

Open Report on behalf of the Executive Director, Adults and Children's

Report to:	Children and Young People Scrutiny Committee
Date:	26 July 2011
Subject:	The Council's leadership role within a changing education system

Summary:

This paper is to consider how the Council can fulfil its leadership role both as champion of education excellence and as provider of support services to schools within a changing education system

Actions Required:

The Children and Young People Scrutiny Committee is asked to receive and consider this report and to comment accordingly.

The Children and Young People Scrutiny Committee is invited to review the options and provide comments.

1. Background

A motion was agreed at Full Council on 20th May 2011 that the Local Authority (LA) make a clear policy statement through its formal decision making processes about what it sees as its leadership role both as a champion of education excellence and as a provider of support services to local schools.

This paper seeks to respond to this motion. The paper is in the following sections:

1. Background – sets out the current situation with schools, academies, and the benefits of a partnership approach
2. Coalition policy – describes the legislative changes and the new LA role
3. Key issues – summarises the key risks and issues for the LA as a result of changes
4. Options – sets out the 'long list' of potential options and the criteria used to analysis the options
5. Actions Required

Appendix 1 outlines benefits and challenges of options based on appraisal themes
Appendix 2 provides details about the CfBT Academy Trust.

1. Background

This section sets out the recent history of Lincolnshire schools and how the Council has supported the Academies programme. It also describes the current school composition and illustrates areas where performance has improved due to the Council's use of strategic relationships.

Lincolnshire is proud of its variety of schools and has always adopted strategies which promote equity across its network of schools. Lincolnshire embraces the mix of categories of schools and, therefore, an array of Governor Body's composition and styles, and hopes that it has served every Governing Body equitably and inclusively. We remain strongly committed to working in partnership with all our schools and academies and value the close working relationship we have. Lincolnshire continues to be one of the highest performing Authorities nationally across both primary and secondary phases. This has been achieved through integrated work across School Improvement and wider Children's Services and through supporting a variety of collaborations and federations which have improved standards year on year across the county.

The Council has always done what it has thought best for Lincolnshire children and young people and has engaged with Central Government programmes where these have furthered this aim. The Council has demonstrated its commitment to the Academy programme since 2006 and, to recognise this, Lincolnshire has received approximately £160 million in capital investment through the academy programme. We have seen strong evidence locally that the Academies programme has helped enormously in raising standards in schools across the county through school federations and mergers.

The first school identified for Academy status by the DCSF was Joseph Ruston Technology College in Lincoln, which resulted in the development of three Academies in Lincoln as part of the Priory Trust. This was followed in 2007 by the Trent Valley Academy, which replaced Middlefield and Castle Hills Secondary schools. St George's College, Sleaford became a rural 'hub and spoke' Academy and, since 2008, we have seen the Skegness Academy, the John Ruskin Academy in Grantham, and the proposed George Farmer Academy. In addition, since the Academies Act 2010 and the "new wave" of academies, Lincolnshire has seen a continuing move towards academy conversion, especially within the secondary sector.

Our current composition of schools is 360 schools:

- 5 nursery schools
- 276 primary schools (7 academies)
- 58 secondary schools (19 academies)
- 21 special schools.

This includes a mix of community/ foundation / voluntary aided/ faith and grammar schools. We anticipate that by September 2011– as a consequence of coalition government policy with regard to education - 43% of all secondary schools will have converted and by January 2012 it is likely that 55% of the secondary sector

(or 60% of pupils) will be academies. With regard to the primary sector, it is estimated that 11% of primary pupils will be educated in academies by January 2012.

Lincolnshire is proud of its strong history for supporting schools independence and freedom and this approach has enabled us to be one of the best-performing Authorities nationally with all children across the county benefitting from improved educational attainment. Our strong strategic relationship with CfBT and has demonstrated year on year sustained improvement across a range of service areas:

- School performance is good
- the Birth to Five Service received national acclaim for its work in narrowing the gap at foundation stage
- our culture and music offer is well regarded locally and nationally
- CfBT is working to modernise our additional needs services.

