STRATEGIC CASE STUDY

Strategic stage

03 March 2020

ADVANCE MATERIAL ONLY
**Country of Gaitland**

Gaitland is a wealthy, developed country ranked highly in the global index for per capita income, economic freedoms, education, civil liberties and quality of life. It is dominated by the service industry, which employs over two thirds of the working population. Company law in Gaitland is modelled on that operating in the United Kingdom (UK). Approximately 25% of the workforce is a member of a trade union, and over 50% of public services workers hold union membership. The currency in Gaitland is the Gaitland Pound (£), which is equivalent to the UK Pound.

Gaitland has a two-tier federal government structure. The national government is responsible for areas such as foreign affairs, police, defence, the national transport infrastructure and telecommunications. The second tier of government consists of regional local authorities (LAs) responsible for services including housing, health, social services, planning, the local highway network, leisure and recreation services. LAs receive some income in the form of grants from national government and they raise a significant proportion of their funds from property taxes levied on organisations and households.

The Gaitland national government has struggled in recent years to reduce the public deficit which grew considerably as a result of a global financial crisis in 2007-08 and the economic slowdown which followed. It has already introduced plans to reduce the cost of government by 10% and has indicated very clearly that all national and regional government authorities should plan for further efficiencies and budget cuts.

**Education provision in Gaitland**

Overall responsibility for education rests with the Gaitland national government’s Ministry of Education (the ‘Ministry’). Children with birthdays in a given year are gathered into year groups with schools categorised either as primary schools (for children aged 4 to 11) or secondary schools (for children aged 11 to 18). Although all secondary schools deliver a broad curriculum, some choose to develop a specialism in one area of the curriculum such as science or music. Government mandated assessments (GMAs) are sat by all children in their final year of primary school, comprising short written tests in Gaitlandaise (the official language), mathematics and science. The GMA results are used by secondary schools to identify those children who may need extra support and are also a key indicator used to assess a primary school’s performance. Secondary school students sit formal public examinations in a wide range of subjects, academic and vocational, at the age of 16 and in a smaller number of subjects at 18. The results of these exams are a matter of huge importance as they are used by potential employers and further education providers to appraise applicants. They are also one of the factors used by stakeholders to assess a secondary school’s performance.

All government funded schools have a designated catchment area, or area of responsibility, and LAs are responsible for overseeing the admissions process for each of the schools they run and allocating places to children living in their region. Parents may indicate a preference for a particular school, which the LA will take into account when allocating places, but if the school is oversubscribed priority is given to those children in the area of responsibility living closest to each school. Private schools (i.e. those charging fees for education provision) do exist in Gaitland, but are usually non-secular, selective and expensive – fewer than 5% of the children in Gaitland attend private schools.

**Community schools**

Each LA is required to set up and run ‘community schools’ in its region. Each LA receives education funding from the Gaitland national government in the form of one annual lump sum grant to cover its education management costs, a per pupil school grant to be allocated to its community schools and a supplementary payment for the provision of
Disability and Additional Needs (DAN) support in the region. The DAN payment facilitates the commissioning by the LA of local services to meet the needs of the families and children in their area and consequently many LAs employ staff such as speech therapists and remedial learning assistants to work across their region, dividing their time between all the schools under the LA’s control. The LA has total discretion over how it spends the grant for its education management costs and it could use it to allocate extra funds to community schools, or, subject to fulfilling its legal obligations to provide and run community schools, an LA could allocate it for the provision of non-education related services. LA’s cannot retain any of the per pupil school grant; this has to be allocated directly to each community school to spend on the school’s day to day activities.

Each LA owns the assets and employs all the staff at each community school, and is responsible for administrative matters such as term dates and school hours. Teachers’ pay scales and rates of pay are set for community schools by the Ministry and, as a result of national government budget cuts, have been frozen for the past five years. The school curriculum for all community schools is mandated by the Gaitland national government.

In addition, to help schools meet the socio-demographic challenges which affect some children (such as paying for staff to attend child protection meetings or to make home visits to support and engage with families facing particularly challenging problems), LAs are legally required to provide each school with an additional sum for every pupil on the school’s roll registered by the LA as being ‘in financial need’ (IFN). The IFN allocation to schools is not ring-fenced and may be spent at the school’s discretion.

If a community school believes that additional capital investment is required, its SLT must apply to the LA to allocate the funds in its annual budget. However, recent budget cuts have severely constrained the capacity of LAs to approve such spending.

