

Cabinet

13 November 2019

Review of School Provision – Wolsingham School & Sixth Form



Key Decision No. CYPS/03/2018

Report of Corporate Management Team

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Electoral division(s) affected:

Weardale, Tow Law

Purpose of the Report

- 1 To provide Cabinet with an update on the future of Wolsingham School and Sixth Form, following the report to Cabinet on 13 March 2019, which provided information on the review of education provision in Weardale.
- 2 The report sets out the issues and implications arising from the decision of Wolsingham School and Sixth Form to seek to join the Advance Learning Partnership Academy Trust in order to achieve a financially sustainable position for the school going forward.

Executive summary

- 3 Previous Cabinet reports have outlined the funding challenges that all schools face which are particularly pronounced for schools in rural settings which have fewer than 600 pupils (the Department for Education threshold for viability), which includes Wolsingham School and Sixth Form.

- 4 Of a wide number of options set out in the report of November 2017, and subsequently assessed and reported upon, the only viable options facing the school (short of closure) were federation with other schools or for governors to agree to a decision to join a multi-academy trust.
- 5 The option for Wolsingham School to federate with other schools was fully considered but too few schools agreed to form a federation, leading officers to conclude that the savings achievable would not be sufficient to eliminate the in-year and accumulated deficit of Wolsingham School.
- 6 The remaining option, that governors agree to Wolsingham School joining a multi-academy trust, has been progressed. In June 2019, the Advanced Learning Partnership (ALP) accepted Wolsingham School could join their trust, pending resolution of some terms which this report covers. The governing body of Wolsingham School has done due diligence and is in agreement that this action should proceed, with a provisional date of joining the MAT set at September 2020.
- 7 While the school has successfully restructured in order to reduce its in-year deficit, with a plan to bring the school into an in-year balanced position by 2021/22, the Council would need to agree to cover the cumulative deficit from the General Fund at the point of conversion.
- 8 As an alternative to closure, the opportunity presented to the school by ALP's invitation to join the multi-academy trust is considerably more preferable. The consequences of closure, explained in detail in previous reports, are summarised in the current report.
- 9 Implications of the academisation of Wolsingham School are covered, although an arrangement by which the County Council will assume responsibility for operating the leisure provision, including swimming pool, will ensure that a like-for-like offer to the school and community is maintained despite the academy conversion.
- 10 The step to join a multi-academy trust is one that can only be taken by the School but, for reasons detailed in this report, the Council can enable this to happen in preference to the alternative of closure.

Recommendations

- 11 Cabinet is recommended to note the updated position, which would deliver a financially viable solution / future for Wolsingham School and Sixth Form, and agree the following:
 - a) Officers continue to work with governors of Wolsingham School and Sixth Form and from the Advance Learning Partnership (ALP), plus the Regional Schools Commissioner, to deliver the schools decision to join the ALP Multi Academy Trust;

- b) To write off the accumulated deficit of Wolsingham School and Sixth Form at the point of conversion in order to deliver a financially viable future for the school. The costs of writing off the deficit to be met from Earmarked Reserves;
- c) To assume responsibility for operating the leisure provision, including swimming pool, to secure community access and provision going forwards.

Background

- 12 Wolsingham School and Sixth Form, in common with virtually all small rural secondary schools nationally, has faced significant financial difficulties as a result of reductions in admission numbers and changes to the national school funding formula.
- 13 As members are aware, the schools funding formula is restrictive and primarily based on pupil-led funding. This will always disadvantage a small school which serves a large and sparsely populated geographic area, and in which opportunities to attract additional pupil numbers are thereby restricted.
- 14 Representations have been made to the Secretary of State, Department for Education, on numerous occasions regarding the impact of Government policy and funding decisions on rural school provision.
- 15 The long-term impact on families and communities in rural locations if these schools prove to be financially unsustainable and are forced to close is significant. For this reason, officers, elected members, school leaders, parents and other members of the communities affected have been committed to working to achieve a solution that retains the education provision in the Weardale area, while also satisfying the legal requirements that prevent the school from continuing to operating with a deficit budget.
- 16 Since the start of the review process, Wolsingham School and Sixth Form had consistently sought to reduce costs. In January 2018, the governing body independently took the decision to suspend admissions to the sixth form for two years (from September 2018). This action generated savings through a restructuring of teaching. Other economies were made to slow the deterioration in the school's financial position; increased pupil numbers were achieved in part through strong leadership and consistently good academic outcomes which built community confidence.

