
**ACADEMIES GOVERNANCE ARRANGEMENTS AND THE ROLE OF THE LOCAL
AUTHORITY**

SUMMARY REPORT

Purpose of the Report

1. This report explains the changing role of the Council in relation to increasingly autonomous schools. The report also provides information on academies to date and details the issues associated with academy status.

Summary

2. The Education Act 2011 gives precedence to academy proposals, where a local authority identifies the need for a new school and expands the academies programme to allow 16-19 and alternative provision academies. The Act also extends the Secretary of State's powers to intervene in underperforming schools.
3. Councils are under statutory duties to champion children and young people and secure good outcomes for them, including ensuring children's well-being and protection, acting as a guarantor of educational excellence and tackling under-performance so that every child fulfils their educational potential.

Recommendation

4. It is recommended that Members note this report.

Murray Rose, Director of People

Background Papers

Appendix 1: Academies in Darlington

Appendix 2: Governance in Maintained Schools

David Chambers: Extension 2816

S17 Crime and Disorder	The content of this report will not impact on Crime and Disorder.
Health and Well Being	Positive access and choice of full time education for young people.
Carbon Impact	There are no issues this report needs to address.
Diversity	No individual or group is adversely affected by this report
Wards Affected	This report does not impact on a particular ward, but Darlington as a whole.
Groups Affected	This report affects families of school age children in Darlington.
Budget and Policy Framework	This report does not represent a change to the budget and policy framework.
Key Decision	This is not a key decision.
Urgent Decision	This is not an urgent decision.
One Darlington: Perfectly Placed	This report is consistent with the themes of Aspiring Darlington providing high quality facilities that support modern approaches to education and learning.
Efficiency	This report does not identify any efficiency savings.

MAIN REPORT

Information and Analysis

Background

5. Key National Policy Principles:
 - (a) Academies and Free Schools seen as way forward
 - (b) Academies to include primary, special, secondary and PRUs
 - (c) Creation of a national network of Teaching Schools supported by National Leaders of Education and others to support school improvement
 - (d) Create a market place for school improvement expertise
 - (e) Support the self-sustaining school system through 'the development of federations and chains of schools
 - (f) Redefine the role of Local Authorities as 'champions of choice' with a strategic commissioning role
 - (g) Streamline Governance to be more decisive and strategic
 6. The educational landscape is changing. Government policy is driving increased autonomy at school level and promoting system leadership from within the profession, with groups of schools encouraged to work together. It is clear that school leaders lead schools: the Council doesn't, but the Council does have a strong, strategic role with important responsibilities for managing school places, supporting vulnerable children, ensuring equity of opportunity and outcomes and quality assurance of local provision.
 7. Both the local and national context is shaped by the:
 - (a) drive to raise standards
 - (b) reshaped local authority role
 - (c) need to secure formal working relationships between schools
 - (d) need to ensure sustainability of leadership of schools in all sectors
 - (e) need to develop leadership capacity and nurture future leaders
 - (f) drive for efficiencies in the current economic climate
 8. Academies are independent schools funded directly by the Government. The Council has no powers of intervention in academies. Although academies are encouraged to be held to account locally academies are entirely responsible to the Secretary of State for their performance. They also employ their own staff, manage their buildings and can set their own admissions policies. These three freedoms are not unique to academies – church, foundation and trust schools have the same powers.
 9. Academies were first introduced by the Government in 2000 as a way of targeting extra resources at schools serving the most disadvantaged communities to accelerate their improvement. On changing to become an academy the school was closed and reopened, often being rebuilt or refurbished at the same time.
 10. Originally each academy had a sponsor. The sponsor is an organisation such as a business or charity which takes responsibility for the academy. The sponsor's role is significant. It appoints the governing body, oversees the management of the academy and is responsible for its performance. The role of the sponsor has been
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the subject of much debate in the media, particularly around the influence of the private sector in education, although no sponsor can make a profit from supporting an academy.

11. The Academy framework changed under the Academies Act 2010. The new act allows any school that is performing well to apply to convert to become an academy. It is expected that good schools which become academies will sponsor other schools that are not performing well. Primary and secondary schools that are below the Government's minimum standards are expected to become sponsored academies - either sponsored by another school or by a charitable or corporate sponsor. Within this framework, many schools across the country are now converting, the conversion process takes around three-four months and is led by the schools' governing body. The school must consult its community before being given the go-ahead.

