

Committee: Children and Young People Overview and Scrutiny Panel

Date: 11th October 2016

Agenda item: Update on Government proposal for education and the implications of these proposals

Wards: All

Subject: Update on Government proposal for education and the implications of these proposals

Lead officer: Jane McSherry, Assistant Director of Education

Lead member: Cllr Caroline Cooper-Marbiah

Forward Plan reference number: N/A

Contact officer:

Recommendations:

- A. Members of the panel note the contents of the report.
 - B. Members of the panel to note the establishment of a Steering Group of schools and the LA to plan for a sustainable model of school improvement for Merton schools.
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. This paper summarises the main proposals in the Government White Paper 'Education Excellence Everywhere' and the recent Government Consultation 'Schools that work for everyone'. Reference is also made to the associated plans in the Budget published on 16th March 2016.
- 1.2. The proposals within 'Education Excellence Everywhere' envisaged a school-led system in which every school became an academy by 2020 (or would be en route to this status) and a redefined role for local government focused on ensuring that every child has a school place, ensuring the needs of vulnerable pupils are met and championing the needs of parents and families. The original proposal for forced academisation was later amended although the Government's direction of travel remains a fully academised system.
- 1.3. The Government Consultation 'Schools that work for everyone', launched on 12th September 2016, puts forward proposals to increase good school places through incentivising independent schools, universities, selective schools and faith schools to either expand, partner existing schools or set up new state schools (Appendix 1).
- 1.4. A key element of the Budget proposals announced in March 2016, linked to the proposals in the White Paper, is a reduction of the Education Services Grant, with the expectation that local authorities will withdraw from school improvement which will instead be the responsibility of the Regional School Commissioners, multi-academy trusts and teaching schools. Since the

forced academisation element of the White Paper has been dropped there has been no corresponding reconsideration of the Education Service Grant.

- 1.5. The White Paper also put forward proposals for a National Funding Formula. The outcome of the first part of the consultation on these proposals has not yet been published and the implementation on the proposals has been delayed.
- 1.6. The paper sets out the implications of these changes for school governance, staffing, school budgets, special educational needs placements, school buildings and school support services.

2 WHITE PAPER – EDUCATION EXCELLENCE EVERYWHERE

- 2.1. On Thursday 17th March 2016, the Government published a White Paper, 'Education Excellence Everywhere' setting out its vision for the future operation of the school system:

“A school-led system with every school an academy, empowered pupils, parents and communities and a clearly defined role for local government.”

The White Paper goes on to state that by the end of 2020, all schools will be academies or in the process of becoming academies; by the end of 2022, local authorities will no longer maintain schools. This element of the proposals was later modified. The two criteria for forced academisation of a LA schools is now a) a critical mass of schools have converted to academy status or b) the LA consistently fails to meet a minimum performance threshold across its schools.

- 2.2. While the White Paper does not rule out standalone academies, the preferred model going forward is for multi-academy trusts. In April 2016 29% of secondary schools nationally were standalone academies and 30% were in multi-academy trusts (MATs) with the remaining 41% being community or foundation schools. In the primary sector, 4% were standalone academies and 13% in MATs, with 82% still community or foundation schools. In Merton, three schools are in secondary MATs (St Marks Academy and two Harris schools) and four schools are in primary MATs (Beecholme, two Chapel Street schools and one Harris school).

- 2.3. There are various types of MATs:

- sponsored trusts - these are established under the Education and Adoption Act (April 2016), where a school is deemed 'eligible for intervention', either because it has been judged 'inadequate' by Ofsted or it been issued with a statutory Warning Notice or it is deemed to be 'coasting';
- converter trusts - these have a lead school with an executive head across several schools;
- schools-led trusts – (these are much less common) all schools are equal and the trust is managed by a board with a chief operating officer.

It should be noted that, regardless of the type of trust, it is the Regional School Commissioner (RSC), not the local authority, who in future will decide which schools can become an academy in any given trust.

