

WESC Foundation

Strategic Plan 2016-19

September 2016

Table of Contents

	Page
Aim, Vision and Mission	3
Executive Summary	4
Introduction and Review of Strategic Objectives 2013-2016	5
The Financial, Educational and Health Environments	7
WESC Strategic Plan Objectives 2016-19	9
Priority Actions for Plan Delivery	12
Future Organisational and Financial Scenarios	16

Aim, Vision and Mission

Aim: To help visually impaired people learn how to take their place in our society”

Vision: To create a better life for people with visual impairment by providing a specialist centre for education, training and expertise.

Mission: To transform the lives of those affected by visual impairment through sharing knowledge, expertise and technologies in effective partnerships

Our ethos is focused on three fundamental factors:

Our family-centred approach; through which we work closely with parents and carers in our Parents as Partners group, learner-centred meetings and other consultative forums which allow us to involve and inform parents of their child’s progress, development and transition

Our multi-disciplinary approach; in which teachers, therapists, mobility specialists and the health care team deliver comprehensive services in consultation with other specialists such as ophthalmologists and child psychologists

Our focus on neuro-science; through which the latest research and development concerning the relationship between the brain and sight informs our specialist practice across all professional disciplines. It is this, in particular, which gives us our unique status as a specialist centre for visual impairment.

Executive Summary

This is a time of great turbulence and change, and such times always bring great opportunities as well as threats. A combination of factors, economic, political and societal, has rendered the special education landscape almost unrecognisable from that which existed ten years ago.

WESC is being faced with unprecedented cuts to its school provision within the coming year, as well as severe restrictions in education Post 19 by Devon CC, WESC's most important commissioner. In response, the WESC Executive and Board are proposing a radical and rapid departure from current ways of working and an innovative approach to meeting the future needs of those with visual impairment.

1. Whilst campus-based provision will continue during the Plan period, it is recognised that such provision is expensive and that commissioners view a mainstream and SEN school outreach approach as offering better access for more learners. WESC will work with commissioners (and especially Devon CC) to design, pilot and roll out such a programme to benefit upward of 350 learners a year by 2019. Residential provision will continue for the most profoundly impaired learners, with an emphasis on school age learners.

2. Campus-based provision will only attract learners and appeal to commissioners, however, if it provides excellent, en-suite facilities as well as consistently good or outstanding services. WESC will invest in residential and learning facilities, recognising that total capacity is likely to be lower than in the past. At the same time it will expand new campus-based services. Monies will be raised through operational cost savings, through joint-venture partnerships and through external fundraising.

3. As well as forming campus-based business partnerships, with, for example, Guide Dogs and Action for the Blind, WESC will also form strategic alliances locally, regionally and nationally in order to improve further its reputation and capability. Such alliances will facilitate the sharing of good practice, build a strong lobby to influence decision makers, encourage joint ventures or mergers and stimulate industry-wide planning.

4. Whilst ensuring better and more extensive services for visually impaired (VI) learners, and securing a stable financial future, WESC will continue its efforts to generate new knowledge and understanding of VI issues through national and international research efforts, funded by external parties. This will improve service quality and raise the WESC profile, but will not be allowed to compromise the essential strategic tasks outlined above.

The measure of our success will be the extent to which it improves the lives of those affected by visual impairment. Certainly, the re-engineering of our services and expertise in this way will meet the goals of a significantly larger number of VI children, whilst retaining a critical mass of expertise. The distillation of our expertise and specialism into a range of courses, training materials, scientific articles or other publications will also benefit many more in the longer term.

1. Introduction and Review of Strategic Objectives 2013-2016

This Strategic Plan aims to set out the major steps which the WESC Foundation should take during the 2016-19 period. It has been drawn up jointly between the Executive and Trustees, and has been formally endorsed by the Board. For it to be successful, however, staff members will have to recognise their own role in delivering exceptional outcomes for learners and in ensuring financial stability for the organisation. Staff training days on strategic issues will therefore take place throughout the plan period.