There is real strength in the strategic relationship with CfBT: It offers an integrated infrastructure of school support which recognises that children's holistic needs must be met for them to thrive at school and achieve their potential, and it offers a structure to enable the whole of Children's Services to be managed as a whole system which has proved beneficial to Lincolnshire.

2. Coalition Policy

This section describes the legislative changes that are changing the role of the council with regard to schools.

Since the coalition government came into power there have been significant and rapid changes to the Education System. The focus of the change has been to introduce an education system which shifts power and resources to schools as it is considered that this approach will reduce the attainment gap which has existed for some time. The changes intend to make our state education system the best in the world where there is the best absolute performance and the highest levels of equity.

The direction of travel of the coalition government is for all schools to become Academies and to move away from LA governance to control from central government.

The features to the new education system are:

- **Greater autonomy for schools** – Holding academies to account centrally, with freedom from LA control
- **Improved parental choice** - A wider offer of good schools through free schools and academies
- **Improved teaching** – Reform of teacher training

- **Funding reform** - A possible move to centrally fund schools through a national funding formulae and by diverting funding away from LA's towards schools directly

However, despite more central and less local control, children's education is vitally important to our local communities. The LA will continue to have a role in local communities and Lincolnshire families will continue to look to the LA for a supply of good schools. It is likely that Members will continue to see education performance as central to their democratic mandate.

Alongside this shift from local to central funding and control of education, the LA retains significant responsibilities and duties with regard to schools and school-aged children. The relevant statutory obligations that the Council must fulfil are set out in the Education Act 1996 (as amended) and include:

Section 13 – Contribute towards the spiritual, moral, mental and physical development of the community by securing efficient primary and secondary education to meet the needs of the population of the area.

Section 13 A - Promotion of high standards ensuring fair access to opportunity for education and promotion of the fulfilment of learning potential.

Section 14 - Securing sufficient schools in number, character and equipment.

Section 14 (3A) Exercise of functions with a view to securing diversity in the provisions of schools and increasing opportunities for parental choice.

The LA needs to ensure that within a free market in relation to Academies that it continues to fulfil its statutory obligations and seeks to mitigate any implications that could reduce access to education opportunities, diversity in the provision of schools and parental choice.

In fulfilling these statutory obligations, the LA will continue to deliver statutory services and these include:

- Ensuring sufficiency of good school places
- Co-ordination of admissions to ensure a fair system for all
- Home to school transport (including for pupils with a special educational need (SEN))
- Securing high quality provision for vulnerable children and young people
- Educational psychology, SEN statementing and assessment
- Monitoring of SEN provision, parent partnerships, etc.
- Prosecution of parents for non-attendance
- Individually assigned SEN support for pupils with rare conditions needing expensive tailored provision (this is usually a top-up to formula funding)
- Provision of pupil referral units or Elective Home Education for a pupil who is no longer registered at a school/ academy.

These statutory obligations are not repealed by the new Education Bill. Indeed as the motion pointed out, the Council is still seen as having a role in championing excellence, diversity and parental choice.

Therefore the Council's role continues to be to balance the raising of standards with the maintenance of a diversity of provision, choice for parents and a focus on local communities. What might be seen as having changed are the terms of the Council's engagement with schools – i.e. from a position of control to one of influence. In fact, however, with the introduction of Local Management of Schools and given the Council's commitment to empowerment and school autonomy the Council has always been committed to influencing and not dictating to Lincolnshire schools and remain committed to this approach. We seek to create the conditions for schools to thrive so all children and young people in Lincolnshire have access to strong educational opportunities.

3. Key Issues

This section describes the key risks and issues for the LA as a result of changes.

