



DERBY CITY COUNCIL

**COUNCIL CABINET**  
**2 October 2007**

**ITEM 10**

Report of the Cabinet Member for Children and  
Young People

**Building Schools for the Future – Choice and Diversity**

**SUMMARY**

- 1.1 Derby is now in wave five of the Building Schools for the Future (BSF) programme. The underlying aim of BSF is the real transformation of secondary education in the city, raising achievement and extending opportunities for young people. The vision for our BSF developments is being developed for consultation, and should ultimately guide our proposals. A draft is attached at appendix 2.
- 1.2 There is a clear expectation from the Department for Children, Schools and Families (DCSF) that increased 'choice and diversity' will be incorporated into local authorities' 'Strategies for Change' to ensure the approval of their BSF plans. Part 1 of Derby's Strategy for Change has to be submitted in December.
- 1.3 The Government's policy on 'Choice and Diversity' includes the options of greater self-governance (foundation status), academies, trusts, federations, mergers and the expansion of popular schools.
- 1.4 Academies are all ability schools, independent of the local authority. Each academy has one or more sponsors, contributing £2m in total to a long term endowment to help meet the educational needs of their students.
- 1.5 Derby College's Corporation has decided in principle that it wishes to sponsor one academy, and possibly two, in the city. The College has recognised the thrust of Government policy and is keen to play a full part in 14-19 strategy. Officers have been in discussion with other organisations that have local connections to explore any further opportunities. At this stage it would be premature to be specific about any particular school(s) as there are many issues still to explore.
- 1.6 Subject to any issues raised at the meeting, I support the following recommendations.

**RECOMMENDATION**

- 2.1 To explore the range of 'choice and diversity' options in preparing Derby's Strategy for Change, including options for academy development or trust status through sponsorship by the College and any other local public sector partners or businesses.
- 2.2 To bring any specific proposals to Council Cabinet as part of the further work on the BSF Strategy for Change.

<b>REASON FOR RECOMMENDATIONS</b>
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- 3.1 It is expected by DCSF that these options will be seriously addressed as part of Derby's Strategy for Change and opportunities to support the radical transformation of the educational opportunities for young people should be explored.
- 3.2 Sponsorship by, or partnership with a local body, such as the College, University or a local business would be most likely to relate well to the Council's aims and aspirations. The Council has an opportunity to draw on the support of Derby College and other organisations with local connections to make a significant change in the outcomes for young people from disadvantaged areas in particular



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Report of the Corporate Director for Children and  
Young People

## **Building Schools for the Future – Choice and Diversity**

### **SUPPORTING INFORMATION**

- 4.1 The Education and Inspections Act 2006 modified the role of local authorities in relation to schools to be more strategic, with duties to promote choice, diversity, high standards and the fulfilment of every child's educational potential. 'Choice and diversity' means, in short, the spread of self-governing schools and a range of different forms of organisation involving foundation, trust and voluntary aided schools and academies, as well as the potential expansion of popular schools. The Government has a target of 400 academies.
- 4.2 Derby is now in wave five of the Building Schools for the Future (BSF) programme. BSF is regarded as the vehicle to pull together all of the Council's existing and developing policies for the real transformation of secondary education in the city. There is a clear expectation that increased choice and diversity will be incorporated into Derby's 'Strategy for Change' to ensure the 'sign off' of our BSF plans. Part 1 of the Strategy for Change has to be submitted in December.
- 4.3 This report focuses on academies, but many of the issues apply to other forms of organisation, particularly trusts. The aim of the academies programme has been to improve educational attainment in deprived areas both by replacing poorly performing schools and by building new schools where more school places are required. This aim is subtly changing as the number of schools in special measures nationally has fallen significantly and the target number for new academies has doubled.
- 4.4 Academies are publicly funded schools that operate independently of local authorities but within the network of self-governing schools. Each academy has one or more sponsors that the Government expects to have a commitment to educational excellence and the capacity to bring it about, for example by challenging traditional thinking on how schools are run. The contributions from the sponsors (£2m) are now used to establish a charitable investment fund, the income from which will be used 'to counter the educational impact of disadvantage and deprivation and/or for educational work within the local community'. This could be a powerful factor in improving the educational opportunities for young people from disadvantaged wards.