The Strategic Plan is not overly prescriptive, however. It is expected that the 2016-19 period will see significant further change in the policy, financial and structural environments, requiring WESC to be flexible in its responses. Nevertheless, the current plan provides a strategic starting point and direction of travel, which may be fine-tuned as circumstances require.

In setting out the strategic direction for 2016-19, it is useful to assess 2013-16 Plan outcomes against the key objectives agreed at the time before going on to examine the environment within which WESC will have to operate in the future.

1. To maintain the core business of the school and college as a VI specialist centre

Comments – this has been achieved, despite a backdrop of much reduced VI provision across the country. WESC has strengthened its core expertise around VI and sustained the school and college. The provision has been restructured into two streams, Dart – for those with the most complex needs, and Exe - for the more academic and vocationally oriented. Learner numbers have fallen as the more able are accommodated within mainstream or general SEN schools, but higher fees per learner have been seen. Further change to the funding of sensory impairment provision is to be expected in the future.

2. To maintain and develop protocols and practices for safeguarding learners

Comments – this has been largely achieved, despite WESC receiving within one year every Ofsted grade between Outstanding and Inadequate. School residential provision is currently graded as Requires Improvement, but significant progress against the new standards introduced in April 2015 has been recognised. The CQC regulated provision is currently graded as Good. Future standards and requirements will only become more stringent, however, so vigilance and continuing investment in audit and scrutiny will be fundamental to WESC's approach in the coming years.

3. To identify alternative markets beyond the core business

Comments – significant progress has been made. Outreach work for VI learners has been delivered to schools and colleges across the peninsula, viz.:

- α) Torbay Council*
- β) Cornwall College*
- χ) Dawlish Community College*
- δ) Exeter College*
- ε) Guernsey Education*
- φ) Maynard School*
- γ) New Fosseway Special School*
- η) Somerset and Bridgewater College*
- ι) University of Exeter*

However, as revenue from this activity is running at +/-£90k a year, much further work is required to transform outreach provision into a major funding stream. An Adult Day services provision was also started, which is set to grow considerably in the 2016-19 period.

4. To embed research, training and development within our culture and practice, to develop theories of learning specifically to meet the needs of young people with visual impairment

Comments – this has been achieved. WESC has received funding for a number of research projects, and is currently involved with two – the JNCL Erasmus project and a project completing the Eyelander computer gaming software. We are awaiting the outcomes of a range of bids for funding. We have successfully hosted five International conferences with a range of speakers and raising around £8,000 revenue each year. This work have led to the introduction this year to the entire Dart stream of a new CVI curriculum approach. However, in the coming year we will need to prioritize new partnerships with DCC and others and so will be more reliant on external support for research.

5. To develop an overarching philosophy of education for those people with visual impairment

Comments – this has been achieved. Over the past five years the CEO has spent a considerable amount of time studying educational neuroscience applications and learning about the implications of cerebral visual impairment (CVI). This has been developed into an approach based on the various brain conditions leading to CVI and the types of problems resulting. There are three main themes, elements of which are applicable to all WESC learners:

- Attention
- Executive function (including planning, behaviour controls, decision making and reasoning)
- Working memory

WESC's work is recognised in terms of the CEO's contribution to re-writing three of the four modules for the Mandatory Qualification for teachers of pupils with Visual Impairment (MQVI) course. The CEO has further formulated this into an approach which has been piloted in a limited way in the Dart stream and will be rolled out across WESC and outreach provision.

6. To become a nationally and internationally recognised centre for visual impairment for education, care, research and development.

Comments – this has been achieved, albeit partly by the demise or change of direction of other providers, and stems largely from the work carried out in Objectives 3, 4 and 5, above. Whilst such recognition strengthens WESC's profile and learner offerings, and places the Foundation in the forefront of (C)VI thinking and practice, it does not of itself guarantee future income streams. Future emphasis must therefore be on transforming WESC's expertise and standing into top-class and financially viable provision for VI and CVI learners, both regionally and, increasingly, nationally.