However, any such positive indicators are not in themselves sufficient to enable an in-year balanced budget to be set until 2021/22 or for the school to start to address the significant accumulated deficit that has been generated in recent years.

- 17 The in-year deficit of the school in 2018/19 was £319,658, leaving an accumulated deficit balance carried forward of £1,559,159 at 31 March 2019. In 2019/20 the budget plans result in an in-year deficit of £289,722 (restructuring plans initiated took effect from 1 September 2019), leaving an estimated deficit carried forward at 31 March 2020 of £1,848,881. The estimated accumulated deficit at 31 August 2020 is £1.967 million.

- 18 The table below shows projections for future years based on the most recent version of the current year's budget plan. Note that although pupil numbers are expected to increase, the school would still have a deficit balance of nearly £2 million by the end of the financial year 2023-24. The pupil numbers quoted are the school's forecasts.

Revenue budget (£, rounded)	2019-20	2020-21	2021-22	2022-23	2023-24
Total Income	3,739,000	3,963,000	4,110,000	4,259,000	4,390,000
Total Expenditure	4,021,000	4,087,000	4,184,000	4,264,000	4,333,000
In Year Surplus / (Deficit)	-282,000	-124,000	-74,000	-5,000	57,000
Surplus /(Deficit) Brought Forward	-1,559,000	-1,841,000	-1,965,000	-2,039,000	-2,044,000
Surplus /(Deficit) Carried Forward	-1,841,000	-1,965,000	-2,039,000	-2,044,000	-1,987,000
Pupil Numbers					
Year 7	133	160	130	140	140
Year 8	119	133	160	130	140
Year 9	111	119	133	160	130
Year 10	81	111	119	133	160
Year 11	92	81	111	119	133
Total Pupils	536	604	653	682	703

- 19 In March 2019, Cabinet considered a comprehensive report on the outcome of the review of education provision in Weardale, including options to address the financial viability of Wolsingham School and Sixth Form.
- 20 It was concluded that there were only two real long-term sustainable solutions to the issues relating to the financial viability of Wolsingham School & Sixth Form:
- (a) the creation of a Federation of several schools with pooled resources, or
 - (b) Wolsingham School & Sixth Form becoming part of a Multi Academy Trust (MAT), either with a sufficient number of feeder primaries or with other schools.
- 21 Cabinet noted that the delivery of these solutions was not within its remit and that the school was undertaking due diligence and considering its position with regards to either federation or academisation and had committed to making its decision by 31 July 2019.

- 22 Cabinet also noted that in the event that neither of the two options (federation or academisation) were taken forward, then a managed closure of Wolsingham School and Sixth Form would become the only alternative option that was available. This was an option that all parties wished to avoid.
- 23 For the option of federation to provide the necessary financial assurances to the s151 Officer, participating schools would need to pool resources (including retained surpluses and deficits), streamline staff (especially at a leadership level) and commit to sharing services.
- 24 Significantly, under a federated arrangement the net deficit position of the participating schools would remain and be the responsibility of the Federation to address over a mutually agreed time-frame. The accumulated deficit of Wolsingham School and Sixth Form is such that it dwarfs the relatively modest surplus balances currently held by other schools in the locality.
- 25 School leaders and governors considered this option but, as detailed in the Cabinet report of 13th March 2019 only 6 schools out of a potential 10 were open to further consideration of forming a federation and even then 2 of these schools stated that they would only be interested in a “soft federation” as they sought to protect their accumulated surpluses. For this reason (and with the two largest primary schools in Weardale ruling themselves out of any future federation), the federation option was simply not a financially viable solution to the significant financial challenges.
- 26 While the governing body of Wolsingham School and Sixth Form began discussions with a number of multi-academy trusts, council officers continued in dialogue with primary schools to seek a staffing arrangement across more than one school that would be most advantageous in the event that no multi-academy trust was forthcoming.

