

**DERBYSHIRE COUNTY COUNCIL**

**CABINET**

**9<sup>th</sup> September 2014**

**Report of the Strategic Director for Children & Younger Adults**

**Glossopdale Community College**  
**(Children and Young People)**

1. **Purpose of the Report**

To seek Cabinet approval to provide revenue funding support to Glossopdale Community College.

2. **Information and Analysis**

2.1 **Background**

Glossopdale Community College (GCC) currently occupies three separate sites, two of which are approximately two miles apart. The vast majority of the accommodation on the three sites is in relatively poor condition with a total maintenance backlog of ~£5.4 million, the highest for any Derbyshire secondary school. Over the last ten years there has been a significant reduction in the numbers of students attending the College which has a total capacity of 2,081. The financial impact of this pupil number reduction on the school has been significant. If 2004-05 is taken as a baseline, Glossopdale's 2014-15 Schools Block budget is around 34.6% lower than would have been the case had numbers been maintained (see Appendix 1).

Glossopdale is one of only two secondary schools and academies in Derbyshire which qualify for split-site funding, Matlock Highfields being the other. GCC's historic split-site allocations are attached as Appendix 2. The amount payable has reduced over recent years mainly due to the changes in pupil numbers. The intention of the split-site indicator was to provide additional support to schools which are required to operate on more than one site and thus incur extra costs as a result e.g. duplicate reception and caretaking costs, staff travel costs (journeys and time), duplicated stocks, stores and equipment etc. Anecdotal information from other local authorities (LAs) indicates that Derbyshire's split-site funding arrangements are not significantly out of line with other LAs'.

A related problem is that Glossopdale's floor area (18,729 sqm) is the highest in the county and 40% greater than the next largest (Belper (13,272 sqm)). In

term of floor area per pupil Glossopdale is 2<sup>nd</sup> highest (15.5sqm), against a sector average of 10.1 sqm, with only Meadows Community School in Chesterfield as higher (18.3 sqm).

In 2008 the DfE were concerned that LAs' funding formulae were too complex and encouraged LAs to review and simplify them. In response the Authority consulted schools on a series of changes including the removal of many of the premises factors, including floor area. The formula shares allocated via the floor and grounds areas, energy and swimming pool factors were instead delegated via AWPU.

When this conversion took place, Glossopdale lost out significantly as its premises funding per pupil at that time (£240.62) was well above the sector average of £179.81. As a result the school lost £89,021 (i.e. 1,464 pre-16 pupils multiplied by £60.81 [£240.62-£179.81.]) Subsequently the pre-16 population has fallen to 964, a further loss of budget of around £30,405. As a result of the reduction in pupil numbers, GCC's buildings costs per pupil are much higher than benchmark schools of a similar size as shown in Appendix 3.

## 2.2 Financial Summary

The Authority has worked with the school to review the reasonableness of its spending plans, including the curriculum offer, teacher numbers, support staffing levels and non-employee costs. Given the school's organisational constraints and curriculum needs there is only limited scope for further reductions. The school's current medium term financial plan has the following forecasts:

Fin year	Deficit in year (£k)	Cumulative surplus/ (deficit ) (£k)	NOR (prev.October)
2014-15	(329)	94	1,212
2015-16	(904)	(811)	1,109
2016-17	(1,205)	(2,017)	1,050
2017-18	(1,305)	(3,322)	1,046

The school will have to reduce its staffing still further to reflect continuing reductions in pupil numbers and will also benefit from the impact of the £16.3m additional DSG funding from 2015-16. However, some of this will be offset by increases in costs (pension increases/pay awards etc.) The net savings from these two sources are unlikely to be sufficient to cover the in-year deficits in the next three years.

## 2.3 Request for Financial Support

Glossopdale's is now facing severe financial difficulties which have undoubtedly been exacerbated by the need to operate on 3 very large sites at the same time as the resources to fund these sites has decreased due to formula changes and the reduction in NOR. The Governors and Principal of Glossopdale have now formally asked the Authority for assistance.

The optimum financial solution would be to reduce the school's day to day running costs but realistically this could only be achieved following the creation of a new single-site school. The Authority is endeavouring to provide a solution to this within its very tight capital constraints.

In the interim, the Authority is asked to consider making a contribution towards the revenue shortfall. The school has assessed the additional costs of the split site, based on the Hadfield site's costs, as being between £419k and £528k per annum, the higher figure includes the impact of additional teaching time and catering costs. One model of calculating support would be as follows:

Item	£	Comments
Additional cost of Hadfield site per school	£527,945	2013-14 fig
Add: uplift for inflation – 2% (2 yrs notional)	£10,559	
Less: likely split site allocation 2015-16	£108,929	2015-16 est
Notional premises funding in AWPU	£154,816	2015-16 est
Calculated annual shortfall	£274,259	

It is proposed that the above annual allocation be funded from April 2015 until 31<sup>st</sup> August 2017. Any on-going support beyond August 2017 would be the subject of a further review and would take into account progress towards a new single-site school.

### 3. Financial Considerations

The cost of the additional support for the period April 2015 to August 2017 would be £662,793. The Authority will endeavour to meet this cost from the Dedicated Schools Grant (DSG), however, the current simplified formula arrangements make targeting funding in this way problematic. An application to the DfE to treat funding for Glossopdale as an exceptional item may be required but this is not guaranteed to be approved.

