

Financial principles

Background

This document sets out financial principles to underpin the change process. Once agreed, these principles would form the basis of an ongoing commitment between Somerset County Council and affected parties, specifically:

- Ashlands Church of England First School
- Bridgwater and Taunton College Trust including Maiden Beech Academy
- Diocese of Bath and Wells
- Greenfylde Church of England First School
- Haselbury Plucknett Church of England First School
- Hinton St George
- Merriott First School
- Misterton Church of England First School
- St Bartholomew's Church of England First School
- Swanmead Community School
- Wadham School

Overarching

The structural change has arisen as a result of Somerset County Council undertaking its statutory obligation to secure efficient education within the local area, and as such, the local authority recognises its obligations to facilitate this process financially.

- **Principle 1:** Where costs are unavoidable and would not have arisen except as a result of the decision to undergo reorganisation, those costs will be met by Somerset County Council.

Workforce

The rationale for the structural change is to make the system more sustainable for the future, however, the change is not for the purpose of reducing the workforce. Therefore, the reorganisation project will establish criteria for workforce reorganisation that are based on the assumption that existing staff will be re-deployed within the Ilminster/Crewkerne area.

- **Principle 2:** Complete school staffing structures and baseline staffing costs will be shared with the Somerset County Council team at the point of project initiation.
- **Principle 3:** Where redundancy arises because the alternative would be a new school structure that was significantly unaffordable or would be detrimental to pupil outcomes, then those costs will be considered unavoidable.
- **Principle 4:** Where redundancy arises because there is no reasonably appropriate post in any organisation within the Ilminster/Crewkerne area, those costs will be considered unavoidable. However, if an organisation chooses not to appoint where the appointment is reasonable, this will not be considered unavoidable costs and the organisation that has taken the decision not to appoint will be expected to meet the costs of redundancy, even though they are not the current employer.

Refurbishment

A number of school buildings affected by reorganisation also have condition issues, therefore, in the interests of efficiency, it may be more beneficial in the longer-term to undertake refurbishment beyond what is strictly required for structural change.

The local authority undertakes a regular programme of building condition improvement for LA-maintained and voluntary controlled schools, which comprise all affected schools apart from Maiden Beech Academy. The building condition needs in affected schools within the implementation period up to September 2022 is £2.6 million.

- **Principle 5:** Somerset County Council will commission an independent assessment of the unavoidable costs of refurbishment in each school to accommodate age-range changes in each school. This assessment will not take into account condition amelioration that would otherwise be required.
- **Principle 6:** The unavoidable costs of refurbishment will be paid to Bridgwater College Trust with the expectation that refurbishment be contracted by the trust.
- **Principle 7:** Where refurbishment has been identified as necessary to accommodate age-range changes in an LA-maintained or voluntary controlled school, an assessment will be made of the added value that could be secured by undertaking building condition works in conjunction with refurbishment.

Where additional funds are available to support this work in schools' reserves there would be an expectation of a proportionate contribution to the overall cost of the programme. In the event that capital receipts are realised as a result of this re-organisation it is anticipated that these would be reinvested in other schools in the area.

The local authority is under obligation to increase recycling and decrease waste in the local area. For this reason, the structural change project will seek to redeploy equipment across the local area where it becomes redundant because of changes of age range or where classrooms are no longer required due to reduced pupil numbers.

- **Principle 8:** Schools will be expected to identify equipment that have become redundant. These will be pooled and redistributed according to need where they meet minimum standards of suitability and condition. Where equipment have been made available this will be considered to mitigate unavoidable costs. Where redeployment is not possible then the costs of equipment will be considered unavoidable and will be included in the overall refurbishment assessment.