There are a number of issues with potential risks which need to be considered in the rapidly changing education environment:

- **Funding** - There are some potential significant funding implications for the LA as more schools convert to Academy status. As the LA is not required to provide non statutory school support services to academies, there is a strong possibility that LCC will not be funded for these services in the future. If all schools converted the LA (subject to a decision on how academies are funded), could see a reduced revenue grant of £28m from the core revenue budget from 2012/13. This funding would be directed to academies who would have discretion on how to purchase support services which meets their needs. At the same time the Government has stated its proposals to move to a National Funding Formula, where local discretion may be removed.
- **Sustaining small/vulnerable schools** – We have a strong history of supporting small rural schools reflecting the nature of Lincolnshire. Additional freedoms at school level and the ability to be entrepreneurial and trade in services suits many of our large, thriving secondary schools (and some primary schools). However, many of our small primary schools lack capacity to take on these additional freedoms. Collaborations offer a solution but sponsoring small/ vulnerable schools could be seen to be a business risk for potential sponsors. Any business running a Primary school would argue the minimum size is of the order of 180 pupils; this is a one form entry Primary school. More than 67% of Lincolnshire schools fall below that figure and 30% take fewer than 100 pupils. The development and implementation of the current Academies policy could lead to 184 out of 276 primary schools being at serious risk.

- **Continuing Role of the Local Authority - The LA** will continue to have statutory duties in relation to education as set out in Section 2. Although a reducing and changing role is expected following the current Education Bill, LCC's involvement in education continues to be very important to members and those living in the county.
- **Sustaining high education performance for all children-** The new floor standards which require 50% of pupils achieving 5A*-C including English and maths means that Secondary Modern schools are at serious risk, especially where Grammar schools choose to fill places. We estimate that about 10% of our Primary schools are also at risk of not achieving floor standards. In these cases the Government will expect an academy solution to drive up performance. However, if standards are to be maintained at least at floor levels across a range of schools which might struggle to become Academies sustainable school improvement and other support services will be critical.
- **Traded offer for school support services -** The Authority has sought to trade with academies for those services they receive funding for. If not viable, the Council has stated its intention to decommission these services. This could lead to a loss of a support infrastructure for schools that continue to be within the maintained sector. Although the Council's approach to the changing educational environment should not be based on the preservation of its own traditional role in providing services, it is appropriate for the Council to consider the importance of such services in maintaining standards whilst preserving diversity and choice. If the Council sees such services as central to the balance between quality diversity and choice it may be minded to seek to influence schools towards a solution in which the negative impact on those services is minimised.
- **Community Awareness:** We expect that Academies will not be funded or held to account by the LA – However the reality is that since Local Management of Schools (LMS), schools have been largely autonomous with co-operation achieved through influence. To some extent the location of all schools within the academies framework, nationally funded and nationally “performance managed” will not remove the community perception that the LA has a key role in local schools. There will be a continuing perception of members assisting and influencing schools in their areas so it is important that we create the conditions for schools to thrive and provide good educational opportunities for all .
- **Capital investment in schools -** The council's role in the allocation of education capital spending on education is a key determinant of its powers to bring forward new provision. Decisions on this await the government response to the outcome of the James Review.
- **Parental Choice -** The policy drive is to focus on sufficiency of places with Academies and Free Schools enhancing parental choice. However this may lead to unsustainable schools which will struggle to provide a satisfactory curriculum as numbers of children reduce in some areas. This position will be

exacerbated by the revised Admissions arrangements which will encourage popular schools to expand with the impact on less popular schools. The Government expects over-capacity in schools to enable parental choice to be further realised. In promoting a supply of good schools, the Council will need to consider parental views on academies and the possibility of increasing transport costs

- **School Choice** – Notwithstanding the fact that the Authority will confirm its policy position on Academies, it is important to make clear that the decision on conversion rests with individual Governing Bodies. The Authority cannot force schools to convert as the decision is with the Governing Body, except where there are performance concerns. Nor can it prevent a school from converting where it wishes to do so. Whilst this approach to parental choice and schools growth and closure could work well in an urban environment, it may have severe consequences for Lincolnshire in relation to maintaining communities on the one hand and hugely increased travelling and travelling costs.
- **Transport costs** – The new Admission Code is out for consultation at present. It proposes a shift away from the LA acting as the strategic commissioners of school places and puts more emphasis on an education system which is driven through choice and not through strategic planning. This may enhance choice but in a county the size of Lincolnshire, the Council's policy on transport is likely to be a significant driver in parental choice. The policy changes could mean increased transport costs for LCC so reflection of the existing transport policy is required. LCC currently spends circ £27 million on transport each year which is one of the largest of all shire counties in the country. The transport budget is not funded by the Dedicated School Budget but through central government grant and local taxpayers.

