

## What's inside:

### News and advice

- Independent sector school inspection regime
- ATL – here to support it's members
- ATL successfully helps members facing redundancy in Norfolk
- Independent schools merger
- Governors' strategy in uncertain times: an AGBIS view

## Challenging times

### *What does the economic recession mean for the independent sector and for ATL members and their jobs?*

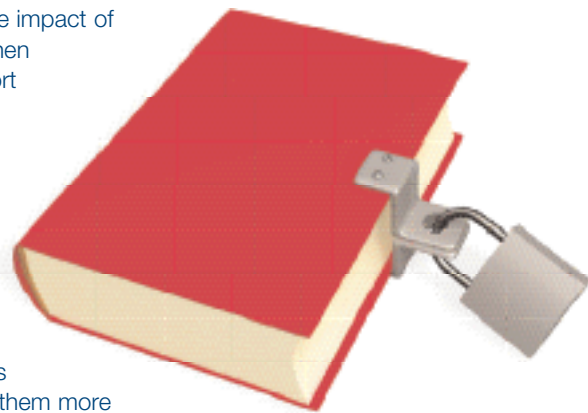
As the largest trade union and professional association in the sector, ATL is uniquely placed to report on the impact of the recession and to support its members when needed. ATL has 20,000 teaching and support staff members in 1,700 independent schools. Our regional and branch officials have been supporting growing numbers of members who are facing the threat of redundancy in prep, senior, day and boarding schools as a result of the economic downturn.

As well as individual redundancies, we have seen in the region of 25 independent schools close in the past year. Predominantly, this has been small prep schools; their size makes them more

vulnerable to a fall in pupil roll numbers. However, recently,

St David's School, a 300 year-old day and boarding senior school in Middlesex announced that it was closing at the end of the summer term 2009.

While these developments are of obvious concern, the sector is currently faring well in comparison to other parts of the economy. Indeed, members in some schools report that pupil numbers are increasing. But we know from past experience, that there is a time-lag of at least 18 months before the full impact of the recession is felt. With the recession generally held to have started around April 2008, many schools will approach the start of the new academic year with trepidation.



## Independent sector school inspection regime

*Unfortunately, in a small minority of schools, there are some even more fundamental issues that need to be addressed.*

Recently, a number of independent schools have closed abruptly, with little or no notice. Loyal, hard-working, staff have been left unemployed and owed money, in addition to having missed the recruitment round.

Whilst acknowledging that there are many examples of excellent practice within the independent sector, school closures in a minority of cases have revealed considerable weaknesses in the leadership and governance. Issues such as a lack of long-term planning, no financial or marketing strategy, and no analysis of demographics or local competition, are just some of the things that have come to light.

These schools have lurched into crisis management, and have not taken action in time to plan alternatives, such as going co-ed, merger, joining a group of schools, becoming an academy, or just planning a dignified closure.

No one doubts the difficult task faced by owners of a business whose financial viability is based on the number of pupils that walk through the door but more can be done. ATL believes that more practical action could be taken and that, as part of a more regular inspection regime, detailed evidence should be provided of financial and strategic planning and adequate provision in the event of closure, including the provision of proper notice. ATL knows that independent schools jealously guard their independence but we believe that such a check need not be too onerous and can only be to the school's and the sector's benefit.

The recession has therefore revealed that some independent schools lack basic employment procedures and a small minority are ill-prepared to deal with the down-turn.



 (continued from front cover) Independent sector school inspection regime

## ATL recommends that all independent schools should have:

- a fair, transparent and timely redundancy procedure;
- redundancy pay based on actual salary as a minimum;
- provision for early and meaningful consultation with staff and their professional representatives, such as ATL;
- a policy to avoid compulsory redundancy wherever practicably possible;
- a long-term strategic plan, including financial planning, demographic analysis, and marketing strategy;
- membership of a relevant professional body such as the AGBIS or ISBA.

## For the sector as a whole, ATL recommends that:

- the independent school inspection regime should include evidence of strategic planning and financial provision.

Should you need any help or support related to the issues highlighted above please contact your rep or local branch secretary in the first instance, or ATL's legal and member services department on **020 7930 6441**.