Arrangements to share teaching across Rookhope Primary School and St John’s Chapel Primary School were trialled successfully in the summer term of 2019, and other primaries were kept informed about this initiative. However, it remains the case that, as stated in paragraph 23, the accumulated deficit of Wolsingham School is too great to be much affected by the modest efficiencies that this small-scale project promises, even if extended to a small number of other schools.

- 27 Officers concur with the conclusions reached by the governing body of Wolsingham School and Sixth Form that the savings achievable through a reduced federation would not be sufficient to eliminate or address either the in-year or accumulated deficit of Wolsingham School and

Sixth Form and a position whereby the school was financially unviable would remain.

- 28 As the financial burden would be over many years, it could also place at risk the other schools participating in the federation in the event of unforeseen staffing, building or other commitments.

Becoming part of a Multi-Academy Trust

- 29 It is a policy of the Department for Education that stand-alone academies are no longer permitted. In any event, a school with a significant in-year and cumulative deficit could not, without the discretion of the Regional Schools Commissioner (RSC), become an academy. Identifying a multi-academy trust that might be willing to invite Wolsingham School and Sixth Form to join it was recognised as the only way to achieve financial sustainability through this option.
- 30 In respect of the cumulative deficit, the responsibility for dealing with this depends on the circumstances under which the school becomes an academy. Schools that become academies either do so as convertors or as sponsored academies:
- A convertor is a school that chooses to become an academy.
 - A sponsored academy is one that is directed to become an academy by the Secretary of State. Sponsored academies are usually schools with an adverse Ofsted judgement, which does not apply to Wolsingham.
- 31 Where a school becomes a sponsored academy, DfE policy is that any cumulative deficit has to be written-off by the local authority. Where a convertor has a cumulative deficit, the local authority can choose to write-off the deficit, but is not obliged to do so.

Whilst there are provisions which would allow an accumulated deficit to be taken on by a sponsor, no Multi-Academy Trust would agree to take on a school with such a large accumulated deficit if that deficit was not written-off by the council. Indeed, the trustees of an existing Multi-Academy Trust would be failing in their fiduciary duties as trustees if they were minded to agree such a course of action. An earmarked reserve has been created to cover the cost of writing-off deficits of schools converting to academies where the council has to, or chooses to, write-off the deficit.

- 32 In respect of the longer-term financial position of Wolsingham School, a multi-academy trust would be taking on a financial liability by sponsoring it while it was unable to set an in-year balanced budget. However, the restructuring activity undertaken in 2019, together with other economies

considered below, will bring the school into an in-year balanced position by 2021/22.

- 33 While it is evident that the council agreeing to write-off the deficit would have a negative impact on the Council, it would prevent closure, thereby retaining educational provision and community use of the sport and leisure facilities in this rural area and provide a financially sustainable position for Wolsingham School and Sixth Form going forward. It would also address the risk of legal challenge to the Council should it continue to allow the school to continue to operate in deficit without a realistic recovery plan in line with Department for Education regulations.
- 34 Insofar as this course of action would retain secondary education provision in Weardale, and would have no adverse effect on either standards or the breadth and quality of the educational offer (in fact, possibly improving it by providing students with access to a wider pool of teaching staff and programmes of study), it may be seen as a potentially positive step for both the education of young people and the sustainability of rural communities in County Durham.

Further consideration of closure of Wolsingham School & Sixth Form

- 35 With the option of a federation of schools ruled out, closure of Wolsingham School and Sixth Form would be the only likely alternative to academisation. While there is a presumption against the closure of small rural schools in current Department for Education guidance, the work undertaken as part of the education review of provision concluded that, in the absence of a multi-academy trust to take the school on, it would need to close.