Community schools are overseen by a board of governors. Governors include employees of the school and local community representatives (usually existing parents, although being a parent is not a governor requirement) and one LA nominee (who may be a parent governor but cannot be a school employee). Governing boards have three roles: to give the school a clear vision, ethos and strategic direction; to hold the headteacher to account for the educational performance of the school and its children; and, to oversee the financial performance of the school, making sure its money is well spent.

Community schools usually have relatively flat organisation structures and are run day to day by a Senior Leadership Team (SLT) consisting of the headteacher, usually supported by some senior teachers and a finance or business professional. The SLT, supported by governors, has autonomy over decision making at the school subject to those matters specifically reserved to the LA or the national government. Additionally, each year group will typically have an appointed staff member who is the year group head and in secondary schools each subject will also have a subject head. Most other teaching staff and support staff report directly either to year group or subject heads or to a member of the SLT.

The Education Quality Agency

The Education Quality Agency (EQA), a non-ministerial department of the Gaitland national government, is responsible for inspecting all government funded education services and for inspecting and regulating all services that provide care for children and young people. The EQA carries out regular inspections of all schools and reports its findings. Its reports are sent to the school, parents, the Ministry, and, for community schools, the relevant LA. The reports are also put on the EQA website.

Schools are assessed by the EQA in four areas: leadership, teaching, student behaviour and learning outcomes. In addition to providing written comments, inspectors give the school a rating in each area, and overall, using a four-point scale: Excellent, Good,
Progress Needed or Failing. While schools that receive Excellent or Good ratings may not be visited again by the EQA for several years, schools with a Progress Needed rating will receive further regular inspections and those with a Failing rating will be subject to an Improvement Intervention Requirement (IIR).

The EQA recommends that all providers of education services regularly evaluate their offerings against the SERVQUAL framework to help them improve the experience of their service users. The EQA also has a good governance framework, a summary of which is provided as Attachment A.

Learning campus status

Until 2003, the provision of state-funded education was delegated to LAs, and community schools still make up a large proportion of Gaitland’s schools. However, in 2003 the national government introduced a new ‘learning campus’ status for schools. Learning campus schools are charitable companies run by trusts and funded directly by national government rather than via grants to the LA. With this direct funding comes the freedom for a learning campus trust (LCT) to make decisions on matters such as its curriculum, staffing, the provision of support services, and it can manage its own admissions process (though, in practice, many LCTs adopt the LA admissions process and in such instances the LA retains responsibility for the whole admissions process in its region).

Transformer schools

Community schools which have been rated as Excellent or Good by the EQA, and which can demonstrate a healthy financial position, can choose to convert to learning campus status. Schools that choose this route are known as ‘transformer’ schools.

Supported schools

One of the cornerstones of the IIR for schools with a Failing EQA rating is that they must adopt learning campus status. However, unlike transformer schools, which manage their own conversion to learning campus status, failing schools are obligated to convert with the formal support of another government approved organisation, the ‘supporter’, which takes responsibility for improving the failing school’s performance. These schools are therefore known as ‘supported schools’. The supporter is responsible for the performance and finances of the school, implementing a suitable governance structure and recruiting the headteacher. Supporters can be existing LCTs, businesses, universities or charities.

Learning Campus Clusters

The trustees running individual transformer schools may choose to operate as a single institution – known as a solo learning campus (SLC). However, the Gaitland national government believes that schools benefit from working together wherever possible and encourages learning campus schools to come together under a single trust, sharing ideas and taking advantage of financial synergies. Transformer schools can either convert to learning campus status at the same time as one or more other schools, or join a pre-existing LCT that is willing to accept them. Trusts which are responsible for more than one school are known as ‘learning campus clusters’ (LCCs) and they are often well placed to act as supporters for failing schools. The board of an LCC, consisting of trustees (directors), and led by a chief executive officer (CEO), is responsible for the overall strategic management of an LCC.

Once an LCC has been established, its board needs to establish suitable governance arrangements to ensure the trust’s intended outcomes are achieved. One key consideration for the board will be how best to delegate responsibility for each of the schools that the trust manages. There is no legally mandated structure and LCCs are free
to choose the structure that works best for its particular circumstances. However, in common with all publicly funded education facilities in Gaitland, trusts are expected to comply with the EQA Good Governance Framework. A Ministry of Education information sheet on LCCs and LCTs is provided as Attachment B.

