

# **School governance – roles and responsibilities of governing boards and the relationship between the LA and maintained schools**

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# Agenda

1. North Yorkshire schools' context
2. Responsibilities, including LA support for governors
3. School closures in North Yorkshire

# 1 North Yorkshire context

# Landscape of Education in North Yorkshire (1 June 2024)

- 21994 schools in England
- 358 schools in North Yorkshire
- 205 LA maintained (58%) and 153 Academy Schools (42%)

## Rurality (2023 DfE data):

- 2966 rural LA maintained primary school in England and Wales
- 151 rural schools in North Yorkshire
  - 28 schools: Rural hamlet and isolated dwellings, 5 schools: Rural hamlet and isolated dwellings in a sparse setting
  - 29 schools: Rural town and fringe, 9 schools: Rural town and fringe in a sparse setting
  - 66 schools: Rural village, 14 schools: Rural village in a sparse setting



# Landscape of Education in North Yorkshire (1 June 2024)

205 LA maintained schools

- 3 Nursery
- 179 Primary
- 13 Secondary
- 6 Special
- 4 Pupil Referral Units

153 Academy Schools in 31 Trusts

- 118 Primary
- 30 Secondary
- 4 Special
- 1 Academy Alternative Provision (formerly PRU)

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# Landscape of Education in North Yorkshire (Jan 24) - Pupil Numbers

	Maintained: Community, VC & Foundation	Maintained: VA	Academies including free schools and UTC	Total pupils
Primary	20,440	1,764	19,182	41,386
Secondary	9,697	825	26,601	37,123
Special & PRU	885		490	1,375
Total Pupils	31,022	2,589	46,273	79,884

# Landscape of Education in North Yorkshire (Oct 2023)

## Numbers by area - Secondary

Constituency	2023/24 (Actual)	2024/25 (Forecast)	Change (No)	Change (%)
Harrogate and Knaresborough	9,139.00	8,968.00	-171	-1.87
Richmond	5,515.00	5,549.00	34	0.62
Scarborough and Whitby	4,672.00	4,663.00	-9	-0.62
Selby and Ainsty	5,278.00	5,340.00	62	0.19
Skipton and Ripon	7,166.00	7,128.00	-38	-1.17
Thirsk and Malton	5,563.00	5,592.00	29	0.53
<b>Total</b>	<b>37,333</b>	<b>37,240</b>	<b>-93</b>	<b>-0.25</b>

# Landscape of Education in North Yorkshire (Oct 2023) Numbers by area - Primary

Constituency	2023/24 (Actual)	2024/25 (Forecast)	Change (No)	Change (%)
Harrogate and Knaresborough	7,054	6,962	-92	-1.30
Richmond	6,829	6,766	-63	-0.92
Scarborough and Whitby	6,358	6,209	-149	-2.34
Selby and Ainsty	8,033	8,018	-15	-0.19
Skipton and Ripon	6,620	6,522	-98	-1.48
Thirsk and Malton	6,381	6,263	-118	-1.85
<b>Total</b>	<b>41,275</b>	<b>40,740</b>	<b>-535</b>	<b>-1.30</b>



# North Yorkshire Local Authority Maintained Schools – 2024/2025 Start Budgets

- **2023/24 Outturn Position**

185 school budgets (incl. federation & amalgamated budgets)

- 161 schools (87%) accumulated revenue budget surplus
- 24 schools accumulated revenue budget deficit (18 primary & nursery schools, 4 secondary schools, 2 special schools & PRS )

(For comparison: 2023/24 Revised Forecasts – 36 schools forecast revenue deficit (only 24 schools ended the year budget deficit), 2022/23 – 31 schools revenue deficit)

- **2024/25 Summary Position**

184 school budgets (incl. federation amalgamated budgets)

- 147 schools (80%) forecast accumulated revenue budget surplus
- 37 schools forecast accumulated revenue budget deficit (26 primary & nursery schools, 7 secondary schools, 4 special schools & PRS)

# **2 Role of the local authority and of governors in relation to maintained schools**

# Role of Governing Board

## [Maintained schools governance guide - Using this guidance - Guidance - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/maintained-schools-governance-guide)

- Three core functions
  - Strategic direction
  - Holding leaders to account for performance
  - Financial oversight

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### Maintained schools governance guide

From: [Department for Education](#)

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### Using this guidance

What you need to know about legal requirements and resources from third parties.

