projected in-year deficit is £95k showing a carry-forward of £91k deficit as at 31.03.18.
Reeth & Gunnerside	Amalgamated budget for the 2 schools (individual school budgets not reported separately). 2017/18 budget submission – cumulative revenue surplus £64,100, in-year revenue surplus £4,900. In 2018-19 this becomes an in-year deficit of £27k (Note: Gunnerside is not included in the 20-30 pupil school selection as overall pupil numbers for the 2 schools greater than 30 and no individual school budget submissions)
Arkengarthdale	2017/18 budget submission – cumulative revenue surplus £19,900 after an in-year revenue deficit £28,200. (Note: Arkengarthdale is not included in the 20-30 pupil school selection as school only has 13 pupils)
Hawes	Academy – no budget information submitted to the LA

The following table summarises this:

	2017/18 In Year Position £'000	2017/18 Cumulative Position £'000	2018/19 In Year Position £'000	2018/19 Cumulative Position £'000	2019/20 In Year Position £'000	2019/20 Cumulative Position £'000
Bainbridge, Askrigg, West Burton Federation*	-95.2	-91.1	-69.1	-160.2	-92.8	-253.0
Reeth & Gunnerside	4.9	64.1	-27.2	36.9	-7.6	29.3
Arkengarthdale	-28.2	19.9	-26.3	-6.4	-38.4	-44.8

Parents' Questions:

1. **What are the LEA and NYCC's criteria for closing primary schools within North Yorkshire? Are they based on student numbers; finances; Ofsted reports; locality of nearby primary schools?**

There are no set criteria as each case for consideration will have individual circumstances and would be judged as such.

Factors taken into account for any school closure would be:

- Pupil numbers – are they declining to a level which is negatively impacting on educational standards, finance or the ability to recruit and retain suitable staff? Are future numbers expected to increase and be sustained?
- Educational standards – judged both by Ofsted inspection outcomes and the ongoing LA/Diocese/School view of the quality and breadth of educational experience. If educational provision is less than good is there a reasonable expectation of improvement?
- Finance – can the school sustain a balanced budget? If short-term deficits are expected can a medium to long-term recovery plan be assured?
- Staffing – Is the school able to recruit and retain suitably qualified staff and have effective leadership and management in place? If not what is the potential to improve this situation?
- Other schools – consideration of the location and pupil capacity of neighbouring schools.

In addition the following factors must be considered for designated rural schools:

- Educational standards at the school and the effect on standards at other schools
- Alternatives to closure
- The availability and cost of transport to other schools
- Any potential increase in car use
- The impact on the community

There is a presumption against the closure of rural schools. This does not mean rural schools should not close. It means that the 'case for closure should be strong and the proposal must be clearly in the best interests of educational provision in the area'

The overarching judgement for any closure consideration is would a proposal be in the best educational interests of the children at the school and the best interests of educational provision in the area.

2. **Who makes the decision to close the schools? What input does the diocese have in the decision?**

The formal decision to publish a statutory proposal and notice for a school closure is taken by the County Council's Executive. If the school is Voluntary Aided the Governing Body can also make this decision.

In North Yorkshire the County Council's Executive make the final determination of all school closure proposals for all categories of maintained schools.

For a church school the Diocese would be a partner to the County Council and Governing Body in considering what proposal would be in the best educational interests of pupils in the school/area.

The Diocese is statutory consultee for any closure proposal for all categories of maintained school.

3. A parent has heard that as of 2018, West Burton and Bainbridge would both close and that Askrigg would be the sole school site. Is this rumour true, and if so what would happen to current school funds? Any information on any feasibility studies which have been carried out for closing or keeping open the different schools.

The Governing Body of the federation is concerned about the financial position of the three schools. It has been agreed that in the Autumn term there will be a sharing of information with the communities of the three schools and an informal consultation to seek views on the way forward for the federated schools. This consultation will not identify a preferred proposal but will set out the challenges faced.

At this point there has been no decision taken by NYCC, Governors or Diocese as to what, if any, formal school organisation proposal might in future be taken forward for any of the 3 schools in the federation.

If subsequently the Governing Body, NYCC and Diocese did wish to take forward a preferred school organisation proposal this would be subject to a further two stage consultation process in accordance with best practice and statutory requirements.

Regarding feasibility studies this is interpreted as meaning 'financial modelling' and is covered by Q6 below.

4. If NYCC are not changing catchment areas how will this effect children living in West Burton, East Aysgarth, Thoraby and Bishopdale will they find themselves without a school as they will not fall in the Leyburn or Askrigg catchment areas?

At this point there has been no decision taken by NYCC, Governors or Diocese as to what, if any, formal school organisation proposal might in future be taken forward for any of the 3 schools in the federation. As such there are no proposals to change any of the existing catchment areas.

During all school closure proposals consideration is given as to how best to adjust catchment arrangements taking account of the designated 'receiving school'. This is an essential element of any consultation. The standard approach is to ensure that all parishes affected by a closure situation are included in the catchment area of an alternative school following implementation of closure.