**ATL –  
here to  
support  
it's members**



### What can be done?

ATL's position in the independent sector can be strengthened further by encouraging non-member colleagues in your school to join ATL. The more ATL members per school, the more influence members have collectively. Why not talk to colleagues and if they are not in a union, encourage them to join ATL? Don't let them leave it until it is too late. You can also talk to your ATL school representative and other colleagues; review the school's policy and procedures that deal with potential redundancy. ATL can assist you and your school to make sure that they are fair, transparent and timely.

Review the amount that the employer offers by way of compensation if redundancy cannot be avoided. Make sure that there is good provision for consultation; it is surprising how often ATL's practical advice and assistance and staff suggestions, can help to keep detriment to a minimum, or even avoid it altogether. If the school is not already a member, encourage the owners to join one of the employers' associations such as the Association of Governing Bodies of Independent Schools (AGBIS) or the Independent Schools Bursars Association (ISBA).

*ATL has a well established track record of working together with independent school employers to avoid compulsory redundancy and promote good employment practice. And ATL is unique in that it currently holds approximately 80 recognition agreements with independent schools giving it a negotiative position of strength in comparison to other unions.*

When an employer recognises a union it undertakes to consult and negotiate with representatives of the union regarding pay and other terms and conditions, including redundancy.

Sadly, far too many independent schools, including some well known schools, lack basic employment policies, and far too many do not follow good employment practice; for instance, by paying nothing more than the statutory minimum redundancy pay that all employers must pay.

## ATL successfully helps members facing redundancy in Norfolk

*Two ATL members in a small prep school in Norfolk were facing compulsory redundancy, with one person to be selected from a pool of three. The school had consulted staff about the redundancy process and were open to suggestions from ATL on the skills audit and general advice on ensuring that the process was objective and fair.*

Executive Committee member, Peter Walker, acted on ATL's behalf, and advised the two members individually at their homes, away from the school, and helped them to prepare for their interviews with the selection panel. It is very important to systematically record all qualifications, skills, experience, commitment and all other strengths. It is equally important to be well prepared and rehearsed.

Both members constructed a bullet pointed document of all that they wished to present and a copy was handed to the headteacher who headed the panel.

Peter Walker accompanied the members at their interviews. Although understandably nervous, both members presented themselves very well and did full justice to themselves and their preparation. Happily, both members were extremely pleased to have successfully avoided being chosen for redundancy.

In a further case, Peter Walker successfully assisted a school in avoiding making compulsory redundancies by working with the employer and advising members on voluntary redundancy.

While it is not for everyone, voluntary redundancy can be a positive choice. Peter advised two members on the package on offer and the wider implications, such as loss of salary and pension contributions. In this instance, both members were approaching age-60, so it wasn't long before they would be able to draw their full TPS pension entitlements. Consequently, both members were happy to take the package on offer.

This was a positive outcome for the school as well as for the members involved. A very constructive dialogue was maintained with the school's headteacher and the packages were accepted.

Not all redundancy processes can have such positive outcomes but even in the direst of cases, much can be done to ameliorate the severity of the effect.



*“ATL provided us with clear consistent information about mergers,..”*

## Independent schools merger

In the current economic climate, school mergers are becoming more common. While merger is generally welcomed as a potential way to preserve a school in difficulty, it can be a trying time. An ATL rep at an independent school in the South West reports:

*‘Shocked, we sat and listened as the chairman of governors explained; our school was to merge with and move site to a neighbouring school. Few practical details were given, leaving staff to speculate and worry. We would have liked to know more about why we were to merge, what was going to happen to us and what the ‘new’ school would look like as the two existing schools were very different’.*

*“Communication was our biggest problem, and varying accounts of what would happen were given by people who had some part in the management of this merger. In time, once the shock subsided, we came to understand that dealing with these dramatic changes were as challenging for members of the management.*

*“However, the staff were determined to make things work for the pupils and the new amalgamated school; we were now one school but operating on two sites.*