In this guidance:

- **must** is a legal or regulatory requirement or duty which must be complied with
- **should** is the minimum good practice which should be applied (unless it can be demonstrated that an alternative approach is more appropriate)



# Role of Governing Board


- Responsibilities defined via the funding framework
- Receive delegated budgets in accordance with the agreed funding formula
- Staffing: School Staffing Regulations 2009 and Education Act 2002 clarify that Governing Boards have delegated decision making in respect to the appointment, discipline, suspension and dismissal of teachers and other staff.

**SCHOOLS FINANCE MANUAL**

<b>CHAPTER 2</b>	<b>Chapter:</b> 2.1
<b>LMS Scheme for Financing Schools</b>	<b>Page:</b> 1 of 39
	<b>Date:</b> March 2023

**THE OUTLINE SCHEME**

*Section 48 of the School Standards and Framework Act 1998 requires Local Authorities to have schemes dealing with the financing of schools.*

This document defines the financial relationship between  and the schools (excluding academies) in its area.

The DfE provides Local Authorities with a model scheme which they must adopt. However, they can amend or add to the scheme, if they wish to reflect any local changes or policies. These amendments have to be consulted upon and approved by the Schools Forum.

The Regulations state that schemes must deal with the following matters:

1. The carrying forward from one funding period to another of surpluses and deficits arising in relation to schools' budget shares.
2. Amounts which may be charged against schools' budget shares.
3. Amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used.
4. The imposition, by or under the scheme, of conditions which must be complied with by schools in

# Role of LA officers

- Provision of information and school-level data
- Signpost to guidance and regulations
- Operation of the admissions process
- Respond to governor requests for statutory processes
- Monitoring, challenge and support, including via reviews and audits
- Issuing notices and other interventions
- Analysis of trends across all schools
- Offering advice from core support and traded teams

# Finance

Core	Traded
<ul style="list-style-type: none"><li>• Local operation of the funding formula</li><li>• Providing budgets</li><li>• Six-monthly budget reviews</li><li>• Risk analysis and reviews of those with projected deficit budgets</li><li>• Escalation where required</li></ul>	<ul style="list-style-type: none"><li>• Full bursar service</li><li>• On-site assistance</li><li>• Access to helpline / online support</li></ul>

# Property

Core	Traded
<ul style="list-style-type: none"><li>• Shared responsibility for Health and Safety of school sites</li><li>• Monitoring of condition and compliance</li><li>• Provision of advice and guidance</li><li>• Delivery of capital works</li></ul>	<ul style="list-style-type: none"><li>• Delivery of repairs and maintenance services</li></ul>

# HR

Core	Traded
<ul style="list-style-type: none"><li>• Collective bargaining with Unison on pay, terms and conditions for NJC staff (support staff)</li><li>• Issuing of formal statement of particulars / formal dismissal / notice letters.</li><li>• Right to attend dismissal hearings to offer advice which the GB must consider</li><li>• Consider redundancy business cases alongside finance (to determine whether the LA funds the costs)</li><li>• Statutory role in respect of involvement in TUPE consultations</li><li>• Joint role in determining suitability for employment following receipt of a 'positive' DBS (DBS with information returned on it).</li><li>• Job evaluation of support staff roles.</li></ul>	<ul style="list-style-type: none"><li>• Comprehensive advice and guidance in respect of all HR / staffing related matters including, but not limited to; attendance management, performance / capability, redundancy and reorganisation, allegations against staff, OD etc.</li><li>• Commissioned work such as investigations</li><li>• Staff surveys</li><li>• Single central record checks</li><li>• Employee Assistance Scheme (part of Health and Wellbeing Service)</li><li>• Occupational Health (part of Health and Wellbeing)</li><li>• Recruitment support (Resourcing Solutions)</li></ul>