2. The Financial, Educational and Health Environments

This section considers the financial, educational and health environments in which WESC works, outlines their direction of travel and proposes what WESC's response should be.

Overview

Learners accessing WESC's residential provision have either an SEN statement detailing their needs, or a newer and broader Education, Health and Care (EHC) plan, which are replacing statements. However, of 256,315 learners with statements or EHC plans in January 2016, 46.7% attended mainstream schools, 40.5% attended maintained special schools, 8.7% attended colleges of further education or similar, whilst just 4.0% attended Non-maintained Special Schools (NMSS), of which WESC is one. This equates to just 10,252 across the country, of which only a small percentage will have (C)VI conditions.

At the same time, NMSS and independent specialist colleges are facing an environment of unprecedented change and vulnerability. In broad terms, the focus on safeguarding and child protection has magnified exponentially, likewise scrutiny and accountability, whilst resources and support have decreased in inverse proportion. This makes for an unstable and vulnerable sector.

A cursory glance over the past 15 years gives us an insight. There have been 18 pieces of legislation or guidance, which document the societal response to a range of tragedies from Victoria Climbié to the aftermath of Operation Yew tree. From the 1999 Protection of Children Act, through The Education Act in 2002, Every Child Matters in 2003, Safeguarding Children in 2007, The Children and Families Act 2014, The SEND Code of Practice 2014, through to Keeping Children Safe in Education 2015, the sector has faced ever more intense and detailed analysis of practice and roles. It is no longer enough that providers train staff, WESC and others now have to prove that staff have read, understood and are acting on all legislation and guidance. In order to regulate this, CQC and Ofsted Care have adopted the Ofsted quality framework instead of the minimum compliance framework with which providers were familiar.

At the same time, from 2008 onwards, WESC and other NMSS have faced a steady diminution in support and resource; in 2009 Regional Networks were dismantled and with them any effective regional commissioning. 2010 signalled the start of colleges losing LSC funding and by 2012 the national framework for funding post 16 had been removed and the revenue handed over, with no ring fencing, to individual Local Authorities (LA). Since then all LAs have faced massive budget cuts and have lost staff members with the capacity to understand provider roles and know learners. In 2014 there was Assessment Without Levels, and in 2016 there is a Review of the P Levels (representing learning for those with the most complex needs) and the High Needs SEN Spending Review. This will re-allocate all SEN funding once more across all LAs, but on a per capita basis rather than following individual young people. Moreover, the forthcoming Mental Health 10 Year Strategy will allocate large sums of money into mainstream schools, where it is reported that 1 in 4 children face a significant problem. This may, in turn, further reduce resources for (C)VI learners.

Sensory impairment provision

In the sensory sub-sector, providers have faced even more specific problems. (C)VI, hearing impairment (HI) and multi-sensory impairment (MSI) being so low incidence, means that to survive WESC and others have to draw learners from a large geographical area, putting the cost of residential care and transport out of the reach of many LAs. Since 2009,

when some sensory impairment providers changed their charitable objects to cover autism and other difficulties (e.g. St Vincent's, Henshaw's, Queen Alexandra College), many others have ceased operating as before and effectively closed (Joseph Clarke, Royal London Society for the Blind School and College, The Catholic Blind Institute, Westgate School and College for the Deaf, St Christopher's School for the Deaf, Ovingdean Hall School). RNIB had already closed much of its provision although it retains some vestigial school provision, whilst the Royal National College in Hereford is still operating in partnership with New College Worcester.

There is the possibility of the sector banding together and securing a new national, or at least regional funding arrangement, but it will require a great deal of momentum and energy to see it through to a satisfactory conclusion.