Overall the issue facing the Council in the light of these issues is this. Academies have a central role to play in driving up educational standards and attainment. In pursuing its statutory obligations and its role as champion of excellence the Council must recognise this. However, the move towards Academy has the potential to atomise the school community and the provision of school improvement and other support services. This in turn has the potential to impact adversely on other elements of the Council's obligations and its role as champion – namely access, diversity and choice. It also has the potential to force up the cost both of supporting schools that remain in local authority control and the residual local authority services that the Council is obliged to provide to all schools including transport.

The question addressed by the remainder of this Report is how should the Council use its influencing role to shape the educational landscape in Lincolnshire to balance these issues.

4. Options

This section sets out four options for the Council's position on academies;

- **Option 1** - Do nothing and continue with the current position
- **Option 2** - The LA to encourage all schools to convert to Academy status through a variety of existing sponsors
- **Option 3** - The LA to encourage all schools to join a single Trust through CfBT
- **Option 4** - To encourage schools to stay in the maintained sector with the LA.

The benefits and challenges of each of these options are considered in appendix 1

Recognising that the decision remains with governing bodies, they will require clear advice to help them determine the best way forward. Our approach is to consider this advice on criteria to analyse the options.

Our approach must ensure that the LA can continue to meet its statutory obligations in relation to ensuring high standards, securing education opportunities for all, diversity of provision of schools and parental choice. Our preferred approach in relation to the above options must therefore secure quality, access, diversity and choice. For example the LA would see a solution which seeks to preserve local schools to enable choice and diversity. To achieve this, we need an education system which will be sustainable, affordable and deliver great outcomes for children by enabling high performance.

Using these themes, we have developed the following criteria, based on our aspirations:

Appraisal theme	Appraisal criteria – will the option...?
Sustainable	<ul style="list-style-type: none"> • Create sustainable structures to support rural primary schools • Maintain high quality infrastructural services for all schools in a large rural authority
Affordable	<ul style="list-style-type: none"> • Be affordable to the Authority within the new funding system • Ensure the County Council best value for money and offset potential costs of existing contracts or LCC staffing
Enable high performance	<ul style="list-style-type: none"> • Provide a framework for leadership for our schools • Cause minimal disruption to schools and give schools confidence in moving forward • Fit with coalition vision for academies playing a central role in driving up performance

These criteria have been used as the basis for our analysis of the benefits and challenges of each option. This analysis is outlined in appendix 1.

Our approach must ensure that the LA can continue to meet its statutory obligations.

Note - It is important we set a timescale for completion of school conversion to academies or to a single Trust, and, for those schools who will not become an Academy, a timescale for decisions on how we will manage such schools.

Appendix 1- Option Appraisal

The benefits and challenges of each of the options will be considered in this section against the appraisal criteria outlined in section 4 .

- **Option 1** - Do nothing and continue with the current position
- **Option 2** - The LA to encourage all schools to convert to Academy status through a variety of existing sponsors
- **Option 3** - The LA to encourage all schools to join a single Trust through CfBT
- **Option 4** - To encourage schools to stay in the maintained sector with the LA.

Option 1, Do nothing and maintaining our current position

This option proposes that LCC confirms that the decision for conversion to an Academy remains with the Governing Body and that LCC is neutral on this decision. Where Governing Bodies vote to consult on Academy conversion and require a sponsor, LCC asks that they consider a sponsor who has a proven track record of success in school improvement, such as CfBT. - This model means that it is likely that a wide range of academy sponsors will emerge across Lincolnshire.