Closure of a school of this size and in this locality would put significant strain on pupil placement in other schools. According to current pupil-place planning data there is insufficient spare capacity in County Durham to disperse all pupils to existing schools within reasonable travelling distance of their homes. Details of an exercise previously undertaken to determine the distance from each child's home address to the nearest school that has spare places available in the relevant year group can be found in the previous Cabinet report on Wolsingham School (13 March 2019).

- 36 In summary, if Wolsingham School & Sixth Form closed the travelling distances for the large majority of pupils would increase significantly; for some the journey would be in excess of 20 miles, conflicting with the Council's objective of promoting and contributing to community cohesion. Additional home to school transport costs would inevitably be incurred, estimated in the previous report as c£110,000 per annum.

- 37 The impact of the closure of the only secondary school in Weardale on the communities there would, as has been stated, be considerable and long-lasting.

An academy solution for Wolsingham School and Sixth Form

- 38 In June 2019 the Trust Board of Advanced Learning Partnership (ALP) met and agreed to take Wolsingham School and Sixth Form into the Trust, subject to certain conditions, which can be met by Wolsingham School and Sixth Form and the Council.
- 39 The agreement of the Regional Schools Commissioner (RSC) to this arrangement is yet to be fully confirmed but informal discussions and precedents would indicate that approval is highly likely.
- 40 The agreement of the Council to accept and address the cumulative deficit of Wolsingham School & Sixth Form at the point of conversion as a cost to the General Fund would be essential. An earmarked reserve has been created to cover this.
- 41 ALP is a County Durham-based multi-academy trust, bordering the Wolsingham School and Sixth form pupil planning area. ALP began with the conversion to an academy of an outstanding Durham school, Parkside, and subsequent expansion including Staindrop School and Hartside Primary. Whitworth Park School joined the Trust at the start of the 2018-19 financial year.
- 42 Due diligence undertaken by the governing body of Wolsingham School, has been completed.
- 43 In the event that all goes to plan, Wolsingham School would become part of ALP in September 2020.

Implications

- 44 One of the key conditions that ALP has stipulated (as any other MAT would) is that the Council formally resolves to meet the cumulative deficit at the point of conversion.
- 45 Of particular concern to ALP is the community leisure facilities and particularly the contract that exists with Lifestyle Fitness (Competition Line), where the school is effectively currently subsidising community sports and leisure facilities. This contract was entered into by the former leadership of Wolsingham School and Sixth Form many years ago.
- 46 The school facilities are used by the community for sport, leisure and a range of other community activities. The school is a central hub for the Wolsingham Community and other communities in Weardale. The school swimming pool and sports centre are widely used throughout the

year. The swimming pool is fully timetabled and is utilised for the following activities:

- Aqua Aerobics
- Swim Fit
- Under 4's
- Canoeing
- Rookie Lifeguards
- Thursday Parent and Toddlers
- Savapass Child and Adult
- Junior and Adult General Swim
- Triathlon Club
- Party Hire
- Family Swim

47 The sports hall is hired out for the following activities:

- Basketball
- Five a Side
- Cricket
- Badminton
- Junior Badminton
- Table Tennis
- Netball
- Short Tennis
- Yoga
- Spinning

48 Wolsingham School & Sixth Form has a fixed term contract with Lifestyle Fitness for the provision of leisure activities. This contract is not due to expire until 2025. Terminating the contract beforehand will result in a financial penalty, which is estimated at £0.5 million. The estimated annual net running costs of the pool and community facilities is circa £40,000.

49 The governing body of ALP have stated that they will not take on the school if this contract novates to them as they would be faced with continuing to fund the deficit on the school's leisure contract from the point of conversion to contract expiry in 2025. Furthermore, they would be taking on responsibility for any costs and reputational issues associated with ceasing the community use of these facilities in future should that decision be taken.