Overall the greatest likelihood is of continuing reductions in funding, and a requirement to provide more for less. In the long term, against a backdrop of increased scrutiny and quality expectations, this is not a viable position for a single organisation. There will be increased security in numbers, either through federation or through mergers.

Health and social services

The Health and Social Care Act 2012 brings the health and social care sectors closer together, transferring responsibility for public health matters to local authorities, and introducing both Clinical Commissioning Groups and Health and Wellbeing Boards, the latter operating under LA supervision. CQC continues to regulate the social care sector, whilst the National Institute of Clinical Excellence (NICE) is re-named as the National Institute for Health and Care Excellence.

These changes are relevant to WESC given that it is responsible for the care of learners receiving educational services and is regulated by both Ofsted and CQC. It is not clear at the time of writing what the full implications of these and the LAs responses may be. An understanding of the pressures facing both LAs and NMSS has led WESC's Board and Executive to consider what strategic steps WESC should take in the coming years to both continue to provide top-class services to young (C)VI people and to ensure its own viability. The following section outlines the key objectives agreed for the Strategic Plan 2016-19, following which priority actions for plan delivery are presented in tabular format.

3. WESC Strategic Plan Objectives 2016-19

1. Ensure that the provision is always good and demonstrates aspirations to be outstanding.

In the short term:

This will be secured by two approaches:

- The improvement of internal Quality Assurance measures, with more internal peer review and audit functions, led and overseen by the Head of Quality.
- The improvement of external peer review and benchmarking, including refreshing links with DCC quality systems as well as national bodies such as Natspec, Vision 2020, the MSI Leaders' Group and regulatory bodies such as Ofsted.

In the longer term:

- WESC will explore federation with other organisations so that the benchmarking function can be facilitated and regularly updated.

2. Become known as a centre of excellence world-wide for R&D and educational leadership.

In the short term:

This will be secured by two approaches:

- Assuming a national leadership role, with increased contributions to the MQVI Birmingham University Course and stronger links to UK universities such as UCL, through Great Ormond St., and Lincoln University.
- Developing an international leadership role, with increased links to leading international thinking including that generated at San Francisco University and at Bartimeus in Holland.

In the longer term:

- WESC will establish a shared research platform with a range of other providers such as RNIB and Guide Dogs. This will be developed through the CEO's involvement with Vision 2020.

Whilst these initiatives are important for securing a long-term and influential position within (C)VI thinking, they must not interfere with the shorter term need to generate revenue, control costs and deliver good and outstanding services¹.

3. Substantially widen the provision, for example:

- supporting families
- outreach in more mainstream schools

¹ . DCC commissioners have described WESC as fulfilling a role which is complementary to the statutory provision they offer, providing unique knowledge and expertise which cannot be equalled by statutory provision. That knowledge must be cutting edge, continually updated and international, and must be embedded across WESC staff. Neuroscience in education is now a mainstream concept and WESC has established real credibility in this field, which will help to secure its place in the niche market of sensory provision. WESC will need to have a flexible approach to the way in which this knowledge is delivered to other parties, viz:

- Through campus-based services to those with VI, CVI, and, possibly, MSI.
- Through delivering training and support within mainstream schools.
- Through delivering training for mainstream teachers wishing to attain mandatory qualifications in VI and MSI delivery.

All three could be done more effectively and to wider markets should WESC be able to pursue partnerships with either other VI charities, such as Guide Dogs or RNIB, or with other sensory providers such as ERADE.

- services to employers
- provision of sensory services to Local Authorities and Multi-Academy Trusts
- WESC provision elsewhere in the country, establishing satellites if required.

In the short term:

This will be secured by three approaches:

- Working closely with Devon County Council (DCC) to develop an innovative national model for outreach in mainstream schools.
- Building on this, to secure contracts to distribute the model through sensory services.
- Strengthening our relationships with family groups such as the CVI Society and the Battens Disease Family Association.