Benefits :

- **Sustainable :**
- The LA is seen to be continuing to support its approach to freedom and empowerment of schools.
- Decision-making at a local level enables Governing Bodies to consider what is in the best interest of their communities
- **Affordable:**
- To the extent that schools do not transfer, LA budgetary position is maintained and there is minimised impact on existing contracts or LCC staffing
- **Enable high Performance**
- Schools have control over the nature and speed of the change leading to greater confidence and the ability to minimise disruption

Challenges

- **Sustainable**
- LA is not actively considering its statutory responsibilities or seeking to champion quality, diversity or choice
- This approach would not be in line with the Coalition Government's aspirations for all schools to become Academies
- Sponsors may not be willing to support small/ vulnerable schools as they may consider that they are a high business risk

- LA could therefore be left with small vulnerable schools, without a support infrastructure or funding to drive improvement, which could lead to serious risk of closure. This would not support quality/access/ diversity / choice of education opportunities
- Small vulnerable schools would be at risk of closure and, whilst such closures may be seen to the responsibility of Central Government and Academy Trusts, the LA would retain responsibility for transport costs and the reputational risk
- Schools could join Trusts where there is insufficient professional support - this atomisation of the schools system places the whole infrastructural support for Lincolnshire at serious risk, especially for schools in rural areas. Members will want to see good schools with strong support services to enable pupils of Lincolnshire to achieve their potential
- **Affordable**
- The rate of transfer is unpredictable and so the financial impact cannot be effectively managed
- There is an anxiety that there will be limited success in trading support services as many services may only be needed on infrequent occasions, rendering them difficult to run on a commercial basis. In addition, schools prefer to have their own expertise so, over a short period of time, they may add to their own payroll, rather than buy services from the Authority. This pushes up the cost of both existing school support costs and the costs of the LA fulfilling its continuing obligations to all schools
- **Enable High Performance.**
- This approach would not be in line with the Coalition Government's aspirations for all schools to become Academies
- To the extent that Academies are shown to improve standards this can be seen as not doing sufficient to fulfil the Council's position in driving up standards and championing excellence
- Does not provide leadership
- The LA cannot gain assurance that sponsors have a reliable track record of schools support and intervention
- There may not be a strong partnership with the LA undermining the LAs ability to fulfil its continuing role
- The LA would be seen to be inefficiently managing a collection of expensive, high risk schools, (due to the school's asset management or low performance), in contrast to Academies, which could be seen as effectively managing a significant number of schools, creating better performance at lower costs and relatively low risk. It would be challenging for LCC to fulfil its statutory obligations in relation to access to education opportunities if this situation were to arise

Option 2 - The LA encourages all schools to convert to Academy status through a variety of existing sponsors.

This option proposes that LCC states explicitly that it wishes all schools to convert to academy status, either on their own or with a sponsor/partner of their choice. The Authority cannot force schools to convert as the decision is with the school Governing Body, except where there are performance reasons.

This model would see a wide range of academy sponsors, including all existing academy sponsors/trusts and new entrants to the market including those from outside Lincolnshire perhaps operating at a national scale.

Benefits

- **Sustainable**
- This approach gives some steer from the LA while recognising local autonomy Decision-making at a local level enables Governing Bodies to consider what is in the best interest of their communities
- LA goes some way to actively fulfilling its obligations and role as champion in relation to quality recognising that Academies increase attainment
- **Affordable**
- As schools convert at a quicker rate than under option 1 the LA could relatively quickly reduce school support services and make considerable savings, as we would not be required to fund a school support infrastructure. However this gap in terms of a school improvement infrastructure would jeopardise LCC's ability and duty to promote quality of provision
- **Enable High Performance**
- This approach would be in line with the Coalition Government's aspirations for all schools to become Academies.
- Responsibility for provision becomes more transparently the responsibility of Central Government

Challenges

- **Sustainable**
- Academy sponsors may not be willing to take small / vulnerable schools into their Trust as they could be considered high business risk.
- This means that the LA could be left with small vulnerable schools, without a support infrastructure or funding to drive improvement, which could lead to serious risk of closure – This would not secure access to education opportunities
- Small vulnerable schools would be at risk of closure and, whilst such closures may be seen to the responsibility of Central Government and Academy Trusts, the LA would retain responsibility for transport costs and the reputational risk
- Schools could join Trusts where there is insufficient professional support - this atomisation of the schools system places the whole infrastructural support for Lincolnshire at serious risk, especially for schools in rural areas. Members will want to see good schools with strong support services to enable pupils of Lincolnshire to achieve their potential.
- **Affordable**
- There is anxiety that there may be limited success in trading support services as many services may only be needed on infrequent occasions, rendering them difficult to run on a commercial basis. In addition, schools prefer to have their own expertise so, over a short period of time, they will add to their own payroll, rather than buy services from the Authority. This pushes up the cost of both existing school support costs and the costs of the LA fulfilling its continuing obligations to all schools