50 Culture and Sport colleagues have reviewed the community use of the facilities and current programming of activities and identified some opportunities to reduce the operating deficit, if not totally eradicate it

over time. There is scope to remove from the school the responsibility for operating the sport and leisure provision, including the swimming pool, which could be taken on wholly by the Council within the Culture and Sport portfolio. The current leisure offer, which is substantial, would be retained as part of this process, but would be reviewed (as all other Council services are reviewed) over time.

- 51 Staff currently employed under the Wolsingham School arrangement would be moved across under TUPE to Culture and Sport.
- 52 Where the school has need of the leisure facilities in order to deliver its curriculum, a dual-use agreement would be brokered guaranteeing the school has access at certain times, as is the case in other schools that share a site with a Council-run leisure provision.
- 53 Under these proposals, the Lifestyle Fitness contract would pass to Culture and Sport. Use by the community for sport, leisure and a range of other community activities should therefore be largely unaffected by the decision of Wolsingham School to become part of a multi-academy trust and have the added advantage of addressing the concerns raised by ALP should this contract novate to them.
- 54 An alternative would be for community use of these facilities to be closed, with the resultant penalty charges being incurred by the school prior to conversion. This would have the effect of increasing the deficit to be written off at the point of conversion.
- 55 The school is a central hub for the Wolsingham Community and other communities in Weardale and the school swimming pool and sports centre are widely used throughout the year. The local community would be significantly disadvantaged by such an approach and the academisation with ALP would be seen as the root cause of such action, with associated negative consequences for the Council, ALP and the school itself.

A further alternative would be for the Council to commit to meeting the deficit of expenditure over income in terms of the community use of these facilities, without direct control over them. This could be for either the life of the existing contract with Lifestyle Fitness or in perpetuity. This is not the preferred solution by colleagues in Culture and Sport.
- 56 Discussions have been held with ALP and a meeting is scheduled (week commencing 04/11/19) at which an agreement on heads of terms will be finalised. The terms will include the commitment of ALP to pay an agreed fee for access to sports facilities during term time and the commitment of the Council, dependent upon Cabinet approval, to write off the deficit of Wolsingham School and Sixth Form on conversion and to take on the Leisure Facility and associated costs and contracts.

- 57 This meeting will also determine the building conditions work that will be required to be completed before the transfer of the Leisure Facility asset. There are some small repair and maintenance works for completion that fall under the responsibility of Wolsingham School and Sixth Form and for which capital funding has already been allocated to the school (such as repair to rainwater goods, decoration and ceiling tile replacement).
- 58 There is also a conditions backlog for the school, identified in the Atkins Conditions Survey, covering some elements that would be seen as the responsibility of the Council to rectify: mainly heating and ventilation works. Agreement will need to be reached about how this necessary work is apportioned so that, at point of transfer, the asset is in sufficiently good repair to the satisfaction of all parties.
- 59 Separately to the leisure provision considerations, other implications need to be recognised. Experience would suggest that an academy trust is likely to buy fewer services from the Council. The table below provides a summary of annual SLA income for the current year by service, which comes to £94,000 in total:

<i>Annual Service Level Agreements bought back by Wolsingham School for the current financial year (£, rounded)</i>	CYPS	Resources	REAL
Education-Support and Development	6,000	-	-
Governor Support	4,000	-	-
Other education-related	4,000	-	-
ICT	-	29,000	-
Insurance	-	23,000	-
Finance/HR/Legal/Payroll/Procurement	-	18,000	-
Building maintenance advice	-	-	9,000
Total	14,000	71,000	9,000

- 60 In addition, schools buy other SLAs as required, and buy other goods and services from the Council. In 2018-19, the total income from this school, excluding annual SLAs, was £21,000:

2018-19 other income to DCC (£)	
Training	3,000
Repairs & maintenance	9,000

2018-19 other income to DCC (£)	
Other SLAs	6,000
Other	3,000
Total	21,000

- 61 Also, as a charitable trust, ALP would qualify for 80% relief on business rates liabilities for Wolsingham School and Sixth Form: for 2019-20, this relief would reduce the business rates received by the Council by £119,500, of which the Councils retained share (49%) is £58,600. It is of note that this would not benefit the school or ALP in this way as all business rates costs are top sliced from DSG funding allocations and therefore the benefit would be spread across all schools in terms of formula funding available for distribution via pupil led funding allocations going forwards.