In the longer term, but still within the 2016-19 period:

- WESC will build on the Devon County Council (DCC) outreach model to start providing these services across their partner Authorities; Cornwall, Somerset, Plymouth, Bristol, Bath and NE Somerset and Dorset.

4. **Develop a productive partnership with:**

- other sensory impaired providers
- local community groups
- other disability groups
- national providers

In the short term:

This will be secured by three approaches:

- Working closely with a range of other sensory providers and charities, including the major national ones, considering co-location options.
- Through the work with DCC above, securing a broader set of local partnerships and developing our local community working.
- Securing leadership roles on a range of external bodies including Natspec, Vision 2020, the MSI Leaders Group
- Rolling out the CVI curriculum across our own provision and embedding it as effective practice.

In the longer term:

- WESC will roll out the CVI curriculum across mainstream school provision in partner LAs, embedding it as effective practice.

5. **Improve the residential and education facilities.**

In the short term:

This will be secured by two approaches:

- Encouraging partners to co-locate on site, mobilising capital for campus improvement and jointly re-developing the site.
- Securing significant major donors and funds to support this work.

In the longer term:

- To develop longer term relationships around mainstream schools and access their facilities on a shared basis.

In the short term, WESC envisages remaining on its Exeter site. In the longer term, however, the option of mobilising capital by selling some or all of the site remains an option. This would become essential if the demand for residential provision is further reduced²

6. Manage the foreseeable risks to the organisation and increase its financial stability and resilience.

In the very short term:

This will be secured by three approaches:

- Making significant cuts to central overheads, including the executive team and other management costs, to make WESC more competitive.
- Expanding and differentiating income streams so as to reduce dependence on any one.
- Fully delegating all budgets within the organisation and fully implementing financial accountability at all levels

In the short to medium term:

- WESC will develop a stronger new business development capability, introducing a more commercial attitude among all staff, and capturing significant new revenues.

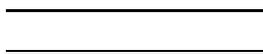
² Since the decision was taken by the Board of Trustees in December 2014 to remain on the current site, there have been a range of possible co-location opportunities for WESC, involving a range of voluntary and statutory partners. Due to the inhibiting factors around the access road, none have yet come to fruition. Recently, the latest planning application by ADP&E Farmers has been turned down, suggesting that WESC's scope for development or sale will be limited unless a different relationship with the family, which owns the company, can be established. This must be a key focus for discussion and action over the coming three years. WESC must articulate clear criteria for collaboration and co-location with a view to securing the future of WESC.