- **Enable High Performance**
- The potential impact on small/ vulnerable schools could limit parental choice especially in rural areas and have wider impact on the school community
- Whilst the approach goes some way to recognise the Council's responsibilities in relation to standards and the role of Academies in raising them it does not in itself address the Council's obligations and role as champion of access, diversity and choice.
- Even on standards conversion to a number of Trusts threatens to atomise the support services and undermine the ability to maintain or drive up standards across the board and narrow the gap
- Concerns that the new admission arrangements and the increasing vulnerability of small schools may not achieve our ambitions to narrow the gap and ensure that our most vulnerable pupils attend the best performing schools

Option 3 The LA to encourage all schools to join a single Trust through CfBT

This option would encourage all schools to become Academies through the CfBT Academies Trust as CfBT is a sponsor who would seek to preserve local schools, provide an infrastructure of support services to all schools and maintain a commitment to the wider school community. Although CfBT is the only provider currently who has confirmed this commitment the Council would not express any preference between CfBT and any other provider who had confirmed a similar commitment and had evidenced its ability to deliver

Benefits

- **Sustainable**
- The existing successful strategic relationship between CfBT and the Authority would enable an infrastructure of school support services to continue to be available for Lincolnshire schools. This is key to the LA being able to secure education opportunities for all and in driving up standards We would seek to offer an integrated school support service to enable all schools to have access to high quality school support services
- CfBT are committed to supporting ALL schools and would not seek to "cherry pick" more successful schools leaving the LA with only small vulnerable schools. This enables the LA to fulfil its statutory obligations in relation to diversity and choice
- Through a single provider or limited number of providers, the LA may be able to sustain an approach to schools which recognises the value and importance of small rural schools and the need to allocate resources and support across the system
- **Affordable**
- Although not material to the LA's statutory functions, it is a welcome consideration that LCC would be able to re-negotiate the existing school improvement contract to mitigate financial risk to LCC.
- An infrastructure of school support could be better maintained through an ability to manage the costs of school support within a changing funding mechanism

- **Enable High Performance**
- This approach would be in line with the Coalition Government's aspirations for all schools to become Academies
- A greater degree of sharing of accountability between central and local government is possible with responsibility for provision being the responsibility of Central Government but with the LA in an influential role to affect local issues such as choice, diversity and access
- Our strategic relationship has demonstrated that integrated working with wider Children's Services and school improvement is a powerful model for improving educational attainment
- The Authority would offer schools a Sponsor who has an established strategic partnership with the Authority and who have a proven track record of supporting and improving schools across the – this existing relationship means reduced disruption to schools and continues to offer parental choice

Challenges

- **Sustainable**
- The LA may be challenged for not recommending alternative sponsors or exploring other options for rural locations, based on the localities bill/free school agenda. However currently the LA has not received a commitment from any other Sponsors that they would continue to support small/ rural schools- This is important in enabling the LA to fulfil its statutory duties
- **Affordable**
- Consideration will need to be given to the relationship with CfBT after 2017 when the present contract ends
- **Enable High Performance**
- The schools may not favour selected Trusts/ Sponsors by the Authority and continue to seek their own sponsor/convert on their own without a Sponsor

Further information on CfBT is attached in Appendix 2

Option 4 - To encourage schools to stay in the maintained sector with the LA,

The final option is for LCC to encourage schools to stay in the maintained sector.

