

# WIRRAL COUNCIL

## CHILDREN AND YOUNG PEOPLE'S OVERVIEW AND SCRUTINY COMMITTEE

26<sup>TH</sup> JANUARY 2011

<b>SUBJECT:</b>	<b>ACADEMIES AND FREE SCHOOLS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>INTERIM DIRECTOR OF CHILDREN AND YOUNG PEOPLE'S SERVICES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR SHEILA CLARKE</b>
<b>KEY DECISION?</b>	<b>NO</b>

### **1.0 EXECUTIVE SUMMARY**

1.1 This report is in response to a request from members of the Overview and Scrutiny Committee in September for information on the "new style" Academies and Free Schools. There is limited information about Free Schools at the moment and this report focuses on the Academies programme.

1.2 There is no specific exempt information.

### **2.0 RECOMMENDATION/S**

2.1 That the report is noted.

### **3.0 REASON/S FOR RECOMMENDATION/S**

3.1 The report is a response to a request for information and as such contains no specific recommendations other than the report be noted.

### **4.0 BACKGROUND AND KEY ISSUES**

#### **Overview of Academies**

4.1 On 26th May 2010 the Secretary of State for Education, Michael Gove, announced legislation which would allow the Secretary of State to approve schools to become academies through a simplified streamlined process. The Academies Act received Royal Assent on 27 July 2010.

- 4.2 The legislation opened up the academies programme allowing primary, secondary, and special schools to apply to become academies. The legislation was a key change in Academies Policy which previously mainly focused on underperforming secondary schools. The legislation means that all schools can become Academies.
- 4.3 Primary and secondary schools that have been rated outstanding or good with outstanding features by OFSTED can submit individual applications to convert. In addition, any school – primary or secondary – can apply with other schools as part of a formal partnership, providing at least one is rated outstanding or good with outstanding features, or they join an existing academy trust with a proven track record of school improvement.
- 4.4 Applications for outstanding maintained special schools opened in January 2011.
- 4.5 Those rated as outstanding by OFSTED were able to open as academies as early as September 2010 subject to approval by the Secretary of State. At 1<sup>st</sup> September 2010, 216 schools nationally became Academies. The breakdown, taken from the Department for Education (DfE) website is as follows:
- 142 schools converting to become academies: 32 opened at the beginning of September with a further 110 schools having had Academy Orders signed which means they are on track to convert to Academy status;
  - Of the 142, there were 7 primary schools which were the first ever primary academies to open.
  - 64 new academies opened to replace underperforming schools at September with a further 10 opening by April 2011.
- 4.6 In Wirral:
- Birkenhead High School Academy (for Girls), previously a private independent school, became an Academy from 1st September 2009.
  - The University Academy of Birkenhead, created following the closure of Park High School and Rock ferry High School, opened as a new Academy from 1st January 2011.
  - Prenton High School for Girls has indicated an intention to convert to Academy status.
  - A number of Wirral secondary schools registered interest with the DfE in the new Academy status and some are continuing to actively explore this for a conversion at a future date.
- 4.7 Academies are independent schools and not maintained by the Local Authority. There is an expectation that Academies, being at the centre of their community, should work with other schools and local partners.
- 4.8 Academies have freedom from Local Authority control, which means that they have autonomy over the decisions they make and the education they deliver to their pupils. They also have the freedom to change the length of terms and school days, set their own pay and conditions for staff, and freedoms around

the delivery of the curriculum. There is a range of services that were previously provided by the Local Authority that academies will now need to provide themselves, buy from an appropriate organisation or buy back from the Local Authority. Appendix 1 describes these services.

- 4.9 School who wish to convert to Academy status are free to discuss their plans with any local partners, including the Local Authority; however, the Academies Act 2010 removed the need for the LA to approve any plans. All that is required is a resolution passed the governing body. Once the Secretary of State has confirmed that the school will become an Academy he then directs the Local Authority to cease to maintain it. All schools are required to carry out a consultation but it is up to them to decide whom and how to consult. There is no specified length of time for the consultation and schools have flexibility in how it is conducted.
- 4.10 Outstanding schools converting are not required to have a sponsor, although they are free to work with any external organisation. A school's governing body can establish the Academy Trust.
- 4.11 On converting to an Academy, the current governing body establishes an Academy Trust - a charitable company limited by guarantee responsible for the strategic oversight of the academy with control over the school land and other assets. 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.
- 4.12 The flexibility of the Academy governance model allows, in most cases, converting schools to replicate their existing governing body if they wish to do so. The flexible model allows the Academy Trust to appoint a governing body that is appropriate for their school.
- 4.13 Staff become the employees of the Academy. The current employer of school staff (either the local authority or governing body depending on the type of school) has to conduct a TUPE consultation with all staff (teaching and non teaching) and the unions as part of the staff transfer process.
- 4.14 For outstanding and good schools with outstanding features, an essential part of converting to academy status is agreeing in principle to support another school to raise standards.
- 4.15 Academies, like all schools, are expected to maintain strict budgetary controls and are required by their funding agreement to balance their budgets. The academy receives ongoing Grant ('General Annual Grant') which covers the running costs of the school. The Young People's Learning Agency funds and monitors academies' financial position on behalf of the Secretary of State.
- 4.16 In the Schools White Paper "The Importance of Teaching" published in November 2010, the government has signed the intention to:

- Restore for all Academies the freedoms they originally had, while continuing to ensure a level playing field on admissions, particularly in relation to children with Special Educational Needs.
- Dramatically extend the Academies programme so that all schools can take on the autonomy Academy status offers, using it to raise standards and narrow the attainment gap.
- Ensure that the lowest performing schools, attaining poorly and in an OFSTED category or not improving, are considered for conversion to become Academies to effect educational transformation.