4. Priority Actions for Plan Delivery

Strategic priority	Expected outcome	End date	By whom	KPI
1. Ensure that provision is always good and demonstrates aspirations to be outstanding	<ul style="list-style-type: none"> • Always Ofsted/CQC "good" • Learners make exceptional progress • Reputation attracts revenue 	31 August 2019	Deputy Principal, Head of Quality	<ul style="list-style-type: none"> • Ofsted/CQC/LA reports • Internal Self-Assessment Reports • Parent/learner feedback
a. Improvement of internal Quality Assurance measures	<ul style="list-style-type: none"> • Better QA procedures are embedded • "Quality Champions" named 	30 June 2017	Deputy CEO Head of Quality	<ul style="list-style-type: none"> • QA Manual circulated • Internal training completed
b. The improvement of external peer review and benchmarking	<ul style="list-style-type: none"> • WESC QA approach meets industry standards • WESC is in top peer performance category 	30 June 2018	Deputy Principal Education, Head of Quality	<ul style="list-style-type: none"> • Formal review/training with DCC and other LAs • Meetings/training with Natspec/Vision 2020 and Ofsted
2. Become known as a centre of excellence world-wide for R&D and educational leadership	<ul style="list-style-type: none"> • WESC uses knowledge to attract more viable business • Learners make improved progress • WESC staff motivated & retained 	31 August 2019	CEO Deputy CEO Deputy Principal	<ul style="list-style-type: none"> • Research reports published and publicised • Papers presented by staff at industry events
a. Increase contributions to the MQVI Birmingham University Course and strengthen links to UCL, Great Ormond St and Lincoln University	<ul style="list-style-type: none"> • WESC recognised by MQVI graduates • WESC profile raised through technical partnerships 	31 December 2018	CEO Deputy Principal	<ul style="list-style-type: none"> • WESC acknowledged in BU, GOS, LU materials • Technical endorsements and references available
b. Developing an international leadership role, with increased links to (e.g.) San Francisco University and Bartimeus in Holland	<ul style="list-style-type: none"> • WESC seen as UK voice in VI/CVI matters • Research funds made available to WESC 	31 December 2018	CEO	<ul style="list-style-type: none"> • Joint papers with international partners published • WESC accesses £250k of research funding, 2016-19
3. Substantially widen the provision to include more families, schools and academies, employers and Local Authorities	<ul style="list-style-type: none"> • More VI/CVI beneficiaries • More stable and higher revenue streams 	30 August 2019	CEO Deputy CEO Deputy Principal	<ul style="list-style-type: none"> • No. of direct beneficiaries >350/yr by 2019 • Trading surplus positive in 2017-18 and 2018-19
a. Develop school outreach model with DCC	<ul style="list-style-type: none"> • Greater number of (C)VI learners benefit 	30 June	CEO Deputy	<ul style="list-style-type: none"> • > 150 learners in >15 schools in 2018-19

and deliver to Devon and SW region schools	<ul style="list-style-type: none"> • Revenue streams diversified • Longer-term contracts in place 	2017 30 June 2018	Principal	<ul style="list-style-type: none"> • At least 2 multi-year contracts in place by Sept. 2018
b. Strengthen WESC relationships with family groups (e.g. CVI society and the Battens Disease Family Association)	<ul style="list-style-type: none"> • Parents gain better VI knowledge • WESC accesses parent lobbying power 	30 Decem ber 2017	CEO Deputy Principal	<ul style="list-style-type: none"> • Three MoU signed by end 2017 • Joint action programme agreed within each MoU
4. Develop productive partnerships	<ul style="list-style-type: none"> • New options identified for future development 		CEO Deputy CEO Deputy Principal	
a. Work closely with other sensory providers and charities, including the major national ones, considering particularly co-location options	<ul style="list-style-type: none"> • Commercial and technical capability increases at WESC • Cost-sharing options identified 	30 Decem ber 2018	CEO Deputy CEO Deputy Principal	<ul style="list-style-type: none"> • At least 4 staff exchanges and/or co-delivery initiatives by end 2018 • Cost sharing initiatives give > £50k/yr saving by 2018-19
b. Securing leadership roles on a range of external bodies including Natspec, Vision 2020, the MSI Leaders Group	<ul style="list-style-type: none"> • WESC influences government policy and industry response 	30 Dec 2017 and 2018	CEO Deputy CEO Deputy Principal	<ul style="list-style-type: none"> • WESC staff on one national Board by end 2017 and two by end 2018
c. Rolling out and embedding the CVI curriculum across WESC provision and, subsequently, in outreach schools/academies	<ul style="list-style-type: none"> • WESC curriculum is seen as progressive by commissioners and other providers • Curriculum leads to improved learner progress 	30 Sep 2017 and 2018	CEO Deputy Principal	<ul style="list-style-type: none"> • CVI Curriculum adopted in WESC Sept. 2017 • CVI Curriculum adopted in >25% of outreach schools by Sept. 2018
5. Improve the residential and education facilities				
a. Securing significant major donors and funds to support this work.	<ul style="list-style-type: none"> • Development possible without compromising WESC finances 	31 March 2018	Trustees, CEO and Deputy CEO	<ul style="list-style-type: none"> • >80% of funds secured by March 2018
b. Encouraging co-location, mobilising capital for campus improvement and re-developing the site.	<ul style="list-style-type: none"> • Site attracts continuing residential provision • Site costs reduce as percentage of revenue 	30 Dec 2017 and 2018	Trustees, CEO and Deputy CEO	<ul style="list-style-type: none"> • Co-development plans agreed by end 2017 • Facilities part-developed by end 2018 • Site costs reduced from 14% of revenue to 12%