- 4.5 The range of sponsors has now broadened to include public bodies such as colleges, universities and other public service agencies, including local authorities themselves. Derby College's Corporation has decided in principle that it wishes to sponsor one academy, and possibly two, in the city. The College has recognised the thrust of Government policy and is keen to play a full part in 14-19 strategy.
- 4.6 The Government has established the Office of the Schools Commissioner to promote choice and diversity, amongst other things. Its focus is particularly on any schools where irrespective of other indicators, performance is below the threshold of 30% 5 A\*-C GCSEs (including English and Maths) for which it is expected that the full range of choice and diversity options will be pursued.
- 4.7 Collaboration between self-governing schools is now another aim of Government policy. In Derby collaboration between the 13 secondary schools in the city, promoted and supported by the Council, has increased enormously over the last three years. This collaboration is focused on school improvement, and there has been a trend of rising standards at Key Stage 3 and 4 in recent years. It has also been beneficial, for example, in terms of 'managed moves' for pupils who have been or are in danger of being excluded.
- 4.8 The 14-19 partnership has been established, involving the schools, college, the LSC and Connexions as well as Landau Forte College, which is becoming increasingly involved in collaboration in the city.
- 4.9 No secondary schools are in the Ofsted categories of special measures or notice to improve. Four have come out of special measures over the last three years. Four schools do not yet meet the new academies threshold of 5 A\*-C GCSEs including English and Maths. These are Bemrose, da Vinci, Merrill and Sinfin.
- 4.10 With regard to Trust Schools, a range of different models will be available and each school will be able to choose the arrangements that suit them best. An individual school or a group of schools (for example schools that are in the same area, spread across the country or share a specialism) could choose to work with a Trust.
- 4.11 The aim of BSF and any specific organisational proposal should be to make a step change in the opportunities and achievement of the city's young people, particularly those who are currently disadvantaged for a range of reasons. There is evidence from studies of academies established so far that significant improvements have been achieved in most.

- 4.12 There are also risks in the development of academies and trusts. These include the following:
- The feeling of vulnerability of current staff in the schools concerned, leading to turbulence and threatening further improvements in the lengthy planning period.
  - Although collaboration is emphasised in relation to academies and trusts, the establishment of an academy has the potential to fracture existing collaboration. In any proposals it is vital to build on what has been achieved, and provide equal chances for all our pupils.
  - No Derby schools are in special measures and the degree to which academy or trust status will support or prejudice development is uncertain. The establishment of an academy or trust is no guarantee of success, as the factors that determine outcomes for all schools will also affect these different models.
  - There are complex legal and financial issues that need to be resolved during the process of establishing an academy.
- 4.13 In preparation for submitting the Strategy for Change document in December, the full range of options will need to be considered. These are not 'either/or' options – a combination is more likely:
- Continuing to develop current improvement strategies.
  - Pairing or grouping of schools to spread the impact of high-performing schools.
  - Some expansion of 'popular' schools (with the likely consequence of reduction of places at others).
  - Stronger self-governance for all secondary schools (foundation status)
  - Trust arrangements to formalise collaboration and external inputs for the long term.
  - Academy status, including potential grouping with primary schools.
- 4.14 The DfES has published a prospectus about the establishment of academies and this can be accessed at <http://www.standards.dfes.gov.uk/academies/pdf/AcademiesProspectus2007.pdf?version=1>

## OTHER OPTIONS CONSIDERED

5. The inclusion of 'choice and diversity' options is a clear expectation of the BSF process. How these apply to Derby is currently under full consideration as part of the development process and firmer proposals will be brought to Cabinet in due course.

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<b>Background papers:</b>	Discussion papers on BSF/Choice and Diversity	
<b>List of appendices:</b>	Appendix 2 – BSF Vision document	

<b>IMPLICATIONS</b>
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**Financial**