Conclusion

- 62 Options presented to Cabinet in March 2019 to address the financial viability of Wolsingham School and Sixth Form concluded that there were only two possible solutions that might lead to long-term sustainability of provision:
- (a) the creation of a Federation of several schools with pooled resources, or
 - (b) Wolsingham School & Sixth Form becoming part of a Multi Academy Trust (MAT).
- 63 In the event that neither of these two options were taken forward, then a managed closure of Wolsingham School and Sixth Form would become the only alternative, something that all parties wished to avoid.
- 64 This report provides Cabinet with an update which confirms the decision of governors at Wolsingham School and Sixth Form decision to seek to join the Advance Learning Partnership Academy Trust and the issues and implications of this.
- 65 In terms of implications rising from this decision, the Council is being asked to:
- a) Write off the accumulated deficit of Wolsingham School and Sixth Form at the point of conversion in order to deliver a financially

viable future for the school. The costs of writing off the deficit can be met from Earmarked Reserves;

- b) Agree a proposal for the Council to take on responsibility for operating the sport and leisure provision, including the swimming pool, and absorb this within the Culture and Sport portfolio. This action will enable ALP to commit to Wolsingham School and Sixth Form joining their MAT, subject to the approval of the Regional Schools Commissioner.

Background papers

- Report to Cabinet 15 November 2017
Review of School Provision in County Durham: Ensuring Financial Sustainability of Schools
- Report to Cabinet 12 December 2018
Mainstream Primary and Secondary Formula Funding 2019-20 and Transfer to High Needs Block
- Report to Cabinet 13 March 2019
Review of School Provision – Wolsingham School & Sixth Form: Future options for education in the Weardale community
- Report to Cabinet 10 July 2019
2018/19 Final Outturn for the General Fund and Collection Fund
- Report to Cabinet 10 July 2019
Maintained Schools Budget Plans and Permission to Set Deficit Budgets 2019/20

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Appendix 1: Implications

Legal Implications

The actions described in this report are intended to comply with the Council's duty to exercise its education functions with a view to promoting high standards and the fulfilment of each pupil's learning potential in accordance with S 13 A of the Education Act 1996.

The Corporate Director Resources is responsible by virtue of Section 151 of the Local Government Act 1972 for the administration of the authority's financial affairs. The Corporate Director Resources also has a duty to report certain matters to the authority by virtue of Section 114 of the Local Government Finance Act 1988.

Schools have delegated budgets, but if a school closes or converts as a sponsored academy then any deficit balance remains with the Council, which must meet the cost of writing-off the deficit from its general funds. Surplus balances of closing schools are credited to the Council, but it does not retain any surplus balance for a school becoming a sponsored academy: the academy receives the balance upon conversion.

Local authorities have the discretion to write-off the deficit balance of a school that is converting but not as a sponsored academy. If a local authority chooses not to do so then the deficit transfers to the academy trust.

The funding framework governing schools finance, which replaced Local Management of Schools, is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998. Under this legislation the Council is required to publish a Scheme of Financing for Schools. The scheme sets out the financial relationship between the authority and the maintained schools which it funds, including the respective roles and responsibilities of the authority and the schools. The scheme does not limit unreasonably the flexibility of schools to control and deploy their budgets, recognising the need for public monies involved to be properly accounted for and recorded. The scheme includes provisions which are binding on both parties. Under the scheme, any deficits of expenditure against budget share (formula funding and other income due to the school) in any financial year will be charged against the school and will be deducted from the following year's budget share to establish the funding available to the school for the coming year.