**Henvale Learning Campus Trust**

**Henvale Primary School**

Henvale Primary School is a highly successful school in the LA of Denshire, consistently rated Excellent by the EQA and historically always oversubscribed. The school, purpose-built 20 years ago, takes up to 630 children, with three classes of 30 in each year group. The school also runs a popular ‘School’s Out Club’, which can take up to 60 children and provides before and after school care for children, which working parents in particular find very useful. Most of the children in its catchment area come from relatively wealthy families and the school is strongly supported by many parents who help with the school’s successful fundraising events, volunteer to provide additional classroom support, and attend school meetings and events. Some parents also provide their time free of charge to help staff the School’s Out Club and to help staff supervise children on school outings. Henvale charges parents for extras (outings, music lessons, clubs etc), therefore providing a wide-ranging extracurricular offer, with most parents convinced about the relevance of such activities to the educational and personal development of the children. An informal network of parent representatives regularly gathers parents’ views and feeds them back to the school, and the school uses a mix of occasional newsletters, website announcements and social media postings to keep in touch with parents. There is general support from parents for the school’s policies on everything from homework to behaviour.

The school has lower staff turnover than the national average and has generally found it relatively straightforward to recruit staff when required and current governors all approached the school to become governors without the need for formal recruitment processes. Each class has the same allocation of teaching capacity as is required in community schools, but the SLT believes that the relatively stable staffing team has over time helped to ensure that excellent teaching practices have been embedded and that this underpins the school’s consistently strong academic performance.

**Conversion to Learning Campus status**

In 2015, the SLT and governors of Henvale school, disillusioned with LA control and confident that they had the skills and knowledge necessary to run the school effectively, decided to convert to learning campus status. Therefore, in 2016, the school successfully transformed into an SLC, run by the newly constituted Henvale LCT (the Trust). The school’s headteacher, Eric Santini, a highly experienced educationalist, and existing six governors (the school’s business manager (Caz Novak, who is a qualified accountant with extensive experience in education finance), the deputy headteacher, one senior teacher and three parents) became the first members and trustees (directors), with the headteacher also taking on the role of the Trust’s chair and CEO. One of the three parent trustees has a background in higher education, one works in a local business (and was the LA nominee when Henvale was a community school) and the third runs a small publishing company, (which is responsible for production of all of the school’s publications such as brochures, posters etc.). The children of all three parent trustees are about to enter their final year at Henvale school.

Once the Trust was established, it took over responsibility from the LA for providing or procuring all support services. Cleaning, lunch time catering, premises maintenance and IT support services have been outsourced by the Trust to national providers. This increased the role of the business manager, as Caz Novak then became responsible for procurement
and contract management, in addition to managing school administration, human resources, management information and finance. An assistant business manager was therefore recruited to provide additional support in the area of finance. The Trust’s forecast outturn budget for the financial year ending 31 March 2020 is at Attachment C. The Trust uses the same budget coding structure as community schools.

Since becoming an SLC, the school has made relatively few changes to the way it is run and managed, believing that its existing business model has been proven to work. Eric Santini and senior colleagues now believe the Trust is ready for new challenges and has agreed to become an LCC with its administrative base at Henvale Primary School.

Conversion to a Learning Campus Cluster

Six months ago, the Trust was approached by a nearby secondary school which wished to convert to learning campus status. Conwellin Secondary School (CSS), rated Good overall by the EQA, has close links to Henvale Primary School as the majority of the students at Henvale move on to CSS at 11 years old. The headteacher and governors of CSS believe that joining the Trust would offer both schools opportunities to develop, share ideas and improve the educational outcomes for all their pupils. This collaboration comes at a vital time as, after a recent change made by Denshire LA to the school’s catchment area, CSS is expanding. From 2021 CSS will also be taking children from another primary school, Kirfell Primary School (KPS). KPS has a maximum of 60 children in each year group and most of them are expected to progress to CSS at the age of 11.

KPS was rated as Failing at its last EQA inspection in December 2019 and, as part of its IIR, it must find a supporter to convert to learning campus status. Given the school’s future link to CSS, and the Trust’s intention to become an LCC, the governors of KPS asked the Trust to become the supporter KPS needed. The Henvale trustees viewed the approach favourably. They are confident that by introducing the Henvale philosophy and management systems to KPS, taking over responsibility for many of the administration functions, adopting a hands-on approach to overseeing the transition to a learning campus, and monitoring progress closely once the changes have been introduced, they can improve KPS’s performance and secure a Good EQA rating within three years. The Trust has therefore formally approved the proposal to bring CSS and KPS into the Trust.