- 1.1 Sponsorship of academies is covered in the main body of the report. However, the requirements of sponsorship seem to have become more fluid and would need examining for every case. In some cases local authorities are themselves co-sponsoring their academies.
- 1.2 The revenue/recurrent funding for the normal running costs of the Academy goes directly to an academy from the DCSF in the form of a General Annual Grant (GAG), The Dedicated Schools Grant (DSG) is reduced by an amount equal to the delegated budget for the school that the authority would have calculated through its local formula. The local authority will be asked to calculate the central support grant (LACSEG) for the period from conversion to the end of the financial year. This is a per-pupil grant based on the authority's central spend as recorded in table 1 of the section 52 statement. This will be added to the budget share to produce the total DSG deduction. What this transfer does potentially do is put pressure on the central element of the Schools Budget and the central expenditure limit as the Individual Schools Budget (ISB) reduces. The effect on the Central expenditure limit will not be taken into account in the School Finance regulations as the DCSF have made a judgement that this would over complicate them. Authorities have been advised that they should explain to Schools Forums the effect the creation of academies has on the ISB, on central expenditure limits and the comparative growth rates of the two components. Academies also receive revenue funding direct from the DCSF for automatic specialist status and Standards Fund grant.
- 1.3 A Funding Agreement sets out how an academy will be run, what duties it is under, how it will be funded and what powers the Secretary of State has over it. The Funding Agreement is the method by which an academy will be held accountable to the DCSF.
- 1.4 Trust schools will be foundation schools, funded in exactly the same way as other local authority maintained schools.

**Legal**

- 2.1 *Academies* are all ability schools, independent of the local authority. Each academy is set up as a company limited by guarantee with charitable status and has a board of governors responsible for the governance and strategic leadership of the school.
- 2.2 The governing body carries out the management of the academy on behalf of the Academy Trust. The governing body is generally chaired by the Sponsor and has a minimum of six sponsor governors, one local authority governor, one parent governor and Principal (ex-officio member). They *may* appoint staff governors and community representatives.

- 2.3 The admissions policy and arrangements for the school will be in accordance with admissions law, and the DCSF Codes of Practice, as they apply to maintained schools. An academy must operate within the national legislation and guidance for Improving Behaviour (and Attendance)
- 2.4 The opening of an academy to replace an existing maintained school has to be preceded by the formal closure of the current school, requiring a formal statutory notice process.
- 2.5 The buildings and land of an academy would be transferred to the charitable foundation. There are legal safeguards to protect land previously in public ownership from being used for any other purpose than the operation of an academy.
- 2.6 For *trust* status, a range of different models will be available and each school will be able to choose the arrangements that suit them best. An individual school or a group of schools (for example schools that are in the same area, spread across the country or share a specialism) could choose to work with a trust.
- 2.7 Each trust school will be a foundation school supported by a charitable foundation or Trust, which will appoint governors to the school's governing body.
- 2.8 Trust schools will also be able to set their own admission arrangements. As in other schools, these arrangements must be in line with the School Admissions Code.
- 2.9 A school's governing body will decide if it wants the school to become a trust school, who it wants to work with, and how many governors it wants the trust to appoint. This would be subject to a formal consultation process.
- 2.10 The trust may be a charitable body which already exists, or it may be necessary to establish a new trust. New trusts might be formed by a single organisation or a group of organisations.

## Personnel

- 3.1 In *academies*, teachers will be required to have qualified teacher status; levels of pay and conditions of service for all employees will be the responsibility of the Governing Body. Academies are *not* bound by the School Teachers' Pay and Conditions Document and other terms and conditions.
- 3.2 All staff employed by academies automatically fall within the Teachers' Pension Scheme or the Local Government Pension Scheme.
- 3.3 In general TUPE applies to staff transferring from a predecessor school into an academy. However, the requirements are complex and depend to some extent on the specific circumstances of the proposals.
- 3.4 As a foundation school, a *trust* school will employ its own staff, and manage its own land and assets. Teachers will be required to have qualified teacher status; levels of pay and conditions of service for all employees will be the responsibility of the Governing Body.

## **Equalities impact**

- 4.1 The aim of any structural change within Derby's BSF developments should be to support strategies to improve significantly the outcomes for young people. This will require a particular focus on disadvantaged and vulnerable groups who need additional support to access and make the most of educational opportunities.

## **Corporate objectives and priorities for change**

- 5.1 Proposals within the Council's BSF Strategy should contribute to the corporate priority of supporting everyone in learning and achieving, with the key outcomes of:
- improving educational achievement in narrowing gaps in attainment and
  - providing learning opportunities to raise skill levels.
- 5.2 BSF strategies should also make a major contribution to the actions set out in the city's Children and Young People's plan, to improve the five outcomes of staying safe, being healthy, enjoying and achieving, making a positive contribution and achieving economic wellbeing.