c. Develop longer term relationships with mainstream schools and access their facilities on a shared basis	<ul style="list-style-type: none"> • More cost-effective delivery of outreach services • Better regional presence 	30 September 2018	CEO and Deputy Principal	<ul style="list-style-type: none"> • Have WESC staff based at two schools/academies by Sept. 2018
6. Manage foreseeable risks and increase financial stability and resilience	<ul style="list-style-type: none"> • Specialist (C)VI provision in SW is continued • WESC in position to grasp new opportunities 	Dec 18	Trustees, CEO and Director of Finance and Resources	<ul style="list-style-type: none"> • Involvement in New bid for Sensory support services
a. Making significant cuts to central overheads to make WESC more competitive.	<ul style="list-style-type: none"> • Overhead is in line with scale of operation • Management costs as % of total revenue is reduced 	30 Sep 2016, 2017, 2018	CEO Deputy CEO Deputy Principal	<ul style="list-style-type: none"> • Balanced budget in 2016-17 and a surplus of 2-5% of revenue in 2017-18 and 2018-19
b. Expanding and differentiating WESC funding income streams so as to reduce dependence on any one.	<ul style="list-style-type: none"> • Risk of revenue withdrawal is reduced • Financial stability is enhanced 	30 September 2018	CEO Deputy CEO Deputy Principal	<ul style="list-style-type: none"> • Major funding source reduced from 54% of revenue to 30% by Sept. 2018
c. Guided budget setting and management devolved to WESC operational managers	<ul style="list-style-type: none"> • Financial accountability at all levels • A more commercial attitude among staff 	30 August 2017 2018 2019	CEO Deputy CEO Deputy Principal	<ul style="list-style-type: none"> • 2016-17 and subsequent spending is within budget, including any mid-year revised budget
D . Develop financial resilience measures and measure performance against these	<ul style="list-style-type: none"> • Improved trend analysis with regard to financial resilience • Full exec accountability for financial resilience 	Dec 16 Jan 17 July 17		<ul style="list-style-type: none"> • Group of Trustees and Exec to agree measure. • Publish plan and targets • Measure performance against targets



5. Future Organisational and Financial Scenarios

The 2016-19 period will be one of uncertainty and change, with the primary source of WESC income (Local Authorities) being under continuing financial pressure. As indicated earlier, it is probable that LAs will increasingly look to introduce specialist (C)VI expertise into the maintained school sector, including the SEN sub-sector, rather than finance only a separate, residential provision. It is not anticipated that this will mean the disappearance of residential provision on the WESC campus, but such provision will need to be increasingly flexible, implying that WESC's cost structure will also have to be increasingly flexible.

Moreover, the skills required to manage and deliver a fast-moving combination of outreach and campus-based provision will also change. Staff will need to be prepared to move between the two types of provision, to travel and, possibly, to operate out of a school base. They will need to become trainers of school and academy staff as well as deliverers to (C)VI learners.

Thirdly, the need for increased flexibility will extend to campus development. On the one hand, building upgrades and site development will be required if residential provision is to continue to attract learners. On the other hand, committing large amounts of money to site development at a time of funding uncertainty could threaten the future viability of WESC. It is envisaged that building upgrades and site development will only take place in partnership with other organisations, where funding is largely external and where any new buildings are readily convertible should WESC have to reduce its campus footprint.