2.4. The White Paper also outlined proposals for changes to:

- Teacher recruitment, training, accreditation and continued professional development;
- Incentives to attract the best leaders to challenging areas and building infrastructures to support development of MAT leadership;
- Skills based governance;
- National Leaders in Education to provide more school to school support and system leadership;
- Curriculum and embedding new assessments, focusing on the lowest attaining and most academically able and those with special educational needs and disabilities;
- Alternative Provision (AP) systems so that mainstream schools remain accountable for the education of pupils in AP and responsible for commissioning high quality AP;
- School funding through a National Funding Formula.

2.5. The White paper defines the future role of the LA in three key areas: ensuring every child has a school place; ensuring the needs of vulnerable pupils are met and acting as champions for all parents and families.

3 CONSULTATION – SCHOOLS THAT WORK FOR EVERYONE

3.1. The consultation outlines the increasing demographic pressures of the rising school aged population and also the continuing pressure for good school places. It identifies the issue of access to good secondary places where poor access is found almost everywhere in the country, with the exception of London and the North West.

3.2. The consultation proposes to increase good school places by: giving schools with a strong track record the right incentive; using the expertise of high performing institutions to set up new places in the state sector (as well as turning round existing schools) and delivering a diverse school system.

3.3. Four key areas are covered:

- Independent schools directly assisting in the state sector including sponsoring academies or setting up free schools;
- Universities playing a direct role in improving school quality and attainment including sponsoring academies and setting up free schools;
- Selective schools providing more school places including expanding existing selective schools, creating new wholly or partially selective schools and allowing existing non selective schools to become selective;
- Faith schools delivering more school places including removing 50% rule.

- 3.4. The proposals are aimed at children from low income families and from families who are 'just about managing'.
- 3.5. The consultation closes on 12th December 2016.

4 NATIONAL FUNDING FORMULA AND EDUCATION SUPPORT GRANT

- 4.1. The White Paper followed an announcement in the Budget indicating that the Education Services Grant to local authorities would be reduced by approximately £600 million, as outlined in the 2015 Autumn Statement. A key aspect of this reduction, explicitly stated by the Chancellor at the time, was that local authorities would step back from school improvement, responsibility instead resting with the Regional Schools Commissioner, multi-academy trusts and teaching schools.
- 4.2. The budget statement was preceded by a first stage consultation on establishing a National Funding Formula for all schools, dispensing with the current arrangements for a local formula determined by the Schools Forum. The new national formula will still be weighted for issues including deprivation, SEN and geographical location and is therefore likely to include recognition of the higher costs of teaching in London. The original plan was for a 'soft' national formula to be introduced in 2017-19 with funding passed to schools via LAs, with a 'hard' formula following in 2019-20 with funding going direct from the Education Funding Agency (EFA) to schools. The first phase of this will now be delayed by a year although it is unclear whether the final date for implementation in 2019-20 will still remain in place.
- 4.3. Simultaneously a second consultation was published on the funding for 'high needs' pupils, including those with special educational needs (SEN). The proposal is to introduce a funding formula based on proxy indicators and historical spend which will be allocated to Local Authorities to distribute to schools. A further proposal is to re-base the current levels of allocation to take account of pupils who attend schools in other LAs. More detail will be provided in Stage 2 of the consultation which was due to be later this year but has also been delayed. A consultation on Early Years funding has just taken place.
- 4.4. The consultations also contain a proposal to create a separate Dedicated Schools Grant (DSG) block to fund the reduced Education Service Grant functions plus ongoing central DSG functions.

5 IMPLICATIONS OF THE WHITE PAPER AND FUNDING PROPOSALS

- 5.1. In the short term, local authorities will continue to have responsibilities which include: employment of staff in community schools including head teachers; ownership and asset management of school buildings; responsibilities relating to the governance, organisation and curriculum of maintained schools; the distribution of Dedicated School Grant to schools and audit; and ensuring high standards, as set out in the Education and Inspections Act 2006. Those responsibilities would shrink as each school in their area became an academy; when every school has done so, they will fall away entirely.

