



**Lynette Lovell**  
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**Atebwch os gwelwch yn dda /Please reply to:**

Gwasanaeth Ysgolion / Schools Service  
Cyngor Sir Powys / Powys County Council  
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Powys LD1 5LG

*Os yn galw gofynnwch am / If calling please ask for*

To whom it may concern

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*Eich cyf / Your ref:*

*Ein cyf / Our ref:*

*Dyddiad / Date:* 22<sup>nd</sup> December 2020

Sent via email only

Dear Sir/Madam,

### **Suspension of Financial Delegation – Clyro C in W School**

Thank you for your email expressing your concerns regarding the fact that the Local Authority has given formal notice to the governing body of the Local Authority's decision to use the powers granted to it by Section 8(2) of the Schools Standards and Organisation Act 2013 (the Act) to suspend the governing body's right to a delegated budget.

This is not a decision that the local authority has taken lightly, and it was taken following a long period of engagement, and only after it became clear that the governing body is not prepared to address the impending financial challenges faced by the school.

Well over a year has passed since it became clear that the governing body at Clyro would need to address its overstaffing by April 2021 at the latest to ensure that pupil and staffing numbers would be more closely aligned. During that year the governing body has submitted budget plans that show increasing cumulative deficits that do not comply with the Powys Scheme for Financing Schools and has not taken the actions required to remedy the situation. The authority considers that the Governing Body is not managing the budget share at its disposal in a satisfactory manner. This is very regrettable, given that the school is performing well and serving its community as we would wish.



The school has failed to provide a recovery plan that complies with the Scheme since February 2020. Following a significant level of involvement between staff at the council and the school it was stated on behalf of the governing body that it would not be prepared to adjust staffing levels at the school to ensure that the school would operate within budget from April 2021. It is understood that the headteacher had presented possible class structures in keeping with the local authority's expectations, but the governing body was not prepared to consider those options.

A warning notice was issued to the school on 8th December 2020 setting out the tasks required. None of the documentation requested by 15th December 2020 were received. On 15th December 2020, the Chair of Governors notified the interim Chief Education Officer by email that the Governing Body had made the decision not to submit a business case. This is a very unusual course of action by a governing body, and the local authority has no choice but to act on such information. There are no other schools of a similar size in Powys whose staffing levels are similar to Clyro CiW Primary School. Even the best case scenario, based upon previous discussions with the school showed that a budget deficit of £57,716 would be reached by 31st March, 2022.

The decision to suspend the Governing Body's right to a delegated budget was taken to allow the Local Authority to secure control of staffing and other spending decisions and to take control of the budget. This had to be done at this time in order to ensure that the appropriate planning can take place within the agreed time windows for schools, following the governing body's refusal to undertake that planning. It has only been done because of the governing body's refusal to fulfil this obligation. As part of the removal of delegation process, the school is no longer authorised to approve any further financial transactions. This was the action of last resort by the local authority. Schools across Powys who have challenging budgets work with the authority to plan their recoveries. The response from Clyro was most unusual – especially after meeting with senior officers who outlined the need for all learners across Powys to be assured some level of equity in terms of resources allocated to their schools.

The Local Authority has now established a Finance and Management of Change Panel for the school. This panel will consider all matters relating to staffing and other spending decisions and will communicate its decisions to the Governing Body on a regular basis.

In your correspondence you mention issues that concern you.

We do not believe that there would be damage to learners as you suggest, because the steps that need to be taken would lead to pupils being in classes of appropriate sizes, similar to the rest of Wales and across Powys. Having all classes below 20 learners in a primary setting is not sustainable within any local authority mainstream school in Wales. In terms of projected numbers,

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and if it is the case that they rise suddenly over the next couple of years, the budget will increase to address that matter, and the council has a mechanism to respond quickly to such situations. It is also not unknown for sudden rises in pupil numbers to cause a suspension of any processes associated with redundancies that might have been started, however schools across the county plan with the best information available at the time that they are planning.

There are schools in Powys in a worse situation with larger budget deficits, but all have recovery plans and the governing bodies have been willing to work with us on those plans. In many ways the scale of debt elsewhere that correspondents have enquired about is irrelevant. If a school's governing body refuses to work with the local authority, the scale of debt is not the main problem. Collaboration between a governing body and a local authority is essential, and you will be aware that there has been an enormous investment of time by governors and the local authority over the last 18 months to ensure effective support for schools. We respect and appreciate the fact that governors are volunteers who give freely of their time, but sometimes hard decisions have to be made to support the school – including ones to address financial challenges.

If members of the governing body choose to resign, it would be regrettable, and to our knowledge we have not heard of such resignations in Clyro. However, if they do, we will need to plan accordingly. The Governing Body has known for over a year about the situation and after the refusal to submit the recovery plan on Tuesday 15th December, the Local Authority had no choice but to take action as soon as was practically possible, which in this case was Friday 18th December 2020.

Estyn has made it clear to the Local Authority that it should deal with a range of matters in its September 2019 report, which includes a recommendation about dealing robustly with school budgets. There is nowhere across Wales that we know of where the situation of a governing body refusing to work with a local authority on budget planning could go unchallenged. The decision to suspend the governing body's budgetary control was entirely a professional responsibility to ensure that the local authority can discharge its functions correctly, in keeping with regulations. The local authority's schools' funding formula is subject to ongoing review. It is generally believed to favour smaller schools, and many schools of a similar size are working within budgets with different class arrangements from Clyro. The formula was reviewed in 2019, with a further review recently and we are expecting ongoing reviews to address our changing circumstances. The formula is subject to approval by the Schools' Budget Forum which is made up of key stakeholders – including headteachers and governors from across Powys. It is essential that the formula supports all learners, with the need for equity.

There is no other school in Powys that has numbers of pupils per class like Clyro, with 4 classes, and a headteacher without a class of her/his own.

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Similarly sized schools work to 3 classes, and often have sufficient surplus to invest in learning resources. If Clyro reduces to three classes, then a management of change process will be followed which could result in changes to staffing levels. In terms of the cost of redundancies, the Local Authority will deal with that matter as and when it might arise. This is not a matter for public debate.

The continuing suspension of the right to a delegated budget will be reviewed in September 2021. In the meantime, it is our hope that the Governing Body will continue to oversee non-finance matters at the school, and we would hope that they can continue to ensure that the school makes good progress and continues to provide well for its learners.

I hope that this letter is helpful in terms of letting you know that this was not a knee-jerk reaction by the local authority, and that it is a matter of deep regret that this action had to be taken.

Yours faithfully,

**Lynette Lovell**  
**Prif Swyddog Addysg Dros Dro**  
**Interim Chief Education Officer**

**and Jane Thomas**  
**Pennaeth Cyllid & Swyddog Adran**  
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**Head of Finance & Section 151 Officer**