Current financial position

The financial position of WESC has weakened over recent years, largely due to losses incurred in 2012-13, 2013-14 and the current year, 2015-16³. Whilst turnover has oscillated between £7m and £8m since 2010-11, and is predicted to be £7.3m in 2015-16, costs increased each year from 2010-11 to 2014-15 and are expected to be roughly constant in 2015-16 at some £7.9m.

The result has been a gradual erosion of net assets from £9.3m as of 31.8.2011 to a probable £8.5m as of 31.8.2016. Most of these assets, however, are tied up in land and buildings, with a current value of £7m. This means that WESC will find it increasingly difficult to cover any future losses from reserves, especially at the levels seen in 2013-14 (£711k) and expected in 2015-16 (around £560k). Moreover, a positive current asset position has to be maintained in order not to be marked down in Ofsted inspections.

Revenue streams

As noted, most revenue, about 54% in 2015-16, comes from LAs and some 30% from Devon County Council alone. A little over 87%, the vast majority funded by LAs, comprises campus-based fee income, whilst just 1-1.5% comes from outreach activity within schools and colleges. Of the balance, approximately one third is generated from social enterprises, a third from fundraising and a third from other income, including the provision of adult services and respite, and the renting out of facilities.

Of the campus-based income, approximately a half comes from 19+ provision, which WESC believes is the provision most threatened by further LA cuts.

Future plans

³ Figures are taken from accounts submitted to the Charity Commission for the period 2010-2015 and from 2015-16 management accounts.

Future plans are to first balance revenue and expenditure before generating a positive net margin, to maintain or increase current income levels by diversifying both the commissioner base and the range of services provided, and to reduce the present dependency upon Devon CC funding. The following table lays out high-level targets, each of which will need to be broken down into subsidiary targets allocated to specific individuals.

Financial Indicator (£m)	2016-17	2017-18	2018-19	
Total income (excl. restricted funds)	7.8	8.2	8.6	
Campus-based fee income	6.7	5.9	5.4	
- of which, 19+ provision	3.2	2.9	2.0	
School/college outreach income	0.1	0.6	1.3	
Adult day services/respite care	0.1	0.3	0.3	
Other income (rent, shops, fundraising)	0.9	1.4	1.6	
Surplus/(deficit)	0.0	0.2	0.4	
Income from Devon CC	30%	30%	30%	Different model more outreach
LA education fees	54%	54%	54%	

Budgetary control

It is probably the case that many staff members, who manage resources on a day-to-day basis, are focussed principally on learner welfare and not on budgetary management. Whilst excellence of provision must always be a prime staff motivator, staff must also be aware that overspend will, ultimately, result in the failure of provision. It is therefore proposed to allocate more budgetary responsibility to operational staff, and to support such staff through a series of brief training courses. These should be held in the first term of the 2016-17 financial year.

Organisational implications.

We have recently entirely restructured the Executive Team, removing a significant role. We have divided up the potholder's accountabilities and now will jointly be reviewing all spending, all contract and all structures in order to further improve efficiencies within the organization. This will all be part of the working towards reducing the central overhead costs which are too high, and in the longer term making WESC more financially competitive. The targets agreed in this Strategic Plan will be reflected in individual department and staff member work programmes and targets, and progress will be assessed through periodic staff member appraisals. It is essential that staff members are fully committed to the Plan objectives of improving quality, accessing more learners through outreach, forming partnerships and ensuring financial sustainability.

This configuration gives the best of all possible world, retaining the critical mass of expertise in the school, college and adult services but providing the opportunity to expand massively into outreach across the peninsula, to achieve some significant early interventions and to support and sustain many children and young people in their mainstream placements.

Appendices

Appendix 1 – The State of the Nation

Appendix 2 – Direct competitor analysis – a 15 year overview including 3 year financial overview

Appendix 3 – SWOT

Appendix 4 – PEST

Appendix 5 – Porter’s Five Forces

Appendix 6 – DFE Strategy

Appendix 7 - Building Review