Benefits

- **Sustainable**
- The LA is seen to be continuing to support its approach freedom and empowerment of schools
- Insofar as the LA is convinced that the existing situation provides quality, diversity and choice it is consistent with its obligation and its new role as champion
- **Affordable**
- If successful, LA budgets and support services could be maintained subject to academy funding consultation and its impact on LCC revenue budgets
- Existing contracts and LCC staffing may be maintained subject to academy funding consultation and its impact on LCC revenue budgets

- **Enable High Performance**
- If successful there would be minimal disruption

Challenges

- **Sustainable**
- This approach would not be in line with the Coalition Government's aspirations for all schools to become Academies
- As it is against the prevailing tide of opinion and development the LA will lose influence with schools as they do decide to convert in any event
- Schools will convert in any event
- LA could be left with small vulnerable schools, without a support infrastructure or funding to drive improvement, which could lead to serious risk of closure This would not support access/ diversity / choice
- Small vulnerable schools would be at risk of closure and, whilst such closures may be seen to the responsibility of Central Government and Academy Trusts, the LA would retain responsibility for transport costs and the reputational risk.
- **Affordable**
- If not successful, existing LA support services will become unviable due to the reduced number of schools, leading to a lack of school support infrastructure for maintained or vulnerable schools
- The rate of transfer is unpredictable and so the financial impact cannot be effectively managed
- There is anxiety about the possible limited success in trading support services as many services may only be needed on infrequent occasions, rendering them difficult to run on a commercial basis. In addition, schools prefer to have their own expertise so, over a short period of time, they will add to their own payroll, rather than buy services from the Authority. This pushes up the cost of both existing school support costs and the costs of the LA fulfilling its continuing obligations to all schools
- The exact methodology for funding academies is currently subject to consultation so scenario planning is based on current system.
- **Enable High Performance**
- This option is counter to the Coalition Government's aspirations for an autonomous schools system
- To the extent that Academies are shown to improve standards this can be seen as not doing sufficient to fulfil the Council's position in driving up standards and championing excellence
- Does not provide leadership in what is an environment in which schools are being strongly encouraged to convert
- If unsuccessful the LA cannot gain assurance that sponsors have a reliable track record of schools support and intervention
- If unsuccessful there may not be a strong partnership with the LA undermining the LAs ability to fulfil its continuing role
- If not successful, the LA would be seen to be inefficiently managing a collection of expensive, high risk schools, (due to the school's asset management or low performance), in contrast to Academies, which could be seen as effectively managing a significant number of schools, creating better performance at lower costs and relatively low risk. This would not promote access, diversity or choice

Appendix 2

CfBT and the CfBT Schools Trust

1. CfBT Education Trust

CfBT Education Trust is one of the largest educational charities in the UK. We work both in the UK and internationally, and our mission is to deliver education opportunity which enables individuals, institutions and communities to reach their maximum potential. CfBT is entirely independent but very much a public service. We run one of the country's most effective School Improvement Services in Lincolnshire; we have contract work around the world with more than 50% of our income from such sources; we undertake school inspection services for the whole of the North of England under contract to Ofsted; we set up and run the highly regarded City Learning Centre; we provide alternative education to young learners unable to access mainstream provision; and we run employment and guidance services. In addition CfBT, with Reading Local Authority, is opening in September one of the first free schools. Any surplus finances from these activities is reinvested back into the Trust, and used for educational purposes, including public interest education research often led by schools and teachers. The CfBT Schools Trust for Academies and Free Schools is a DfE approved, stand-alone, multi-academy Trust which is entirely funded through grants from the DfE. There is a tripartite agreement between CfBT Education Trust, the Secretary of State and the CfBT Schools' Trust to regulate transactions.

2. CfBT in Lincolnshire

CfBT were awarded the Lincolnshire contract in 2002 following a weak Ofsted inspection of school Improvement and the contract runs until 2017. CfBT see the contract as a genuine partnership with Lincolnshire County Council. We have led the Secondary school transformation programme which led to the intervention Academies, with benefits of £160m of capital expenditure.