- Staffing: all staffing related decisions are delegated in their entirety to local Governing Bodies **but** under the School Staffing Regulations 2009 “a representative of the authority may attend and offer advice at all proceedings relating to the selection or dismissal of any teacher... and the governing body must consider any advice offered by the authority.”

# School Improvement

Core	Traded
<ul style="list-style-type: none"><li>• Support for headteacher recruitment (shortlisting and Day 2)</li><li>• Headteacher induction</li><li>• LA representation at Ofsted feedback</li><li>• Liaison and reference with Ofsted/DfE in relation to complaints about schools</li><li>• Monitoring of schools' safeguarding arrangements</li><li>• Primary Assessment and Moderation</li><li>• SACRE</li><li>• Early Years Strategy</li><li>• NEETS</li></ul>	<ul style="list-style-type: none"><li>• Support for headteacher recruitment (Day 1)</li><li>• Support for headteacher Performance Management</li><li>• Governance advice, support, training and development for governing bodies</li><li>• Governance Support (clerking)</li><li>• Schools Data</li><li>• Training and Development Courses</li><li>• Bespoke consultancy</li></ul>

# Schools causing concern

## Schools causing concern provision

A maintained school may become 'eligible for intervention' if it:

- Has failed to comply with a warning notice and/or
- Is judged inadequate by Ofsted and/or
- Has met the Coasting School definition - a school not making necessary improvement

## Warning Notices in maintained schools

Local authorities may issue warning notices to their maintained schools.

# LA powers of intervention

## Powers of intervention

The intervention powers in respect of local authorities are set out in sections 63-66 of the 2006 Act:

- Section 63 – power to require the governing body to enter into arrangements;
- Section 64 – power to appoint additional governors;
- Section 65 – power to appoint an interim executive board (IEB);
- Section 66 – power to suspend the delegated budget.

The powers must be exercised within a period of two months following the end of the compliance period. If the local authority fails to exercise these powers within this time, these powers can no longer be exercised, and a new warning notice must be given in order to do so.

# Financial Warning Notices

Typically issued where there has been a failure in the management and governance of the school to oversee the resources and financial performance of the school and ensure money is well spent.

- Audit concerns
- Significant budget deficit with no / limited financial recovery

Schools with a Financial Warning Notice are subject to additional Local Authority financial scrutiny and controls e.g. local authority approval required for expenditure commitments over a specified amount and for the recruitment of staff and staffing restructures, The local authority may appoint additional governors to the school governing body to strengthen financial governance or appoint a local authority observer for the governing body

# Case study

- A North Yorkshire Community Primary School became eligible for intervention following an external audit of governance that identified significant gaps, weaknesses and non-compliance in relation to the board's statutory duties.
- A warning notice was issued due to a serious breakdown in the way the school was managed or governed which was prejudicing, or likely to prejudice, such standards of performance; specifically, '*a failure of management and governance of the school to oversee the resources and financial performance of the school to ensure money is well spent*'.
- The impact of the failures of management and governance left the school vulnerable to an inadequate Ofsted inspection judgement at its next graded inspection.
- The LA indicated that should the governing board not comply with the requirements of the warning notice within the required period it would exercise its statutory powers of intervention by appointing an observer to the governing board to strengthen the financial governance of the school and reserved the right to establish an Interim Executive Board (IEB) if the conditions of the warning notice were not adhered to.
- The LA supported the governing body to strengthen its expertise in, and oversight of, school finances through the nomination/introduction of new governors
- This arrangement remained in place for a sustained period during which time the school was inspected by Ofsted
- The school was judged good in all areas and are now operating without intense support.