The trustees hope that once fully established as an LCC, they can also persuade two further schools based in a neighbouring town, Trecalin Primary School (EQA-rated Progress Needed) and Trecalin Secondary School (EQA-rated Good), to join the Trust in 2021. They believe this would provide an unparalleled opportunity to improve the learning for children in West Denshire. Their vision for the Trust includes developing a clear single identity across all its schools, delivering strong central management for administration and finance, and outsourcing support services to free up resources for front-line teaching. The Trust is, though, aware of the disquiet felt by many parents about the activities of some LCCs, which is attracting media interest, one example of which is included as Attachment D. The Trust aims to ensure that such concerns cannot be levelled at it during its expansion.

The Trust is aware that an existing LCC in the region, The Newlands Federation, is also interested in expanding and may try to attract the Trecalin schools. The Trust’s board is therefore keen to communicate its vision for the Trust and the benefits it believes it can bring to the local learning community. An extract from the prospectus of The Newlands Federation is as follows:

The Newlands Federation is a Learning Campus Cluster (LCC) with a difference. We understand that each school must be free to attain excellence in its own way and we fully respect the individual identities of each of our schools. Our role is not to interfere, or to manage from the top, but to empower our schools to better manage themselves. We offer each of our schools a shared business framework within which they can expand the
opportunities for their staff, enrich their pupils’ learning, and collaborate to bring excellence to all aspects of their school. Joining us is to become part of a network for success in which each member of the cluster can access the shared benefits of a larger organisation whilst retaining the characteristics that make them unique.

Conwellin Secondary School

CSS is a community school with a capacity of 1,400 children aged 11 to 16, and 450 children aged 16 to 18. Located in a large 1930s building with several playing fields attached, CSS is run by a well-established SLT and supported by a committed group of parent governors, all of whom have children at the school. The school has worked hard to develop ties with the further education colleges in the region as well as with national higher education providers and has also established close links with local businesses which provide sponsorship, careers advice and apprenticeships to their pupils.

In addition to employing a bursar and a team of six support staff, the school employs a small maintenance team (the school building is constantly in need of repairs), and an IT specialist to support the school’s chosen specialism of science and technology. Catering and cleaning are outsourced to local firms. The SLT is keen to see their next EQA rating move from Good to Excellent and believe that by pooling their resources with the Henvale Trust, and accessing the insights and expertise of their SLT, they will be able to bring about the improvements necessary.

Kirfell Primary School

The next EQA inspection of KPS is expected within the next year, and a key aspect of the Trust’s role as its supporter will be ensuring that KPS improves in line with the IIIR issued after the last inspection, the summary report from which is provided as Attachment E.

KPS is currently a community school. It can take 420 children, aged 4-11, although there are currently 407 children on the school roll as applications have fallen in the last few years and so classes for the younger children are below full capacity. Each year group consists of two classes, with each class taking up to 30 children. KPS’s catchment area adjoins that of Henvale Primary School and some of KPS’s children live in Henvale’s catchment area but their parents accepted a place at KPS as Henvale was oversubscribed.

The population in KPS’s catchment area, which includes a large number of different religious and ethnic groups, has a strong sense of community, but faces many complex challenges. In the area, there are significant levels of poverty, high numbers of refugees from war-torn countries to the east of Gaitland, many families living in temporary accommodation (with children consequently regularly moved from school to school), and a significant minority of the adult residents speak little or no Gaitlandaise.

The scale of the socio-demographic difficulties affecting KPS pupils means that an unusually high proportion of them are registered by Denshire LA as IFN. However, Denshire LA is facing intense budget pressures as government spending cuts continue. Lack of resources within the LA has led to delays in registering qualifying children as IFN, thereby delaying the payment of the related funding. This, coupled with the overall budget freezes on education spending and inflation being currently at 5%, means that KPS struggles to cover the increasing costs of meeting the needs of the children, despite the increasing amount of time which management and teachers spend in trying to deal with them. The school also incurs additional costs in subsidising school lunches for a number of children whose parents the LA deems wealthy enough to pay for meals, but who are in practice often in arrears with their payments.
Leadership and governance

The two previous headteachers of KPS left after a year in post and, for the past few months, the deputy headteacher, Alex Gupta, has been acting as headteacher.

The rest of the SLT consists of senior teaching staff and a finance officer. The SLT has wide-ranging responsibilities covering areas such as procurement, property management, human resources, management information and school administration. Most members of the SLT also have full teaching loads. By the time they have dealt with issues such as building maintenance, and liaising with the LA and other agencies (such as social services) about the welfare of the children in their care, there is little time left to focus on resolving the performance improvement challenges facing the school.