5.2. The implications of the proposed shift to an all-academy system are wide ranging and include changes to:

- School governance arrangements – in MATs there is a core governing body with responsibility for all schools within the trust. The White Paper makes clear that there will be fewer more highly skilled boards with strategic oversight of schools;
- Employment of staff – staff in maintained schools are employed by the council, when a school moves to become an academy staff are TUPE transferred to the Trust;
- School budgets and finance – the situation is different for schools who voluntarily convert that those who are forced to become sponsored academies. For schools where they convert voluntarily any budget surplus or deficit remains with the school on transfer. For schools forced to become sponsored academies any deficit has to be paid off by the council. Schools with deficit budgets may find it more difficult to join a trust;
- Provision of places for pupils with special educational needs and disabilities – if schools with designated specialism become academies there is nothing to stop them consulting on a change of designation at a later date which may impact on the councils ability to place children in local schools;
- Support services for schools – for services funded through the DSG there are implications if schools can no longer choose to de-delegate because all the funding is going directly into schools. This could have a disproportionate impact on small schools and schools with financial constraints;
- School land and buildings - under the proposals, all community school land and buildings would transfer to the academy trust;
- School improvement – as outlined above the direction of travel is for LAs to step back from school improvement. Effective LAs have access to early intelligence that alerts them to the antecedents of failure so that support can be offered before a school declines. This includes issues such as parental complaints, financial concerns, staff turnover, governor discord etc. Effective LAs critically assess strength and weaknesses and focus support where it is needed based on expert knowledge of local schools ensuring no school gets left behind. A Regional Schools Commissioner potentially covering up to a thousand schools will not be able to spot problems and take early action leading to a risk of schools failing.

6 IMPLICATIONS OF CONSULTATION – SCHOOLS THAT WORK FOR EVERYONE

6.1. There is very little detail of the implementation of the proposals in the consultation and therefore the full implications are difficult to assess. It is not clear for example which schools that are not currently selective will be allowed to be selective and how this will be managed within an area.

- 6.2. There is evidence presented in the consultation that there may be poorer educational outcomes for those pupils not attending a selective school in areas where selection is allowed.
- 6.3. A response to the consultation questions will be drafted and considered with the Cabinet Member.

7 WORK WITH MERTON SCHOOL TO DEVELOP A SUSTAINABLE MODEL FOR THE FUTURE

- 7.1. Briefings for Heads and Chairs of Governors have taken place during September on preparation for future academisation and the development of a sustainable school improvement model for Merton.
- 7.2. The current picture in Merton is very positive with 92% of schools rated 'good' or 'outstanding' by Ofsted, better than the National and London averages. 100% of secondary and special schools are 'good' or 'outstanding', better than the National and London averages and 90% of primary schools which is better than the National and in line with London averages.
- 7.3. A one year strategy was consulted on with schools and agreed in the summer Term 2016 (Appendix 2). The future strategy is to ensure strategic coherence within the local education system, building capacity and supporting vulnerable partners and developing increasingly deep, purposeful and robust partnerships with clear accountability.
- 7.4. With the Department for Education taking a more flexible approach to academy conversion, schools can take their time to fully analyse the best course of action for their learners and school objectives. Planning for any changes to partnerships, systems, structures and governance must not become a distraction from the core purpose of continually improving the quality and impact of education for all of the children and young people in Merton's schools.
- 7.5. It was agreed with schools that a Steering Group would be established to agree a new model for the Merton Education Partnership and to explore various models for sustainable school improvement in Merton including a School and LA Partnership to deliver school improvement services.
- 7.6. The Steering group will include Head teachers, Chairs of governors and LA officers and will feedback to a borough wide event in the Spring Term 2017.

8 TIMETABLE

- 8.1. Consideration of proposals for future models will be undertaken in the Spring Term 2017.

9 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

- 9.1. There could be considerable financial implications and these will need to be reviewed as options become clearer.

10 LEGAL AND STATUTORY IMPLICATIONS

- 10.1. These proposals are going through due parliamentary process.

- 11 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS**
- 11.1. The implications of the proposals could be considerable for vulnerable groups.
- 12 CRIME AND DISORDER IMPLICATIONS**
- 12.1. N/A
- 13 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS**
- 13.1. N/A
- 14 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT**
- Appendix 1
Consultation ‘Schools that work for everyone’
<https://consult.education.gov.uk/school-frameworks/schools-that-work-for-everyone>
- Appendix 2
School Improvement Strategy 2016/17
- 15 BACKGROUND PAPERS**

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