The Funding of Schools

12. Within this framework, maintained schools are locally managed and largely autonomous. They employ and manage staff, decide how to apply the national salary frameworks and make their own decisions about how to organise the school including decisions about the curriculum. The Education Funding Agency has responsibility for funding and supporting academies.
13. Schools within the local authority (LA) are funded through the dedicated schools grant (DSG), which comes to the Council as a ring-fenced grant. This funding is ring fenced to education related provision and cannot be used for other activity. Where a school is a 'free school' or an Academy, the funding goes to them directly from central government and the school receives the proportion of the funding notionally retained by the LA to provide support services to schools. Almost 90% of funding for schools goes via the LA directly to schools. The remainder is allocated back for spending on services in schools following consultation with them through the statutory local Schools Forum. Of this centrally retained funding approximately 25% goes straight to private, voluntary or independent nurseries for three year-old provision. The majority of the rest is used to provide services for pupils with Special Educational Needs and those who are excluded from, or who are in danger of exclusion from, mainstream education.
14. The government has undertaken a review into educational funding to attempt to streamline and simplify it as well as to ensure transparency for parents and providers. There is currently a wide variation in allocations between schools of similar sizes in different parts of the country. The new system will incrementally apply from the financial year 2013-14.
15. Academies in Darlington have chosen to test the "market" for the provision of services where there is an alternative available and therefore some have moved away from the Council for certain areas of provision. Though for some services the buy-back for Council services is relatively strong such as for admission appeals services, governors support services and school meals. The only exception is that the Financial Services provided by the Council are not available to schools once they convert to academy status.

Academy developments nationally and locally

16. *“Our long-term ambition is for academies to be the norm in the school system. Teachers and heads should control schools and have more power over how they are run day-to-day. Academies succeed because they have the freedom and power to set their own direction.” Nick Gibb, Schools’ Minister, November 2011.*
17. In a speech given in January 2012, the Secretary of State for Education makes it very clear that there should be no tolerance of underachieving schools. The government’s position on this is that academies have the freedoms needed to enable standards to be driven up. The Coalition Government wishes academies to be successful and for *all* schools to consider moving out of LA control. It has identified a number of pathways to becoming an academy.
18. The first path is the traditional one, introduced by the previous administration for seriously fragile secondary schools, where a sponsor is identified both to help achieve this status and thereafter to run the school. There is one secondary academy in Darlington, St Aidan’s Church of England Academy that replaced Eastbourne Comprehensive School. This pathway to Academy status remains but is increasingly driven through sponsors in the form of an operator who runs a chain of schools. This model of sponsored academies has been extended by the current government to include primary schools wishing to improve at a faster rate and in Darlington, to date there are two primary schools that have converted as part of a chain, The Rydal Academy, previously Dodmire School, sponsored by the Longfield Academy Trust and Skerne Park Academy sponsored by the Hummersknott Academy Trust.
19. The second path to academy status is where good or outstanding schools and, in some cases, satisfactory schools can apply to become an academy. The expectation is that these schools will have the resilience to continue to be successful without the automatic support of the LA. The implementation of new inspection frameworks in January 2012 and September 2012, have raised the bar and gaining an outstanding judgement is harder.
20. Whilst most secondary schools have the capacity to assimilate the additional workload that flows from the change of status, other schools, particularly primaries, might need to consider some form of federation to have the critical mass to benefit from such a move. Schools which have an Ofsted rating of less than “good” and have not been placed in a category of concern are eligible to apply for academy status, usually subject to working in partnership with an outstanding or good school.
21. **Appendix 1** lists the academies in Darlington as at 31 January 2013.

Accountability

22. Local authorities are still perceived as the agency which coordinates a geographical system of schools. Parents, employers and the community continue to turn to the LA for help, particularly when things go wrong.

23. New Ofsted inspection frameworks have been introduced in January and September 2012 which applies to all schools.
24. The areas where the local authority is the strategic champion of children and parents are special educational needs, the management of exclusions, the co-ordination of school admissions and as a strategic commissioner of school places in its area. Discharging these responsibilities involves management of exclusions and co-ordination of admission arrangements which arbitrate fairly and transparently between the needs of the individual, the capacity of any one school and the capacity and resources locally available to meet specific, often acute needs. It is the LA who remains in overall terms accountable for resolving any problems for individual children but are unable to direct an academy to take pupils.