Only three of the five non-staff governor roles at KPS are currently filled. They are existing parents, passionate about the school and its community; one is a locally-based human rights lawyer, one works in the social care department of Denshire LA and the other is a local business owner, but they all have many other time commitments and it is rare that all three attend the monthly KPS oversight meetings. The school has struggled to attract suitable applicants to the remaining two governor positions and on several occasions over the past few years, after an appointment has been made, the new governor has become overwhelmed by the reality of the issues facing the school and resigned months later.

Teaching

The teachers at KPS are largely dedicated to supporting the students and work hard (and often long hours) to improve outcomes, but a lack of funds, the personal problems faced by many students and the number of changes brought about by the different headteachers, have made their task extremely difficult. Alex Gupta is aware that over the past few years some of the teachers (including members of the SLT) have become weary and demotivated, a problem which has been exacerbated by the flat structure and lack of promotion prospects, and, although they are committed to the school, she believes there is a real risk more staff will leave. The problems have already resulted in the loss of several teachers and this, combined with high levels of staff sickness, has led to increasing and above-average use of expensive temporary agency staff to ensure all classes are covered.

However, under Alex Gupta’s direction the school is beginning to feel a new sense of purpose. Driven and energetic, she has worked hard to deal with some of the organisational issues that were compounding the problems faced by the school and several new initiatives are planned.

Parental involvement

The SLT has been discussing ways to increase parental involvement at KPS. The school has a long history in the local community. KPS continues to run in-house services such as cleaning, catering, premises maintenance and IT support and many of the school’s current support staff (cleaners, catering staff, playground assistants etc) were pupils of KPS and have worked at the school for many years. Many of their children and grandchildren are also now pupils at KPS. Although engaging with many of the parents has proved difficult, a small core of dedicated parents works hard to support KPS and raise funds to buy extras, and it is hoped that ways can be found to persuade others to join them and improve the level and range of parental support and the effectiveness of fundraising initiatives.

Additional activities

Many KPS pupils have personal challenges including a range of disabilities and additional needs, which make it difficult for them to access the traditional curriculum. However, teachers have limited time to provide the extra help needed, and insufficient funds to fully develop the children’s extracurricular interests. The SLT has been looking at ways of
bringing in additional help to support these special needs with a focus on areas such as additional Gaitlandaise language teaching, sports, cookery, music and art. However, even if the staff could be found to run the extra classes, further additional funds would be needed to pay for extras such as art supplies, ingredients, rental of instruments etc.

The school would also like to offer higher numbers of educational outings to museums, sites of geographical interest etc., but the costs are so high that such trips are rarely arranged. Attempts in the past to offer such extra activities at fees which recover their direct costs have usually failed, the conclusion being that too many parents cannot afford such fees, and it is considered likely that some parents also do not appreciate the value of such activities for children. The SLT has worked to increase revenue streams, by, for example, renting the school’s halls outside school hours, but far more cash is needed. Local charities have been approached, but so far, the small sums they have offered have had little impact.

Kids’ Club

Many of KPS’s parents work long and often unsociable hours which can make it difficult for them to ensure their children are delivered to and collected from school on time. This means that a significant minority of children are late for classes at the start of the school day, and at the end of the school day staff are tied up supervising children who are waiting to be collected by their parent. There are also children who arrive at school a long time before classes start, and who have not yet had breakfast and are clearly hungry. The SLT therefore wants to set up a ‘kids’ club’ operating before and after school, providing breakfast to pupils in the morning and games and snacks after school. However, the external contractors they approached rejected the business as unprofitable; most parents and carers would be unable to afford the price the contractor would need to charge, and the LA refused to subsidise the cost.

School building

The school premises are over 100 years old and it requires significant investment in the next few years to combat damp, leaks and risks such as falling masonry. In addition, two classes have operated from ‘temporary’ modular buildings for over 30 years, and KPS’s SLT is very keen that, as part of any rebuilding project, these are replaced with new purpose-built brick classrooms. The SLT had therefore been planning to apply to the LA for a capital grant for this work, but is aware that, given the economic pressures the LA faces, it is unlikely that the funds to would be available in the near future.

The candidate

As part of its process of converting to an LCC, the Henvale LCT board has been conducting a review of staffing and two new members of staff have recently been recruited:

- Bailey Williams, an experienced primary school teacher, and former colleague of Eric Santini, who will act as deputy to the CEO. Bailey will spend two days per week working with KPS to help bring about the improvements expected by the IIR, and two days a week working directly at the Henvale Trust working on the conversion to an LCC.
- The candidate, Lee Sang, a newly-qualified accountant, who has been brought in to act as assistant business manager for six months, reporting to Caz Novak, while the current appointee is on a period of extended leave.
A. EQA guidance: Good Governance Framework

Excerpt from the Introduction: The Nine Principles of Good Governance

Governance comprises the arrangements put in place to ensure that the organisation’s intended outcomes for stakeholders are defined and achieved.