In order that the College can plan its finances it is proposed that the financial support in section 2.3 be underwritten by CAYA's own resources. Any non-DSG contribution would be met by drawing down funding from CAYA's reserves. At 31<sup>st</sup> March 2014, £690k was retained on the balance sheet in respect of grant income from the Education Funding Agency (EFA) for post-16 teacher threshold funding. All the allocations have been made to schools and the EFA has now abolished the grant. If necessary, this reserve could be

released to CAYA's revenue account to fund the financial support to Glossopdale.

Provision of the additional funding would help to reduce the number, and thus costs of, redundancies which the Council would have to meet as it will afford the school more time to make some of the required savings through natural turnover.

4. Other Considerations

In preparing this report the relevance of the following factors has been considered: prevention of crime & disorder, equality of opportunity, human resources, legal & human rights, environmental, health, property and transport considerations.

5. Background Papers

Working files held in CAYA Finance.

6. Strategic Director's Recommendations

That Cabinet notes the financial difficulties faced by the school, and agree:

1. To provide additional revenue funding as set out in section 2.3;
2. To seek to fund the cost from the DSG; and
- 3 Subject to (ii) above, to underwrite the cost from the YPLA Post-16 threshold reserve.

**IAN THOMAS**  
**Strategic Director for Children & Younger Adults**

## Comparison of Glossopdale College's Schools Block Budget 2014-15 vs 2004-05

## Appendix 1

<b>2014-15 SECONDARY 'SCHOOLS BLOCK' ANALYSIS</b>						
<b>GLOSSOPDALE COMMUNITY COLLEGE</b>					<b>2004-05</b>	
					<b>ACTUAL/</b>	<b>RESTATED</b>
	<b>2014-15</b>	<b>2014-15</b>	<b>2014-15</b>		<b>ESTIMATED</b>	<b>2014-15</b>
	<b>COUNT</b>	<b>MULTIPLIER</b>	<b>BUDGET</b>		<b>COUNT</b>	<b>2004-05</b>
		<b>£</b>	<b>£</b>			<b>£</b>
<b>PUPIL LED:</b>						
AWPU: KS3	505.00	3,616.05	1,826,104		892.41	3,616.05
AWPU: KS4	459.00	4,257.12	1,954,018		638.25	4,257.12
Deprivation: Ever 6 FSM	234.49	1,816.26	425,890		372.32	1,816.26
Low Cost High Incidence (LCHI) AEN	236.08	1,077.64	254,412		374.86	1,077.64
English as Additional Language (EAL)	-	321.99	0		-	321.99
<b>NON PUPIL LED:</b>						
Lump Sum	1.00	150,967.40	150,967		1.00	150,967.40
Split Site	1.00	108,928.58	108,929		1.00	-
PFI	N/A	N/A	0		N/A	N/A
Rates	N/A	N/A	152,553		N/A	N/A
<b>ADJUSTMENTS:</b>						
Minimum Funding Guarantee (MFG)	N/A	N/A	0			
Capping	N/A	N/A	0			
<b>TOTAL 'SCHOOLS BLOCK' BUDGET</b>			<b>4,872,873</b>			<b>7,455,629</b>
<b>Reduction over period</b>			<b>34.64%</b>			

\* Actual allocation for 2004-05

N.B. Above comparison can only ever be a proxy measure of financial loss due to the number of formula, data and delegation changes that have taken place over the intervening 10 years

**Glossopdale Split Site funding****Appendix 2**

	Pre 16	Post 16		Split site	
Year	Pupils	Pupils	Total	Funding	Notes
				£	
2000-01	1,619	332	1,951	141,553	Split Site funding based on a Block + KS3 pupils allocation until 2012-13.
2001-02	1,626	275	1,901	145,014	
2002-03	1,617	241	1,858	129,680	First year of Post-16 non-AWPN deduction. Post-16 element of Split Site now technically within Post 16 formula, along with all other Post-16 associated costs
2003-04	1,622	344	1,966	132,693	
2004-05	1,531	385	1,916	127,807	
2005-06	1,504	301	1,805	137,913	Lower Post 16 proportion (20% down to 17%) therefore school keeps more of the Split Site allocation for pre-16 pupils
2006-07	1,464	252	1,716	136,686	
2007-08	1,419	284	1,703	132,190	
2008-09	1,288	294	1,582	119,843	
2009-10	1,246	293	1,539	127,197	
2010-11	1,205	311	1,516	131,591	
2011-12	1,199	321	1,520	136,358	
2012-13	1,105	250	1,355	120,865	
2013-14	1,073	233	1,306	107,159	New simplified DfE driven formula - converted to Lump Sum (only 2 schools - Glossopdale & Highfields)
2014-15	964	243	1,207	108,929	Increase = Inflation + Single Status

**Comparison of Glossopdale School premises spend with benchmark schools****Appendix 3**

		Premises	2014-15	Per pupil
		Exp	11-18	Premises
School	Type	2013-14	NOR	2013-14
		£		£
The William Allitt School	11-16	390,673	985	396.62
Fred Gent Sec -South Normanton	11-16	333,486	867	384.64
Buxton Community School	11-18	458,558	1,257	364.80
Friesland School	11-18	428,090	1,288	332.37
The Pingle School	11-18	445,509	1,051	423.89
Sub total		2,056,317	5,448	377.44
Glossopdale Community College	11-18	681,921	1,208	564.50
Additional cost per pupil				187.06