# Case study

## North Yorkshire School

- 2020/21 Start Budget Forecast Revenue Balances

2020/21	2021/22	2022/23
-£1.16m	-£1.87m	-£2.59m

- 2024/25 Start Budget Forecast Revenue Balances

2022/23 (Actual)	2023/24 (Actual)	2024/25	2025/26	2026/27
-£394	-£67k	£39k	£123k	£130k

- Local Authority Actions:

- Financial Warning Notice issued (June 2020) (additional financial controls and observer)
- LA commissioned School Resource Management review
- Joint school and LA working to develop school place capacity and associated operating efficiencies



# 3 School closure processes



# School closures in the last 5 years

School	Date of closure
Moorside Infant (Technical closure)	31 March 2019
Arkengarthdale CE	31 August 2019
Clapham CE	31 August 2020
St Hilda's RC, Whitby	31 March 2021
Kell Bank CE	31 August 2021
Weaverthorpe CE	31 August 2022
Baldersby St James (Closure by DfE process)	31 August 2022
Woodfield Primary	31 December 2022
Hovingham CE	31 March 2023
Skelton Newby Hall CE	31 August 2023
Wavell Junior School (Technical closure)	07 April 2024
Fountains Earth Lofthouse Endowed	17 April 2024
Eskdale School (Technical closure)	Approved WEF 31 August 2024
St Hilda's CE, Ampleforth	To be considered by the Executive on 16 July 2024

# Reasons for closing a maintained school

Reasons for closing a maintained school include, but are not limited to, where:

- there are surplus places elsewhere in the local area which can accommodate displaced pupils and there is no predicted demand for the school in the medium to long term;
- it is to be amalgamated with another school;
- it has been judged inadequate by Ofsted and the Secretary of State has revoked the academy order;
- it is no longer considered viable;
- it is being replaced by a new school

Of course, a number of other schools have *technically* closed as part of other statutory school organisation changes. One example is Wavell Junior School; this school opted to join with Wavell Infant school in April to become a single primary school.

**Furthermore, in the last 5 years, 64 schools have been ‘closed’ by the secretary of state, and immediately re-opened as academies:**



# Sample of reasons given for ‘viability’ closures as detailed in the Executive Reports

Finance	Standards /Performance	Pupil numbers / admissions	Technical closure
1 in 3 schools in last five years	Over half of all cases	3 in 4 schools in the last five years	1 in 6 in the last five years
<i>Example: ‘the school is projecting in-year budget deficits of £42.8k in 2021/22 and £12.5k in 2022/23 and an overall cumulative budget deficit of £18.6k at the end of ....’</i>	<i>Example: Leaders and Governors have worked collectively to mitigate the impact of low numbers at ..., and have maximized the range of shared experiences with .... Low pupil numbers mean that even with the best endeavours of the school, it is difficult to provide education of a high quality for all year groups.</i>	<i>Example: This proposal is not being brought forward due to any concerns to this point about educational standards. However, the small size of the school and the very small number of pupils in each year group will limit the range of personal and academic challenges for pupils including opportunities for child-initiated play and interaction in early years.</i>	<i>Example: The governing board has made the request because they are satisfied that amalgamation would benefit pupils by building on the work of the Federation. This would be achieved by the simultaneous process of a change of age range for the school 1, and the technical closure of school 2...</i>

# Process for school closures

- It is the responsibility of local authorities, proposers and school governing bodies to ensure that they act in accordance with the relevant legislation and have regard to statutory guidance when seeking to close a maintained school.
- All decisions on proposals to close a maintained school must be made with regard to the factors outlined in DfE's guidance and follow the relevant statutory process and the council, when acting as a decision maker, needs to be satisfied that consultation and representation periods are appropriate, fair and open.
- Legislation requires that Local Authorities are the proposers to close a community, foundation, voluntary, community special, foundation special, or maintained nursery school.
- In some cases, the secretary of state and the governing boards can also act as proposers although the timescales and decision-making processes are different, the council would still be required to undertake actions in relation to meeting its duties to accommodate displaced children.