The EQA’s nine principles of good governance are:

1. Articulating a clear vision and intended outcomes
2. Planning to achieve intended outcomes including the evaluation of all relevant options and the establishment of appropriate key performance indicators
3. Creating appropriate governance and staffing structures
4. Developing the capacity of the organisation, and the capability of its people, including those in leadership positions now and in the future
5. Managing risks via robust internal controls and sound financial management
6. Ensuring accountability through transparency, regular reporting, and external audit
7. Ensuring open communication and comprehensive engagement with all stakeholders
8. Behaving ethically and with integrity
9. Including sustainability considerations in decision making
B. Adopting Learning Campus Status – Ministry of Education Information sheet

Application to the Ministry

To convert to learning campus status a formal application must be made to the Ministry. For transformer schools, once the necessary paperwork has been filed and the local authority (LA) has been informed, approval is usually a formality if the school meets the EQA performance requirements and is in a sound financial position.

Supported schools are required to find a supporter within six months of the date of the Failing EQA rating. If a supporter is not secured one will be appointed by the Ministry, and it is not uncommon in these circumstances for the Learning Campus Trust (LCT) concerned to be located some distance from the school, and it can, in theory, be located anywhere in Gaitland. Applications must be supported by a Performance Improvement Plan (PIP) from the potential supporter organisation. In the PIP, the supporter must satisfy the Ministry that it has the necessary expertise to bring about the needed improvements and provide evidence of its financial expertise, strategic planning ability, proven track record in improving school performance and a plan for suitable governance and accountability structures. Only when the Ministry is satisfied that the supporter organisation is an appropriate partner for the supported school will the application be approved. The supporter will then be held responsible for the school’s performance in its subsequent EQA inspection. Failure to demonstrate improvement can lead to the imposition of financial penalties on the LCT, or removal of the supported school from the trust, and, in the most severe cases, it could lead to withdrawal of the LCT’s licence to provide state-funded education.

Legal structure

Once a transformer school’s application has been approved, the school establishes learning campus status by legally converting to an LCT - a charitable company limited by guarantee. By law each LCT must have at least three members. The members’ first responsibility is to appoint the trustees who will be responsible for the school. The trustees effectively take over the role previously fulfilled by the school’s governors when it was a community school. In the case of a supported school, the make-up of the trust board will in practice be determined by the supporter.

As charitable companies, LCTs are not liable to pay tax.

Role of trustees

Once formally established, the trust, via a board of trustees (acting as an executive board – i.e. the trustees are also legally directors), takes ownership of the school’s assets, takes over responsibility for any contracts, oversees the running of the school and employs the school staff. The trustees are then free to delegate responsibility to the school’s senior leadership team (SLT) as they see fit. In a transformer school this will usually involve delegating all aspects of the day-to-day running of the school to the existing SLT.

The role of trustee is usually a voluntary and therefore unpaid role (although reasonable expenses may be reimbursed), but where trustees are also employed by the trust, they can be properly remunerated for work they do in their role as employees. No more than one third of the trustees can also be employees of the trust and when appointing new trustees, the board should give consideration to the skills and experience mix of existing trustees to ensure the board retains the skills to contribute fully to the LCT’s development. All trustees will be expected to abide by the Nolan principles underpinning public life as laid out by the UK Nolan committee in 1995.
Role of members

In law, members are effectively the ‘guardians of the trust’. Their ongoing role is to hold the trust board to account for the effective governance of the trust - assessing whether the trust is performing well, whether the purpose of the trust is being met and whether its charitable objective is being fulfilled. Members are not required to get involved in the day-to-day running of the trust or the school(s) within it.

Responsibilities of a Learning Campus Trust

LCTs have control over all aspects of school management. This includes matters such as the content of the teaching curriculum, term dates, management of the school’s finances and financial planning, the provision of back office support, staff employment contracts (including pay levels) etc. Under Gaitland law, both schools converting to LCTs and existing trusts taking on additional schools as part of a Learning Campus Cluster (LCC) are permitted to alter existing staff employment contracts, where it is in the interests of the trust to do so.

