

<b>Item No.</b>	<b>Classification:</b> Open	<b>Date:</b> 4 October 2010	<b>Meeting Name:</b> Education and Children's Services Scrutiny Sub- Committee
<b>Report title:</b>		Academies Act 2010	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Jane Bailey, 11-19 Services and Youth	

## RECOMMENDATION

1. That the Children's Services Scrutiny Committee notes the contents of this report.

## BACKGROUND INFORMATION

2. The Academies Act received royal assent 27 July 2010 and includes provision to:
  - allow 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;
  - allow the Secretary of State to require schools that are eligible for intervention to convert into academies;
  - provide for secondary, primary and special schools to become academies;
  - ensure there is no change of religious character as a result of the conversion process;
  - allow schools that apply to become academies to keep any surplus financial balance;
  - require the governing bodies of maintained schools to consult with those persons whom they think appropriate before converting into an academy;
  - ensure that for foundation and voluntary schools, with a foundation, there is consent from that school's foundation (often a diocesan board of education) before the school can apply to become an academy;
  - allow maintained schools that currently select to continue to do so as an academy;
  - deem academy trusts to be charities; and,
  - ensure 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 may also transfer to the new academy for the benefit and use of the pupils of that school.

## **KEY ISSUES FOR CONSIDERATION**

3. The Department for Education website explains that Academies can benefit from greater freedoms to help innovate and raise standards. These freedoms include:
  - freedom from local authority control
  - ability to set your own pay and conditions for staff
  - freedom from following the National Curriculum
  - ability to change the lengths of terms and school days.
  - Plans are also underway for further freedoms for academies in the way they engage in local partnerships and deliver 14-19 education.
4. The impact on Southwark initially will be on school budgets.

## **Governance arrangements**

5. The existing governing body, foundation or trust will form the academy trust, which will then appoint the governing body.
6. The number and type of governors academies may have is flexible, but must include at least one parent and the principal. Academies are free to choose whether to have for example a local authority governor, staff governor or co-opted governors.
7. For voluntary and foundation schools converting to academy status, the foundation or trust may appoint the majority of governors.
8. There is no requirement for outstanding schools converting to an academy to have an external sponsor, but if there is a sponsor then we would expect the majority of governors to be appointed by the sponsor.

## **Southwark schools moving to academy status**

9. The Charter School became an academy on 6 September 2010.
10. It is understood that Kingsdale Foundation School is considering moving to academy status.

## **Community impact statement**

11. Both institutions will admit pupils into their academy using the same admissions criteria as when they operated as foundation schools. As a consequence we do not expect any group(s) to be adversely affected by this change.

**Resource implications (CS0100)**

12. There is a financial impact for the Local Authority when schools gain academy status. The current regulations mean that the DfE recoup a proportion of the ring-fenced Dedicated Schools Grant for each school that becomes an academy. This recoupment is to reflect the services that Academies are now responsible for and are no longer provided by the Local Authority. However, many of the costs of these services remain fixed (i.e. these are universal services) and therefore this results in a budget pressure on the services funded from the DSG. The estimated annual DSG recoupment for Charter is £200,000; the Globe Academy totals £70,000. The Local Authority already has in place a strategy to offer relevant services to schools (including Academies) on a trading basis to mitigate the impact of this budget reduction.
13. Further, for those schools that are academies during 2010-11, their responsibilities have increased to include services funded by the core budget i.e. funded via council tax and Revenue Support Grant (RSG). The DfE is currently reviewing the process for academy recoupment from Local Authorities from 2011-12. However, if the current recoupment methodology is applied to services funded from core budget this has potential to result in significant budget pressures. Local Authorities are lobbying the DfE to set out the risks to this approach.
14. Please note, the funding regime for the schools in Southwark that became academies prior to 2008, are on a different funding methodology that does not directly impact on the Local Authority's budgets.
15. For schools that become Academies 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 as a maintained school. In addition, they receive top-up funding to meet additional responsibilities that are no longer provided for them by the local authority.

**AUDIT TRAIL**

<b>Lead Officer</b>	Romi Bowen, Director Children's Services	
<b>Report Author</b>	Jane Bailey, Assistant Director 11-19 Services and Youth	
<b>Version</b>	final	
<b>Dated</b>	17.09.10	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Strategic Director of Communities, Law & Governance	No	No
Finance Director	Yes	Yes

<b>Date final report sent to Constitutional/Community Council/Scrutiny Team</b>	24 September 2010
---	-------------------