



8 March 2016

Dear Parents and Carers,

In keeping with my determination to be open and transparent with all members of the school community, I am writing to explain why we are having to make changes to the structure of the school and to indicate what these changes are.

In the Autumn term it became evident that the school was in deficit. The Governing body reported our situation to the Director of Children's Services and Director of Finance at Greenwich Council. Following this we had to submit a deficit recovery plan. After detailed scrutiny of the educational and financial implications of the plan, it was approved by the Local Authority. There is a note about this process from Terry Miller, Finance Manager for the Council, at the end of this letter.

The governors wish to make clear that the reasons for the deficit pre-date my arrival at the school. The main sources of the deficit are:

- expected revenues being much less than expected
- committed expenses for this, and future years, having been understated.

In particular, the GCSE results last year have made the financial situation much worse because they led to fewer than the expected number of pupils entering our sixth form from our own Year 11: this alone reduced the current year's revenue by around £400,000. In addition, the effect of last year's GCSE results will continue to be felt next year because Year 13 will be smaller than it should be.

This is an unpleasant situation for any headteacher and governing body to be in because it means that difficult decisions need to be made. In making these decisions, however, we have sought to do what is best for the students and the school.

All told, our deficit is currently £438,000. Unless we address the situation robustly, the deficit will very quickly grow to seven figures. As staff costs represent around 85% of the school's budget, very regrettably this is where our savings will have to be made. We have worked very hard to reduce costs without losing teaching roles, but the size of the deficit and expected funding cuts from central government make our situation particularly challenging.

We must reduce the level of staffing at the school, and adjust our curriculum offer accordingly. It is a three-year restructuring plan, so changes will be made to finances and the curriculum in a measured way over this period. For example, students currently taking a subject in the first year of sixth form will be able to complete their planned studies at the school.

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We are currently conducting a full consultation with staff and unions in respect of our plans. Final decisions about the restructuring plan won't be confirmed until after this consultation is complete. However, our new structure will ensure that teaching and learning remain at the heart of everything we do, and will preserve the unique character of The John Roan. My letter to you comes at the same time as news from a national conference of the Association of School and College Leaders indicating that budget cuts are forcing schools across England to cut courses, increase class sizes, and make redundancies. And the situation is expected to get worse. We are one of thousands of schools having to restructure in order to adjust to the new economic reality of education in this country.

Despite the pressures, our ambition for your children and for the school are undiminished. We will offer a world class education at The John Roan, so that every student can fulfil their full potential and achieve academic, social and personal success.

Kind regards,



Nadine Powrie

Deficit intervention at The John Roan School

02 March 2016

The school carried over from financial year 2014/15 a revenue balance of £309k. The school is currently projecting that it will end financial year 2015/16 with a deficit of £438k. This represents an in-year deficit of £747k

Schools are not permitted to set deficit budgets. They are required to submit recovery proposals for approval to the Director of Children's Service and the Director of Finance. The school subsequently submitted a deficit intervention plan to the local authority.

The proposals in the plan set out the high ambitions that the leaders and governors have for the school. All aspects of school organisation and provision have been reviewed and curriculum impact had been very carefully considered. The financial modelling in the recovery plan was very robust and withstood detailed scrutiny.

The plan was subsequently approved.

It is noted that the new headteacher inherited a structure that was financially not sustainable. Both the headteacher and Governing Body are commended for their pro-active approach to deficit intervention.

Regards

Terry Miller

Finance Manager

Children's Services Finance

Royal Borough of Greenwich