- CfBT in Lincolnshire Primary Leadership development programme – Outstanding by NCSL
- GTP rated Outstanding by Ofsted now providing teacher training for over 61 students in 2011/12; one of few who have the status of assessment only route and now accredits the CILT programme for modern languages
- Music Service Outstanding following inspection – plus national award winning Groups
- Birth to Five Service last year Best in Country – National Strategies Outstanding
- Secondary and Primary SIS teams - National Strategies Outstanding
- Freiston Centre – Excellent over 1,500 children benefitting from residential/ outdoor activities
- Arts and Media Provision, including Fashion Academy, LAFTA's, Slam Jam and YJA and exhibitions in local galleries – Outstanding

- Rooted In Reading – Highly recommended by the DfE now nationally going into libraries
- Olympics Legacy scheme - awarded the London Olympics Inspire Award
- First Class Interim Heads team with massive impact
- Ofsted response to schools quick and effective
- JUMP programme
- Being accredited with ISO9001, the recognised accreditation for quality assurance
- Training and consultancy - Money back plus 10% if unsatisfactory

The list above represents some of our work in Lincolnshire which we are proud to deliver. We also have the benefit of drawing from our national and international work to benefit Lincolnshire, and this is part of our long term commitment to the County Council and the people of Lincolnshire.

3. CfBT Schools Trust

The CfBT Schools Trust was established following a great deal of discussion with schools in Lincolnshire and outside and we have agreed a set of core values and principles for working between Academies and the Trust. The Schools Trust works on the principle of earned autonomy and the better you perform the less you contribute to the Trust. Governors and Heads are represented on the Schools Trust.

Core values of the CfBT Schools Trust for Academies

- Every child and young person enabled to achieve their maximum potential, with learners and teaching being at the heart of all that we do.
- Academies work in partnership with other schools both within and outside the Trust.
- Academies work to serve the needs of the local community.
- Academies collaborate to develop their staff through a comprehensive professional development programme with an international dimension in order to learn from the best.
- Academies will have autonomy within the Trust with freedom to govern, lead and manage provided they are assessed as outstanding or good overall and have no major weakness.

Core principles of the working relationship between Academies and the Trust

- Transparency in all Trust work including the funding mechanism with publication of Academy budgets and contribution to the Trust.
- Maximum delegation and responsibilities to Academies to ensure autonomy but linked to performance.
- Academies financial contribution to the Trust directly related to their performance based on three strands of assessment; pupils performance (60%), customer satisfaction (20%) and resource management (20%). Major weaknesses in any area could lead to intervention.

- Academies are accepted to the Trust on their current characteristics and policies, major changes to these characteristics such as admissions or religious affiliation require the Schools Trust approval, before seeking DfE approval.
- The CfBT Schools Trust will seek to work with local Children's Services to ensure the best support is available to all children and young people.
- Outstanding and good Academies will be encouraged to further improve and those sponsored by CfBT that are satisfactory or inadequate will be subject to stringent improvement plans and actions to ensure rapid and sustained improvements.
- Mechanisms to leave the Trust if dissatisfied will be part of the agreement; however Academies subject to intervention or inadequate assessment by Ofsted will not be able to leave unless instructed by the DfE.
- Acknowledgement by Academies that they are part of the CfBT Schools Trust.

4. CfBT's proposed relationship with the County Council

If members were to recommend CfBT Schools Trust as the preferred option where governors were seeking advice, and a significant proportion of Lincolnshire schools joined the CfBT Schools Trust, then CfBT working with the County Council will seek to accept any school wishing to join the Trust and we will work together to maintain the small Primary schools if a balanced portfolio of schools can be established. We would also seek to maintain the close working relationship with the County Council.

If CfBT Schools Trust was the County Council's preferred option for Lincolnshire schools then in future we would create within the CfBT Schools Trust a local Schools Trust Board with senior member representation on the Board and we would be prepared to submit the Trust's performance to the CYPP Scrutiny Committee. In addition we would agree to make available a wide range of school improvement services to all Lincolnshire schools, as we do now in our current contract. We will seek to work with Church and other Trusts to provide quality services with the overall aim of ensuring Lincolnshire schools have access to the best services across the whole county. In addition, if a school was not prepared to transfer to academy status, CfBT Education Trust would undertake to support the school on behalf of the LA.

2. Conclusion

(As set out in the body of the report).

3. Consultation

a) Policy Proofing Actions Required

n/a

4. Background Papers

No background papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

This report was written by Debbie Barnes, who can be contacted on 01522 553204 or debbie.barnes@lincolnshire.gov.uk.