# LA Maintained School closure process

This is an eight-step process

1. Consideration of viability of the school – business as usual activity for several schools
2. Request to consult – usually following a GB resolution – concerns in the public domain
3. Approval to consult (Executive Member for Education, Learning and Skills)
4. Consultation – guidance for 6 weeks in term-time, typically includes a public meeting
5. NYC Executive review the consultation – halt or proceed
6. Publication of statutory notice and proposal – allows a further 4 weeks for representations
7. NYC Executive review and determine (or Executive Member for Education, Learning and Skills if no objections)
8. Implementation – closure date

A separate process for staff runs alongside this.

# Academy School closure process

A different process, notably that

- The Secretary of State is the decision maker - Guidance on closure 'by mutual agreement with the Secretary of State'
- NYC is a consultee
- The school community is involved at a much later stage, and only after a substantive decision has already been taken

# Academy School closure process

## This is a six-stage process:

1. Consideration of closure – engagement with NYC officers required
2. Seeking an in principle agreement – where appropriate consent of the Trustees or Diocese is required
3. In principle decision – The Regional Director makes a recommendation to the Secretary of State who decides whether, in principle, the funding agreement should be terminated and the academy closed
4. Seeking a substantive decision on closure – various activities by the Department (DfE) and Trust
5. Substantive closure decision - The Secretary of State decides whether the funding agreement should be terminated and the academy closed
6. Approval and implementation of the closure plan - The Secretary of State will consider the outcome of the listening period and give permission for the trust to announce details of the closure. At this point NYC officers are responsible for securing alternative schools for the displaced pupils, usually undertaken via a co-ordinated preference exercise



# Academy School closure process

## Additional notes on stage 5

*Following a substantive decision from the Secretary of State to proceed to closure, the academy trust should share news of the closure with pupils, parents, staff, unions, relevant local authorities and schools elsewhere in the local area at the earliest opportunity and conduct a listening period.*

*The listening period is an opportunity for stakeholders and interested parties to be provided with information as to why the school is closing and how it is proposed the closure process will operate. Likewise, it is an opportunity for stakeholders and interested parties to submit their views on how the school closure process can be best managed.*

*The listening period should normally take place over a period of no fewer than 4 weeks (during term time, and not school holidays). It should be made clear that **the decision to close the school has been made**, and the rationale for closure should be set out. The academy trust should set out the plans it intends to put in place to transfer pupils to schools elsewhere in the local area. It should also let people know the proposed timeline for closure*

*This is the first time that the proposal is in the wider public domain and the first opportunity for the Council to express its formal view via the Executive.*





# Current issues and LA response

- At any given time, there are a number of schools and federations considering viability and working with LA officers
- In the first instance support is offered – for example, pupil forecast information is provided to aid curriculum and financial planning
- Dialogue takes place with headteacher and/ or with governors
- Technical advice is given if a structural change and linked proposals (for example, an amalgamation) could be a solution rather than a closure
- Officers are currently working alongside a number of settings in this way

# Role of councillors

- Approve the funding formula
  - approve formula changes (subject to national funding formula rules and guidance) and overall balancing of funding within ring-fenced DSG and Schools Block reserve
  - block transfers in excess of 0.5% (subject to SoS approval)
  - financial issues relating to arrangements for pupils with SEND and early years
  - approve the minimum funding guarantee (subject to national guidelines and parameters)
  - approves the high needs budget and central spend on HNB provision
- Approve the Good Estate Management in Schools strategy and the schools' capital allocation
- Approve consultations for school organisation changes and make decisions on statutory processes
- Performance monitoring (Q reports)
- Scrutiny function