

ACADEMIES AND FREE SCHOOLS

SUMMARY REPORT

Purpose of the Report

1. The purpose of the report is to update Members on the legislation introduced by the Academies Act (2010).

Summary

2. The Academies Act makes provision for Community and Aided schools to take Academy status, providing certain criteria are met. Academy status frees schools from Local Authority control and also exempts schools from the need to follow national curriculum guidelines or national pay agreements.
3. Free schools may be set up by interested parties, without reference to local authorities. Free schools are governed and financed in essentially the same way as Academies.

Recommendations

4. It is recommended that Members receive this report for information.

Murray Rose, Director of Children's Services

Background Papers

The Academies Act (2010)

George McQueen : Extension 2847

S17 Crime and Disorder	There are no issues for crime and disorder arising from this report.
Health and Well Being	There are no issues for health and well being arising from this report.
Carbon Emissions	There are no direct issues arising from this report, though the creation of additional school places using the powers under the Act could increase the number of buildings maintained, heated and lighted and could increase journeys to and from school.
Diversity	Darlington already has a school system reflecting diversity of governance, including an Academy.
Wards Affected	All wards in the Borough.
Groups Affected	Pupils of statutory school age, their families and communities.
Budget and Policy Framework	There are no issues arising directly from this report. When schools acquire Academy status, the LA portion of the Dedicated Schools Grant is reduced as Academies are responsible for purchasing non-school services and need not buy them from local authorities.
Key Decision	No
Urgent Decision	No
One Darlington: Perfectly Placed	The report is consistent with the Aspiring Darlington theme.
Efficiency	As the Act enables additional school places to be created without reference to the Authority's school place planning strategy, over-supply of places could result for some year groups.

MAIN REPORT

Information and Analysis

5. The previous Government made provision of Academies to be set up in the secondary sector. Academies are publicly funded independent schools, free from local authority and national government control. Other freedoms include setting their own pay and conditions for staff, freedoms concerning the delivery of the curriculum, and the existing ability to change the length of their terms and school days. Legislation is enshrined in Section 482 of the Education Act 1996, as amended by Section 65 of the Education Act 2002.
6. Academies set their own Admissions Criteria, as their Governing Bodies form the admissions authority for the schools but they are bound by the co-ordinated admissions scheme administered by local authorities. Academies are also expected to take a full part in fair access arrangements made for the placement of more vulnerable pupils.
7. The principle of academies' funding is that academies should receive the same level of per-pupil funding as they would receive from the local authority (LA) as a maintained school. In addition, they receive top-up funding to meet additional responsibilities that are no longer statutorily provided for them by the LA. A list of services Academies provide for themselves is attached as **Appendix 1**. The list gives an indication of where LA budgets are reduced, as funding is directed to Academy budgets.
8. The Government is clear that becoming an academy should not bring about a financial advantage or disadvantage to a school. However, academies have greater freedom on how they use their budgets.
9. The Academies Bill received Royal Assent on 27 July 2010. The Act enables primary and special schools to apply for Academy status. The Act has a number of main provisions.
10. It allows maintained schools to apply to become academies and permit the Secretary of State to issue an Academy Order requiring the local authority to cease to maintain the school.
11. The Act allows the Secretary of State to require schools that are eligible for intervention to convert into academies. There are currently no Darlington schools in this category but future OfSTED judgements would oblige the Authority to take this legislation into consideration when preparing action plans.
12. In a major shift from previous legislation, the Act provides for secondary, primary and special schools to become academies. The Secretary of State invited applications from any schools deemed 'outstanding' by OfSTED to apply for fast-track conversion to Academy status.
13. The Act has provisions to ensure there is no change of religious character as a result of the conversion process to Academy status.
14. The legislation allows schools that apply to become academies to keep any surplus financial balance, this is consistent with the Authority's policy in the Scheme for Financing Schools, applied to maintained schools.
15. The Act requires the governing bodies of maintained schools to consult with those persons whom they think appropriate before converting into an Academy. It should be noted that

there are no statutory consultees and that a simple majority of the Governors is required before a maintained school can apply for Academy status.

16. The Act also ensures that a converting school will continue, as an Academy, to be able to occupy the land/buildings it had as a maintained school, and that the school's other assets also transfer to the new academy for the benefit and use of the pupils of that school. This has implications for the Authority's Asset portfolio.
17. The Academies Act 2010 also makes provision for the setting up of 'Free Schools'. Free Schools are all-ability, state-funded schools, set up in response to parental demand. These new schools will be Academies, which are publicly funded independent schools, free from local authority control. They will enjoy the same freedoms as traditional Academies, which include setting their own pay and conditions for staff, freedom from following the National Curriculum and the ability to change the lengths of their terms and school days. All Free Schools will be accountable like other state schools via inspections and tests.
18. A Free School could be set up by any suitable proposer, where there is evidence of parental demand such as a petition or declaration from interested parents. This could include one or more of the following groups: charities, Academy sponsors, universities, independent schools, community or faith groups, teachers, parents and businesses.
19. Members will recall that a 50% mid-year reduction was made to the Harnessing Technologies Grant, which schools use to procure broadband and ICT services, specifically so that the savings made could be nationally directed to the setting up of Free Schools.
20. Setting up a free school requires approval from the Secretary of State, who will consider each proposal on its merits, and take into account all matters relevant to that proposal. All proposals will be expected to comply with all aspects of the rigorous suitability and vetting tests throughout the application process, including due diligence and CRB checks. The Secretary of State will reject any proposers who advocate violence, intolerance, hatred or whose ideology runs counter to the UK's democratic values.
21. The Local Authority is not a statutory consultee in the process of setting up a free school; neither does the Local Authority have a power of veto against proposals for the establishment of a new Free School. While it is not clear at the time of writing how likely the establishment of free schools will be in Darlington, there are implications for school place planning. An over-supply of places for any particular year group, or an over-supply in an area of the Borough could result in existing schools losing pupils, thereby threatening their efficiency and sustainability. An over-supply of places is also inconsistent with due economy and value for money in the commissioning of services.

Services Academies must commission, formerly provided by Local Authorities

Services and Costs Funded from a Local Authority's Schools Budget

Special educational needs (SEN) support services
Behaviour support services
14-16 practical learning options
School meals and milk
Assessment of free school meals eligibility
Repair and maintenance of kitchens
Museum and library services
Licences and subscriptions
Central staff costs (maternity, long term sickness and trade union duties)
Costs of certain employment terminations.

Services and Costs Funded from Other Local Authority Sources

Costs of a local authority's statutory/regulatory duties
Asset management costs
School improvement services
Monitoring national curriculum assessment
Education welfare service
Pupils support (e.g. clothing grants)
Music services
Visual and performing arts services
Outdoor education services
Certain redundancy and early retirement costs.