

**WRITTEN QUESTION TO THE MINISTER FOR EDUCATION
BY DEPUTY G.P. SOUTHERN OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 10TH OCTOBER 2017**

Question

Further to the generation of overspends at Haute Vallée School of £292,000 (7% of budget) in 2015 and £384,000 (9%) in 2016, will the Minister –

- (a) inform members of the circumstances that led to such overspends;
- (b) state what failures, if any, arising from these underspends have been identified in his departmental financial governance processes (as set out in the Education Business Plan 2015);
- (c) state what measures are in place, both within the Department and in schools, to ensure there is no repetition of such overspends;
- (d) detail what these overspends were spent on and what consequences, if any, there were for staff in the school;
- (e) state whether the head teacher was subject to disciplinary proceedings and whether the head teacher had his salary protected in taking on a new role within the Department; and
- (f) advise what lessons, if any, have been learned over the extent to which head teachers are given complete autonomy over significant issues within their school?

Answer

The 'overspends' specified above do not represent the true financial position of the school. This is because the figures quoted compare the actual spend with the original budget. However, during the year there are fluctuations in the budget and, for example, funds have been added for items such as back-dated pay awards and carry forwards. The expenditure in relation to these variations is included in the total spend but compared only to the original budget so the comparison quoted does not give the full picture.

The correct financial measure of performance is actual spend against final approved budget (ie original budget as adjusted for the variations). On this basis, the outturn for Haute Vallée School was £50,000 underspend in 2015 and £194,000 overspend (4.5% of budget) in 2016.

(a) School funding is allocated annually by the AWPU (Age Weighted Pupil Unit) funding model based on the number of pupils registered at the start of the September term. The overspend in 2016 for Haute Vallée can be directly related to the drop in pupil numbers at the school over the past few years as follows:

	2016	2015	2014	2013
Pupil numbers	603	618	646	692

A fall of 15 pupils results in a reduction in budget of around £100,000. The decline in 2015 was offset by a planned carry forward from 2014. This flexibility is needed to manage these fluctuations in demographics over the longer term.

The school is continually reviewing its finances, staff numbers and curriculum to operate with the financial budget allocated. It is often not possible to achieve this within one financial year and schools are allowed to carry forward underspends and overspends in order to manage their finances over the medium term.

The main reason for the overspend is staff costs. Although there is fluctuation in pupil numbers, it might not be enough to close one class. Therefore, the same number of teachers are required and the staff costs do not fall but the budget does.

(b) No failures have been identified in the financial governance process arising from the Haute Vallée overspend in 2016. As noted above it is usual for schools to manage and ultimately eliminate overspends over a number of years.

The above simply highlights the need to have year-to-year flexibility and longer term financial planning in order to accommodate the fluctuations in pupil numbers and to manage the mismatch between the financial and academic year.

(c) Regular meetings are held throughout the year between the school head teacher and the Education Department's senior management and finance staff to identify ways of achieving budget savings without directly impacting on pupil standards and achievement.

(d) The school overspend of £194,000 in 2016 primarily relates to staff costs which account for approximately 90% of the school's budget. The head teacher is continually managing and reviewing staff and non-staff costs to bring school spending within budget.

(e) As stated above, there were no breaches of financial governance, and therefore there was no need for disciplinary procedures. The salary levels of individual staff within the States is confidential.

(f) One of the workstreams set out within the Education Business Plan is greater freedom for schools (autonomy). The work is ongoing and research is drawing on previous experience from within Jersey and the UK. This incident highlights the potential difficulties caused by the difference between the States accounting year (January to December) and the school year (September to August).