5. How much money is needed per year to keep West Burton School running?

This very much depends on the operating structure of the school. If it were a standalone school and if a similar operating structure to that detailed in the budget projection is adopted then a funding level of at least £251,300 would be required.

6. What were the 12+ fully costed potential models discussed with the Local Authority's finance team? Any feasibility studies which have been carried out for closing keeping open the different schools.

Post-meeting note from school: These are internal structural models involving the movement of children between all three schools and can be presented in more detail at an open meeting in the autumn term. At the time of exploring these models, you may recall that we pledged to consider all suggestions made by parents/stakeholders, hence the number of considerations. One of the models was the original proposed by Charlotte Harper (West Burton's KS2 taught at Askrigg) and all others were variants on internal structural change, reducing the total number of teachers/classes in the federation.

7. What are the financials for all three schools, before and after federation? How are these funds spread? Should the separate schools have their own funds?

Response:

The revenue balances for the 3 schools for the last 7 financial years as per the Consistent Financial Reporting returns submitted to the Local Authority are:

Financial Year	Bainbridge £	West Burton £	Askrigg £
2010/11	12,299	4,894	23,974
2011/12	24,650	17,417	19,525
2012/13	22,834	23,687	8,369
2013/14	25,693	35,208	13,581
2014/15	34,299	35,684	28,139
2015/16	20,834	29,359	-10,835
2016/17*	0	0	0

*Amalgamated CFR return submitted for the BAWB Federation - 2016/17 Revenue Balance for the Federation £4,125

2017/18 Delegated Budget Funding Allocations for the 3 schools:

Financial Year	Bainbridge	West Burton	Askrigg
Delegated Budget	£151,651	£190,237	£222,998
Pupil Numbers	18	22	37

The schools continue to receive separate budget funding allocations which they then amalgamate to form the budget for the Federation.

Schools operating within a federation arrangement are able to decide how they structure their budget as follows:

	Funding Allocation	Budget	Consistent Financial Reporting (CFR) Return
Option 1	Individual School Allocations	Individual School Budgets	Individual School CFR returns
Option 2	Individual School Allocations	Amalgamated School Budget operated during the financial year	Individual School CFR returns (generally agreement at the start of the financial year as to how the income and expenditure will be split on an individual school basis at the end the year)
Option 3	Individual School Allocations	Amalgamated School Budget operated during the financial year	Amalgamated CFR return at the end of the financial year.

The BAWB Federation has decided to operate Option 3.

8. Pupil numbers for the three schools from September 2017.

The forecast position for September 2017 is:

Askrigg VC Primary School – 40

Bainbridge CE primary and Nursery School – 23

West Burton CE primary School - 22

9. Guidelines & options re teaching Headteacher. Charlotte Harper is a non-teaching Executive Headteacher. Given the school sizes at West Burton, Askrigg & Bainbridge, we feel that having a non-teaching Executive Headteacher is a luxury none of the schools can afford. It would be useful to understand the best practice, guidelines, rules, etc. re this area. Is Charlotte Harper still qualified to teach? How much could the school(s) save by the Headteacher teaching part time?

The School Teachers' Pay and Conditions Document (STPCD) suggests that a Headteacher should never be expected to teach for more than 50% of their time. However, this guidance relates to a single school and best practice would suggest that this should be reduced significantly where a Headteacher is leading across more than one school. In a three school federation, the view of Education and Skills and HR is that a Headteacher across three schools should have very little, if any, timetabled teaching commitment as this would have the potential to have a detrimental impact on their ability to lead and manage the schools effectively. Other important considerations would be the health and wellbeing of the Headteacher as well as the ability to attract and retain a Headteacher across the federation. If the Governing Body considered any teaching commitment was necessary, the advice would be that this should not be any more than 0.2 fte. Any potential for savings would clearly depend on what potential there was to reduce staffing by 0.2fte and the cost of the teacher who may reduce but as a broad estimate, 0.2 fte of a teacher on M4 would be £5,641 plus on costs.

Miss Harper is a qualified teacher.

10. Details of staff turnover of all 3 schools over the last few years pre & post Federation. It feels like it has been high. Are exit interviews carried out? Why are staff leaving? Money is being wasted on recruitment, supply teachers, Compromise Agreement(s), etc.

Please find attached detailed turnover data for the three schools for the last few years as requested which covers both pre and post federation periods. We have also supplied the averages across primary phase as a helpful benchmark. The detailed data including reasons for leaving is being shared on a confidential basis and is not in the public domain.

The Local Authority does not hold any data regarding exit interviews or whether they are carried out. If schools undertake exit interviews, these are done at school level and any resultant data is held by the school.

There have been no settlement agreements during this period.

Post-Meeting note from school: Please note that the totals include the turnover of MSAs, including part-time and temporary staff.

11. Is there anything we can do about the fact that the BAWB Federation does not have a Parent Governor Representative from a West Burton Parent. We have been told on a number of occasions that Parent Governors are impartial and are not representatives of any one school.

The federation was formed at the time when there was a parent governor representing each of the schools in the federation. However, revised DfE legislation has determined that each federation has two parent governors only and they may be elected from the same school, following the parent governor election procedure.