*“But, from ATL came a constant source of invaluable information that staff could rely on and a source of practical assistance that helped the school enormously during this difficult time.*

*“ATL provided us with clear consistent information about mergers, the TUPE process and what should happen when. The ATL regional official came into school, reassured members, liaised with the headteacher and bursar and negotiated with the school's solicitors when necessary. She worked tirelessly on our behalf to ensure that the staff were not forgotten and that personnel issues followed fair and transparent procedures.*

*“ATL made a significant contribution, working with school management to avoid compulsory redundancies. Where this was not possible, ATL ensured that members received proper compensation. It was ATL's knowledge and understanding of the independent sector and commitment to working for the benefits of the members and the school that helped smooth the path of a difficult transition.”*

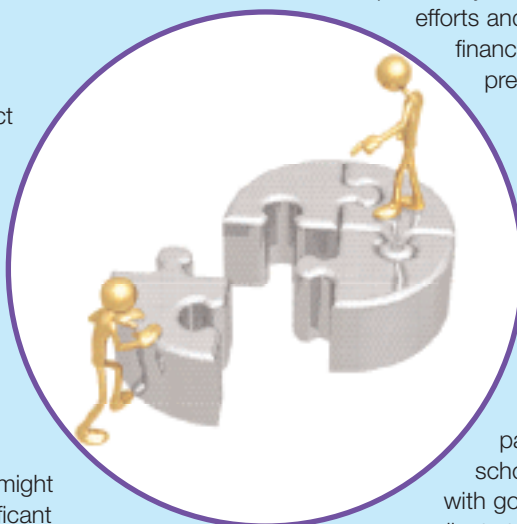
# Governors' strategy in uncertain times: an AGBIS view

*The AGBIS advises on governance for the majority of schools in the ISC. This equates to approximately one half of the schools in the independent sector and over 80% of the independent school pupil population. Shane Rutter-Jerome, General Secretary of the AGBIS, advises, here, that timing is everything when planning amidst an economic downturn.*

The number, type and size of schools in the independent sector have always been subject to change, even in good economic times. Niches disappear; parents' wishes and children's needs and the market can all change. The current financial crisis has brought into sharper focus the need for schools to run as efficient businesses. The books must balance: pupils on the roll equal income; capital development and running costs equal expenditure; the difference between a surplus or a deficit can be a mark of how well a school is set for the immediate future. Whilst a school's strategy might be well thought-out and far-reaching, a significant downturn in the economy or a major local change might easily disrupt these careful plans. In looking ahead, governors and headteachers continually question their assumptions and prepare plans for the worst case scenario.

Come September 2009, we will all know how well our parents, and thus our schools, are riding out the current storm, how many parents have not been so fortunate, and how successful our marketing efforts have been. That is the point at which we have to identify the key factors, decisions and assumptions for the September 2010 school year. What will the pupil numbers be? How does that affect our planned surplus? How much can we improve this by additional marketing efforts? What would be the effect on staffing levels? How can we cut costs and increase other income? How will this all affect the development plan? What do the long-term prospects look like? Are there any local issues which affect us more than other schools? How are our neighbouring schools faring? Are we still financially viable? Should we be looking towards some sort of strategic alliance or merger with another school or a larger body?

The key here is that, if all is not looking rosy, leaving this process until halfway through the school year is too late. It takes time to negotiate some sort of alliance, if that becomes necessary, or to renegotiate bank arrangements and it is better to make any preparations before coming under pressure. Schools' governing bodies will have spent time this academic year considering contingency plans to make savings if all does not go according to plan. They will be relying on the headteacher's marketing efforts and the reputation of the school to keep the finances in good shape but taking sensible precautions, too.



In the relatively small number of cases when schools are forced to close or merge, governors are sometimes criticised for taking decisions late and thus adversely affecting staff. Whilst they try to avoid this, not least so that they are not found to have operated whilst insolvent, the converse, announcing a decision too early, can lead to a more precipitate collapse as parents rush to secure places at another school. Even in difficult times, well run schools with good forward planning, leadership and excellent staff and facilities have every reason to look forward to a long and successful future. These decisions are therefore best taken early.