4.17 Because Academies are independent schools and not maintained by the Local Authority, they are not monitored by the Local Authority in terms standards, curriculum, assessment, teaching and learning, etc. School Improvement Partners for Academies are deployed by and report to the DfE. The Schools White Paper indicates the government's intention to:

- Make clear that schools – governors, head teachers and teachers – have responsibility for improvement and to end the requirement for every school to have a Local Authority school improvement partner (SIP) and end the current centralised target-setting process.
- Increase the number of National and Local Leaders of Education – head teachers of excellent schools committed to supporting other schools – and develop Teaching Schools to make sure that every school has access to highly effective professional development support.
- Make it easier for schools to learn from one another, through publishing 'families of schools' data for every part of the country, setting out in detail how similar schools in a region perform, so that schools can identify from whom it is possible to learn.
- Make sure that schools have access to evidence of best practice, high-quality materials and improvement services which they can choose to use.
- Free local authorities to provide whatever forms of improvement support they choose (largely through Traded Services).

### **Local Authority Central Spend Equivalent Grant (LACSEG)**

4.18 LACSEG is an annual grant paid to Academies in addition to their budget share by the Young People's Learning Agency. The grant recognises that as independent schools Academies no longer receive a number of services from Local Authorities and should make provision for themselves. These services include behaviour support, maternity cover, Education Social Workers and premature retirement costs. A full list and description of services covered by this grant are detailed in Appendix 1. LACSEG does not take account of all school support services, some continue to be provided by the LA including Home to School Transport and SEN Statemented resources.

4.19 Academies may make provision for some or all services directly or they may commission from other providers including LA's.

4.20 LACSEG is calculated by taking relevant expenditure from Wirral's annual schools and LA budget return to the DFE. The grant is expressed as an amount per pupil. For the Academic Year 2010-11 the amounts are as follows:

	£ per pupil	£ per SEN pupil
Primary	374	276
Secondary	473	192

4.21 LACSEG figures for Special Schools have yet to be agreed.

4.22 Appendix 2 shows the estimated LACSEG that an average Wirral secondary School would receive (based on 1000 pupils and 20% school action / school action plus). The total £510,000 represents additional funding to the academy which is in the region of 10% of the schools budget. At a time when there is limited growth in school funding this is a significant incentive for secondary schools to convert to academy status, since schools will be able to choose the levels of service and how they are provided and invest any remaining grant within the school.

4.23 The future funding of LACSEG will be reviewed by the DFE. However in its current format it is likely that grant levels will reduce over the medium term in line with reductions in LA expenditure.

## **Recoupment**

4.24 LACSEG comprises elements within the Schools Budget and the LA budget. Funding for the Schools Budget proportion of academy LACSEG is recovered from Dedicated Schools Grant. However for the LA budget in 2010-11 there is no recoupment. There is therefore at present some double funding within the system (£252 per pupil) for services such as Education Social Workers and premature retirement. In future years the DFE intend to end this. The initial 2011-12 formula grant allocations for Wirral (and all LAs) include a top slice (for Wirral this is £852,000). This has not been calculated from the number of schools on Wirral that have or may become academies, rather it is a share of the estimated national number of schools that may become academies over the coming year. Decisions have yet to be taken as to how this top slice should be allocated within the budget. This will need to be carefully considered since it has the potential to impact on other schools through reduced LA capacity.

## **5.0 RELEVANT RISKS**

5.1 Recoupment in 2011-12 described in 4.24 above may impact on services to all schools.

## **6.0 OTHER OPTIONS CONSIDERED**

6.1 Not applicable.

## **7.0 CONSULTATION**

7.1 Not applicable.

## **8.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

8.1 There may be Voluntary, Community and Faith groups who have partnerships with schools who are or wish to become Academies. There may be members of Voluntary, Community and Faith groups who are governors in schools or work with schools. It would be important for them to understand the implications of a school converting to an Academy but this may result in limited or no particular change to those partnerships.

## **9.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

9.1 The funding implications for academies are set out in the report. From 2011-12 there are potential LA implications arising from recoupment.

## **10.0 LEGAL IMPLICATIONS**

10.1 There are significant legal implications for academy trust boards arising from conversion to an Academy.  
There are contractual implications for the 9 school PFI contract.

## **11.0 EQUALITIES IMPLICATIONS**

11.1 There are no specific equal opportunities implications in this report.

11.2 Equality Impact Assessment (EIA)

- |                                       |     |
|---------------------------------------|-----|
| (a) Is an EIA required?               | No  |
| (b) If 'yes', has one been completed? | N/A |

## **12.0 CARBON REDUCTION IMPLICATIONS**

12.1 Academies fall within the LA's carbon reduction commitment.

## **13.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

13.1 There are no implications arising from this report.

**REPORT AUTHOR:** **Mark Parkinson**  
Head of Branch (Learning and Achievement)  
Telephone: (0151) 666 4297  
email: [markparkinson@wirral.gov.uk](mailto:markparkinson@wirral.gov.uk)

## **APPENDICES**

Appendix 1

Appendix 2

**REFERENCE MATERIAL**

None.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
None	