Strategic Leadership

25. The key driver for academy status is autonomy at school level. Ministers claim that schools function more effectively if freed from the requirement to take into account the broader needs of children across the local area. This can run counter to the work of an LA, which is increasingly prioritised towards support for the most vulnerable, which may result in tensions between what a school wants and the local population needs and therefore collaborative arrangements will need to be focused on.
 26. Local authorities have a duty to intervene if a school begins to cause concern on behalf of the children, for example, as a result of falling standards, parental concern or anxieties about behaviour, and take the actions necessary to safeguard children and protect their learning.
 27. Academies are obliged to have in place Trust arrangements that supersede the more traditional governing body of a maintained school. It is thought that having overall responsibility for running a school is likely to engender a deepened level of engagement compared with when the LA remains a key player in the school's development and strategic leadership.
 28. Good governance in any school is essentially about getting the right people in the right place – highly skilled and motivated people working effectively in schools where there is an ethos where excellent governance is expected, valued, supported and sustained.
 29. Governing Bodies:
 - (a) should act as a strategic body – plan for the school's future;
 - (b) should support and challenge the senior leadership team;
 - (c) should monitor and evaluate performance;
 - (d) should manage finances and assets;
 - (e) should maintain and review systems of financial controls;
 - (f) should carry out risk management – health and safety;
 - (g) employ staff directly or exercise employment responsibilities;
 - (h) set targets for school improvement;
 - (i) act as a critical friend to the senior leadership team, offering support and advice;
 - (j) hold the school accountable;
 - (k) plan, develop policies and keep them under review;
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- (l) handle complaints;
- (m) act as the admission authority;
- (n) review the headteacher's exclusion decisions.

30. In a changing educational landscape the key issue isn't which type of school you govern, rather, the impact of the governance contribution to maximising the achievements of all young people in Darlington. **Appendix 2** sets out the governance responsibilities in maintained and academy schools.

Operational management

31. Becoming an academy offers school leaders the option to depart from the National Curriculum. A major revision of the National Curriculum will be published next year and is expected to simplify it and reduce the assessment regime for schools required to follow it.

Financial management

32. A key benefit to an academy is the retention of the proportion of budget that is top sliced to pay for central local authority services. Decisions can be made whether to buy back from the local authority or look elsewhere.

33. The early academies were associated with major building programmes which provided much needed modern facilities through innovative designs. This is no longer the case. There is no advantage to the fabric of the school in becoming an academy.

34. A school converting to academy status is eligible for a grant of £25,000 from the DfE, which is made available to schools to cover the costs of conversion, mainly legal costs. The LA is not eligible for any financial redress for the costs it incurs.

35. At a time of greater focus on value for money across the public sector, financial management and accountability in all schools – maintained and academy - will become increasingly important at a local and national level.

36. An advantage enjoyed by academies, alongside foundation schools, is their status as admission authorities. They still have to comply with admissions practice but as an independent state school their approaches to marketing and the overall drive to maximise pupil numbers take on a new dimension. Given that the roll of any school dictates to such a significant extent its budget, this is a freedom welcomed by those schools with academy status.

Change Process

37. For any school contemplating change of status, significant help is available, from the allocation of a DfE adviser who is on hand throughout the change process to a comprehensive set of web-based materials, including a Ready Reckoner for modelling the impact of conversion on the school budget including the initial grant of £25,000, referred to above. Academy conversions require legal, HR and financial input from the LA. There is no financial support in recognition of the additional workload for the LA.

38. There is a requirement to consult, prior to the governing body making a decision to apply for academy status. This may raise concerns for pupils, parents and the wider community.

Conclusion

39. A radically changing educational system will mean a changed and changing relationship with schools and a need, within a new and developing context, to reaffirm a common commitment to serving the children and families of Darlington delivering a world class education and uniting in the common purpose of raising standards, ensuring fair access and supporting the needs of our most vulnerable children. In addition, all schools in Darlington have pledged to support the principles of schools@onedarlington.
40. schools@onedarlington is a model of all schools committing to supporting each other and running services for each other which is unique to Darlington and has attracted national interest as 'a good example of a structured approach to collaboration with a clear aim of improving standards'.
41. By signing the pledge, schools promised to share expertise, help each other and work collaboratively for the common good. All Headteachers and Governing bodies symbolically signed a commitment to do their best not only for the children in their school but also for all other children across the Borough. The pledge demonstrates that, despite a number of schools in the Borough becoming independent academies, schools still see the merit in working together and sharing their expertise and experience.