Funding

The Ministry provides funding for LCTs and LCCs in the form of the Unified Annual Grant (UAG), which can be spent at the trustees’ discretion. The UAG consists of three elements:

i) School grant – in 2019-20 set at £3 411 per primary school pupil and £4 760 per secondary school pupil – (this is equal to the amount the Ministry pays per pupil to LAs as school grant for their community schools)

ii) Block grant – a fixed amount per LCT/LCC according to the number of schools that are part of the trust. In 2019-20, a trust with one primary school receives £85 000, plus £75 000 for each extra primary school that joins the trust if it becomes an LCC. A trust with one secondary school receives £125 000, plus £100 000 for each extra secondary school that joins the trust if it becomes an LCC

iii) DAN support - an additional sum for the trust to provide DAN support services for the pupils in its schools (based on a pro-rata apportionment of the DAN payment currently made to LAs - the Ministry payment to the LA is then reduced by a corresponding amount).

In Financial Need (IFN) payments are provided to LCTs and LCCs for their school(s) by the local authority in which the school is situated for qualifying children – these arrangements are the same as those in place for IFN children who attend community schools.

Unlike community schools which apply to the LA for capital improvement spending, trust applications for capital spending grants are made direct to the Ministry which has a dedicated school’s capital expenditure budget.
## C. Henvale Trust 2019-20 income and expenditure summary – forecast outturn

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<th>Annual income</th>
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<td>School lettings (rooms, playing fields)</td>
<td>18 672</td>
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<tr>
<td>School’s Out Club</td>
<td>164 062</td>
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</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2 779 656</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Annual expenditure</th>
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<tbody>
<tr>
<td><strong>Direct costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries¹</td>
<td>1 465 203</td>
<td></td>
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<tr>
<td>Pensions</td>
<td>288 071</td>
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<tr>
<td>Educational supplies</td>
<td>226 664</td>
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<tr>
<td>School trips expenses</td>
<td>37 388</td>
<td></td>
</tr>
<tr>
<td>Staff development</td>
<td>20 118</td>
<td></td>
</tr>
<tr>
<td>Agency (temporary) staff</td>
<td>76 099</td>
<td></td>
</tr>
<tr>
<td><strong>Support costs</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries²</td>
<td>168 595</td>
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<tr>
<td>Pensions</td>
<td>33 405</td>
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<tr>
<td>School’s Out Club expenses</td>
<td>152 745</td>
<td></td>
</tr>
<tr>
<td>Property taxation</td>
<td>17 731</td>
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<tr>
<td>Energy</td>
<td>26 784</td>
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<tr>
<td>Insurance</td>
<td>36 108</td>
<td></td>
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<tr>
<td>IT licences and maintenance³</td>
<td>24 995</td>
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</tr>
<tr>
<td>Premises maintenance (including cleaning)³</td>
<td>70 812</td>
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</tr>
<tr>
<td>Catering (pupils’ school lunches)³</td>
<td>126 876</td>
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</tr>
<tr>
<td>Administration office expenses</td>
<td>26 090</td>
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<tr>
<td>External fees (e.g. child welfare officers, auditors)</td>
<td>9 800</td>
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<tr>
<td>Other administrative overheads</td>
<td>24 335</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>2 831 819</strong></td>
<td></td>
</tr>
</tbody>
</table>

**Surplus (deficit)**                | (52 163) |

**Total reserves brought forward**   | 411 181 |
**Movement in year**                  | (52 163) |
**Reserves carried forward**          | 359 018 |

¹Includes the salaries of all teaching staff, including the headteacher and deputy headteacher of the Trust

²Includes the salaries of all non-teaching staff of the Trust

³Includes payments to external contractors for IT support, cleaning, premises maintenance and catering services.
D. Extract from Cableshire Gazette (dated 27 January 2020)

Is an LCC coming after your school? Be afraid – be very afraid.

“We don’t even have a say,” complains Mo Jameson, parent at Treelane Primary, a community school in Cableshire. The school is being forced to adopt learning campus status after a poor EQA report in 2019 and parents are complaining of being excluded from the decision-making process. “We have heard nothing from the trust taking over the school, and neither have the school or the governors. It’s just another distant bureaucracy controlling our kids’ lives with no interest in us or our community. I think they are only expanding to give themselves status and award themselves even bigger pay rises,” says Jameson, who is also fearful about the trust’s plans for the school’s staff. “Nobody will be safe.” she protests. “The trust will only be focused on savings. What about community? What about providing our kids with some sense of continuity?”