Schools cannot set a deficit budget without the prior agreement in writing of the authority. For clarity, a deficit budget is one where the gross expenditure in the budget plan exceeds the total of funding, income and the balance

(surplus or deficit) brought forward from the previous year. This consent is given by the Section 151 officer - Corporate Director, Resources

Finance

Schools are funded through Dedicated Schools Grant and operate to delegated budgets, which are the responsibility of individual school governing bodies. Where a school wishes to set a deficit budget (where its spending exceeds its resources in-year) it can only do so in accordance with EFA guidance and the Scheme of Financing for Schools, and with the permission of the Council's S151 Officer. In accordance with legal obligations, the S151 Officer may not continue to allow a school to set a deficit budget without a robust business plan that indicates the removal of any deficit over time.

The National Funding Formula puts more funding into pupil-led factors than school-led factors, which could create long-term challenges for smaller schools, because the increase in pupil-led funding will be of less benefit to schools with smaller numbers of pupils.

Should a school close, the additional cost of providing home to school transport to pupils' nearest schools can be significant. There would also need to be significant capital investment to expand other secondary schools to accommodate additional pupils should a secondary school close for financial reasons.

The in-year deficit of the school in 2018/19 was £320,000, leaving an accumulated deficit balance carried forward of £1.559 million at 31 March 2019. In 2019/20 the budget plans result in an in-year deficit of £290,000 (restructuring plans initiated are in place from 1 September 2019), leaving an estimated deficit carried forward at 31 March 2020 of £1.849 million. The estimated accumulated deficit at 31 August 2020 is £1.967 million.

Whilst there are provisions which would allow an accumulated deficit to be taken on by a sponsor, no Multi-Academy Trust would agree to take on a school with such a large accumulated deficit if that deficit was passed on. Indeed, the trustees of an existing Multi-Academy Trust would be failing in their fiduciary duties as trustees if they were minded to agree such a course of action.

In reality, under any form of academisation (ie: pursued as a matter of choice by a school or as an outcome of poor standards which would prompt a 'forced academisation'), the cumulative deficit of Wolsingham School & Sixth Form at the point of conversion would be a cost to the Council's General Fund. An earmarked reserve has been created to cover this.

Wolsingham School & Sixth Form has a fixed term contract with Lifestyle Fitness for the provision of leisure activities. This contract is not due to expire

until 2025. Terminating the contract beforehand will result in a financial penalty, which is estimated at £0.5 million. The estimated annual net running costs of the pool and community facilities is circa £40,000.

The governing body of Advance Learning Partnership have stated that they will not take on the school if this contract novates to them as they would be faced with continuing to fund the deficit on the school's leisure contract from the point of conversion to contract expiry in 2025. Furthermore, they would be taking on responsibility for any costs and reputational issues associated with ceasing the community use of these facilities in future should that decision be taken.

Consultation

In line with a strategic approach described in the Cabinet report, 15 November 2017, consultation with the public is a possible outcome of the Education Review. School communities have, to date, been engaged in consultation through governing bodies.

Equality and Diversity / Public Sector Equality Duty

A decision to close a school can only be taken after consultation, but this action may prevent or inhibit choices of families to send their children to a local school.

Any review or change to educational provision in an area has the potential to adversely impact on protected characteristics, both in terms of pupils, their families, local communities and employees working in the schools. The options described in this and previous reports could involve pupils being required to attend different schools or not being able to access a local school and being required to travel further.

Initial analysis of the potential equality impacts of the review options are as follows:

Any diminution in the quality of education across the Weardale schools will be associated with particular impact on pupils who have learning difficulties, SEN or who are already disadvantaged in their educational attainment. The situation at Wolsingham School where the council has provided an exceptional subsidy will be particularly acute for pupils who have protected characteristics.

The potential equalities impact on protected groups and individuals lies in the voluntary nature of a soft federation. Any random and arbitrary withdrawal from the partnership would pose significant risk to those pupils and staff who are vulnerable.