Appendix 1: Academies in Darlington

Primary **Secondary** **Special**

Sponsored (1)

St Aidan's CE Academy

Converters (26)

<u>Hurworth School</u>	(wef 1/4/11)
<u>Hummersknott Academy</u>	(wef 1/7/11)
Reid St Primary School	(wef 1/7/11)
West Park Academy	(wef 1/7/11)
Heighington	(wef 1/8/11)
Abbey Infant School	(wef 1/8/11)
Abbey Junior School	(wef 1/8/11)
<u>Longfield School</u>	(wef 1/8/11)
Bishopton/Redmarshall	(wef 1/8/11)
<u>Carmel College</u>	(wef 1/11/11)
<u>DSMS</u> (Sponsored academy)	(wef 1/1/12)
<u>Beaumont Hill Special</u>	(wef 1/4/12)
<u>Haughton School</u>	(wef 1/4/12)
Springfield Primary School	(wef 1/4/12)
St George's	(wef 1/4/12)
Firthmoor	(wef 1/5/12)
St John's	(wef 1/5/12)
Heathfield	(wef 1/6/12)
Hurworth Primary	(wef 1/6/12)
Mowden Infants	(wef 1/6/12)
Mowden Juniors	(wef 1/6/12)
Gurney Pease	(wef 1/7/12)
St Bede's	(wef 1/8/12)
Rydal School (Sponsored)	(wef 1/12/12)
Northwood School	(wef 1/2/13)
Skerne Park (Sponsored)	(wef 1/2/13)

Converter Academies – Applications Approved (3)

Cockerton CE VA	(proposed 1/4/13)
St Augustine's RC VA	(proposed 1/4/13)
Holy Family RC VA	(proposed 1/4/13)

Remaining (7)

Corporation Rd Primary School
Harrowgate Hill Primary School
High Coniscliffe CE Primary School
Mount Pleasant Primary School
Red Hall Primary School
St Teresa's RC VA Primary School
Whinfield School

Appendix 2 - Governance in Maintained Schools

The governing body remains the strategic body setting direction of school.

The level of responsibility depends on category:

- Community and Voluntary Controlled – the LA is employer of staff and proprietor of land.
- Foundation/Voluntary Aided – the governing body is employer and proprietor of land, with more fiscal responsibility and autonomy.

The framework is based on the Education Act 2002 and associated regulations:

- Procedure Regulations
- Constitution Regulations
- Terms of Reference Regulations

Governance in Academies

The principles of governance are the same in academies as it is in maintained schools but the governing body has greater autonomy. **The responsibilities will be similar** to those in most maintained schools. The governing body can continue to delegate functions to committees, the principal or any other holder of an executive office.

Academies have a high level of autonomy but 'with greater freedom comes greater responsibility', especially fiscal:

- freedoms around pay and conditions, and curriculum;
- a changed (but continuing) relationship with the local authority;
- more, and increasingly complex, relationships and requirements:
 - DFE / EFA
 - the local authority
 - Companies House
 - Charities Commission
 - service providers – getting value for money
 - insurers
- managing finances (high level of fiscal responsibility – responsible for school's entire budget including LACSEG);
- staff employment;
- premises proprietor;
- own admissions authority;
- responsible for organising independent admissions and exclusion appeals;
- different legal framework to follow

Fiscal Responsibilities

Academy governing bodies must:

- submit budget to the YPLA (EFA) each academic year as well as periodic financial returns;
- if there is a deficit, must produce a recovery plan for agreement with the EFA|;

- complete an annual self-assessment of their financial management and governance;
- prepare annual accounts, and have these independently audited and published.

Changing relationship with the local authority

The local authority:

- is still responsible for SEN statementing, admissions coordinating and provision of home-to-school transport;
- as a supervisory responsibility to ensure educational provision in their area – ‘sufficient and adequate’;
- the DfE expects local authorities to play ‘a key strategic role’;
- partnership working;
- may provide buy-back services;

There is no statutory requirement for any other formal relationship between local authorities and academies – although Ofsted are currently consulting on proposals to assess the support for school improvement that each local authority manages for all schools in its area. Depending on the outcome of the consultation, this may lead to a more formal relationship with academies.