Treelane is one school of many across Gaitland being made to join a learning campus cluster (LCC), and its parents are not the only ones complaining. Parents across Gaitland are starting to protest at the enforced takeover of much-loved community schools by LCCs. A common fear for parents is the high costs of running an LCC - which must now come out of the school’s budgets - with trusts typically withholding around 20% of the school’s funding to cover trust expenses. “It’s bad enough dealing with the Local Authority,” complained one ex-parent governor at an LCC school in Markham, “but the multiple layers of LCC management are even worse! The school is worse off financially, you never get to talk to the decision-maker, and the trust has no interest in the school at all!”

We reported recently about the closure of Delruth Trust after allegations of poor management and financial impropriety were finally investigated by the Ministry of Education. Many trusts are believed to have similar systemic problems. We have heard reports of trusts directing their budgets to support failing schools within the LCC and so avoid penalties, leaving previously successful schools to struggle unsupported. We have also heard complaints of the opposite problem – trusts set up by successful schools refusing to allocate funds needed to less successful schools joining the LCC, and instead siphoning off the funds (even those intended for DAN support) for the original school.

In the past year there have also been multiple allegations of LCCs ‘gaming’ the system to ensure that the exam results show their schools in a favourable light. Rather than permanently excluding pupils (which must be properly documented) trusts are accused of off-rolling those pupils they do not believe will get acceptable grades - this involves informally encouraging students to leave the school when this is primarily in the best interests of the pupil. Huw Griffiths, a parent at Juniper Secondary School (which was forced to join Pentland Trust last year) is adamant that pupils are paying the price for the trust’s focus on results. “My son has additional needs,” he explains, “but rather than spend money giving him the support he needs, the trust abandoned him. He was constantly being temporarily excluded despite the challenges he faces, and eventually we had to agree to move him to a specialist school. Before the LCC takeover, the staff at Juniper were fantastic – they really cared about our son - but now they are powerless against the LCC’s regimented, authoritarian rules.”

A spokesperson for the Ministry of Education said: “The vast majority of LCCs do a fantastic job, transforming the performance of previously failing schools and sharing their skills and expertise to ensure that all pupils get the highest possible quality of education. We do not deny that there have been some problems at individual trusts but we should not let the media coverage of those outliers distort the overall positive picture.”

The Ministry may believe in the LCC system, but increasingly, the parents at schools that are being forced down that route do not agree.
E. Excerpts from EQA inspection of Kirfell Primary School

Kirfell Primary School – EQA inspection 12th December 2019 – Summary

<table>
<thead>
<tr>
<th>Rating criteria</th>
<th>Inspection finding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership</td>
<td>Progress needed</td>
</tr>
<tr>
<td>Teaching</td>
<td>Progress needed</td>
</tr>
<tr>
<td>Student behaviour</td>
<td>Failing</td>
</tr>
<tr>
<td>Learning outcomes</td>
<td>Failing</td>
</tr>
<tr>
<td>Overall rating</td>
<td>Failing</td>
</tr>
<tr>
<td>Overall rating at previous inspection</td>
<td>Progress needed</td>
</tr>
</tbody>
</table>

Summary of key findings for parents and pupils

This is a failing school

Continuing turbulence in the school’s leadership arrangements has hindered the school’s progress since the last inspection. Although the new temporary leadership team has made impressive attempts to improve the school, there is still much more to be achieved and pupils continue to fail to achieve target outcomes.

- There has not been sufficient improvement in the quality of teaching since the previous inspection. Teaching is variable and not enough is securely good. Teachers often do not use information about what pupils already know and can already do well enough when planning lessons.
- The systems for monitoring the performance of teachers are not effective. Governors are unclear of the link between teachers’ pay and their performance. A number of teachers are demotivated which is affecting their teaching and hindering pupils’ progress.
- Achievement is inadequate. Pupils of different abilities do not make enough progress from their different starting points and the school’s GMA results remain significantly below the national average.
- Planning for learning improvement is weak. Leaders do not focus enough on the actions that need to be taken to raise pupils’ achievement. Too little time and effort is expended on teacher development.
- There is insufficient support for disadvantaged pupils and the school is failing to help them to catch up with other pupils nationally.
- Although most pupils demonstrate a positive attitude to learning, pupil attendance remains significantly below the national average and there are too many examples of rough or bullying behaviour that is not well-managed.
- There are inadequate mechanisms in place for ensuring effective stakeholder engagement.
- Governors do not have a clear and coherent vision for the school’s future direction.

However:

- Parents say they are impressed by the interest and concern that staff clearly have for the wellbeing of the children in their care. We noted examples of staff giving generously of their own time to support pupils with complex socio-demographic needs.
- Staff respond swiftly to address problems that arise (for example, when a meal on the lunch menu was found to contain foodstuffs unacceptable to some communities it was quickly withdrawn).