The mitigating impact of schools co-operating in a hard federation would be particularly strong. A fixed, reliable and secure planning framework of

governance, staffing and finance would enable the delivery of a resilient education to protected groups. It is proposed that these benefits would extend to pupils, staff and governors. Recognition should be given to some variation in staff contracts, changed travel times and potential for some impact on hours worked. It will be important to negotiate mitigation in these areas.

In turn there may be opportunities for and a need to review governance, governor representation, meetings, venues and travel times. Again there will be an important opportunity to mitigate the impact of these changes on protected individuals.

School closures at Wolsingham would impact particularly and directly on pupils and staff in protected groups. Whilst the impact of relocation can be mitigated through degree through careful planning, it is clear:

- travel times to and from school may increase,
- there may be disruption to routine;
- some use of unfamiliar staff and new environments would pose challenges.

For vulnerable pupils there is maybe a need for a personal educational plan or a revised Education and Health Plan. Structure changes to transport arrangements, and to support staff continuity would be required as part of equalities mitigation.

Wolsingham School is frequently used by the community for sport, leisure and a range of community activities and closure of the facility would have potential negative impacts across the protected groups in particular age, gender and disability.

Critical challenge, feedback and advice should come from future public consultations from professional associations, unions and other interested parties.

Although doing nothing and leaving all the schools as they are may initially be favoured by parents, who tend to view the closure of any school in a negative manner, the fact is that because of the size of some schools (in some areas very small), although they are viable currently they may become unviable in future if action is not taken in a planned way.

In addition, whilst some small primaries can be considered financially viable, their local secondary may be in significant deficit and is not financially viable and therefore there must be some action taken. If a local secondary school is closed, parents may also then consider sending their child to a primary school nearby to the school which would become their 'local' secondary school. The consequences of this is that the primary schools may then become unviable over time.

From the process of equalities impact assessment it is evident that there would be potential or actual impact on protected groups of pupils, staff and governors and members of the community consequent on implementation of the Weardale/Wolsingham Review. In particular there are potential impacts in relation to age, disability and gender to varying degrees depending on the outcome of the preferred option taken forward. A copy of the Equality Impact Assessment is attached at Appendix 4.

Climate Change

Increased transport of pupils that would result from the closure of Wolsingham School and Sixth form (outlined in the attached report, paragraphs 38 and 39), would have a negative impact on climate change factors through increased carbon emissions. The extension of more than one secondary school that would also be required in the event of closure will result in impact from increased emissions and other environmental consequences during the building process, although some mitigation will occur on condition any new-build project includes specific energy-efficiency factors. The net impact of closure on climate change, however, will be significantly negative.

Human Rights

Human rights are not affected by the recommendations in this report.

Crime and Disorder

None

Staffing

Potential impact on school staff through re-structuring to address deficit balances, or through amalgamation/federation of schools, is indicated in this report. In cases where the Review proposes federation of schools, there may be implications for staff in terms of adjustments to some terms and conditions (e.g.: travel) but these will be fully negotiated through the relevant trade unions, where required.

Accommodation

If school closures are proposed as part of the review of provision, additional accommodation in other secondary schools will be required. Transfer of maintained schools to become academies may have implications in terms of accommodation where school premises are used by the community under arrangements set up with a maintained school.

Risk

A key risk is that, as a consequence of actions taken by the County Council (including the failure to make timely interventions), pupils and students do not receive an adequate education. There is an additional risk of reputational damage if the Council does not appear to be able resolve the problem of

schools operating with significant and sometimes increasing budgetary difficulties, and allows some schools to continue to set deficit budgets whilst requiring other schools to balance their budgets.

The s.151 officer must sign-off the budget for schools with a deficit budget plan and needs to be able to justify doing so in terms of each school having a robust plan to recover from its deficit. The scheme of delegation allows for deficit budgets, but only for three years, and no more than 20% of the school's budget share, up to a maximum of £750,000. There is a risk of legal challenge from the Department for Education if this statutory function is neglected. There is a risk of external auditors calling into question the actions of the s.151 officer if no credible plans are agreed to resolve the issues described in this report and the Cabinet report of November 2017.

Procurement

n/a