

academisation seminar
28th September 2011
speaker presentations



three experts address the financial,
governance and educational implications
of converting to academy status

Alyson Howard, Williams Giles Ltd
Clare Collins, National Governors' Association
Ian Cleland, Ormiston Education

introduction

With over 1300 academies now established across the UK and another 700 in the pipeline, academisation is one of the hottest and most contentious topics in education.

Whether the main objective is to raise standards, increase resourcing or simply take control of every aspect of running a school as an effective business, there are few schools not contemplating what it all might mean for them.

Randstad Education recently invited 50 head teachers, governors and school business managers, to a seminar with three key figures to discuss the current financial, governance and educational issues around academisation – particularly with austerity measures starting to bite.

The venue for the breakfast briefing was the ocean going Clipper ship the Stad Amsterdam, moored at West India Dock. Built as a joint venture with the City of Amsterdam, its construction provided valuable work experience for unemployed youngsters under Randstad's Finding Jobs For People programme.

In their presentations, the three speakers addressed the financial, governance and educational implications of converting to academy status. [Alyson Howard](#) heads up the academies team at accountants, Williams Giles and specialises in advising schools on academy conversion. [Clare Collins](#), the chair of the National Governors' Association, helped to develop the NGA's detailed Q and A on the Academies Act and [Ian Cleland](#) has led the development of the Ormiston Trust's academy network as the chief executive of the Ormiston Academies Trust.

Given their areas of expertise, they were able to treat the audience to a range of experience and advice rarely gathered in one place. And the insights into this brave new world were far reaching - for governors, staff, pupils and their communities.

Ian's perspectives on the flight from local authority bureaucracy towards a brand-rich and self control based education model were particularly powerful. As the chief executive of an extremely successful, high performing chain of academies and someone with a passion for protecting the academy brand, Ian made the case for academisation in the most compelling way.

There could be no doubting any of the speakers' commitment to the momentum of this highly motivated programme.

Randstad Education will continue to provide all their clients with support, information and updates on academisation as well as on all other emerging and developing hot topics.



the financial case for academy conversion

Alyson Howard, corporate services director, Williams Giles Ltd

There are two issues to address when considering academisation: money and independence.

money

There are currently 1300 academies in the UK -194 in the South East, 189 in London and 193 in the East region. This represents a huge take up in the last year.

The process of academisation has developed as we go along. Both the legislative and financial environments are constantly changing and there are no fixed points.

There is currently a £25,000 grant available towards the cost of conversion but it is not clear how long this will be available.

Last year Michael Gove promised that schools converting to academy status would see their LACSEG or local authority central spend equivalent grant reduced by no more than 10% but it is clear that schools converting this year are losing out in comparison.

However, if you are a larger secondary school with a budget of £5 million to £10 million, your LACSEG, even at 6% or 7%, will still amount to a considerable amount of money. Even with the LACSEG reducing, it may amount to an extra £1 million over three years. It is important to bear in mind, moreover, that this uplift may only be around for the next 2 to 3 years.

There is no national standard when it comes to the LACSEG and there are lots of regional variations. An 800 pupil secondary school with a budget of £3.3 million would receive the following grants in the following authorities:

- Kent: £186,000
- Luton: £300,000
- Islington: £421,000
- Thurrock: £313,000

The bottom line is that if you have decided that this is the right course for your school, getting on with it is key.

Extras you will have to pay for include:

- Auditing and accounting services and accounting software
- Computer software licences
- Performing Rights Society licences
- Some educational psychology costs (SEN costs will still be covered by the local authority)
- HR services

independence

Schools need to be aware that costs in the Private Sector may be lower than costs in the Public Sector, particularly as the Public Sector is now putting up to a 30% margin on its services. As an independent business, you will no longer be bound by local authority based procurement decisions and will have the freedom to procure independently. You may find a local business is able to provide grounds maintenance, for example, far cheaper than the local authority.

You will have the opportunity to work in clusters informally and procure collectively and make decisions as an independent business.

in conclusion

For most schools academisation is well worth considering, with the possible exception of small rural primary schools. (However the department is keen to point out that no school will be worse off.) The situation regarding both timing and geographical variation is not fair but there is still case to be made for conversion.



academisation - implications for governors and governance

Clare Collins, chair, National Governors' Association

governing body roles and responsibilities in an academy:

- The Academy Trust is the legal body responsible for the academy
- The Academy Trust's articles of association will determine the governance arrangements i.e. the number of governors and method of their appointment (and their removal)
- The Academy Trust delegates powers and duties to the governing body
- The governing body responsibilities are generally contained in the funding agreement and include:
 - Standards – ensure quality of provision
 - Compliance - as a legal entity in own right, the trust can enter into contracts, hold land, employ staff ... and must comply with the legislation associated with these responsibilities e.g. health and safety, equalities, employment, trade union, financial audit etc.
 - Admissions – subject to the Admissions Code
 - Exclusions – same rules for exclusion apply as for maintained schools
 - Collaboration – is a requirement

academy accountability:

Academies are:

- accountable to the Secretary of State
- exempt charities, i.e. are not subject to the full scrutiny of the Charity Commission but are subject to a Principal Regulator i.e. the Secretary of State
- The Secretary of State has the power to revoke the Funding Agreement
- As a Company Limited by Guarantee, there are annual returns to be made to Companies House and directors have limited personal liability

academy models:

Single academies:

These include traditional sponsored academies, where the governing body is appointed by the Academy Trust and converter academies, where the governing body of the outgoing school appoints the Academy Trustees (who are often members of the governing body) who then appoint the governing body of the new school.

The multi-academy model:

- Single academy trust
 - has a Funding Agreement with the Secretary of State, and each academy within the trust is subject to a supplementary agreement to the main agreement
 - the Academy Trust has a board of directors who may decide to appoint local governing bodies or advisory bodies to each academy, and to determine what delegated powers these local bodies have, e.g. often the trust holds the power and appoints the principal
- Umbrella trust
 - is a separate charitable trust rather than an Academy Trust
 - each academy within the umbrella trust has its own Funding Agreement with the Secretary of State and its own Academy Trust
- Collaborative multi-academies
 - the academies are all stand alone academies with no joint trust arrangements
 - have 'partnership agreement' to ensure collaboration to raise standards
 - the individual Funding Agreements will require that the academies collaborate in line with the written agreements

the business of governance:

Good governance requires:

- a common understanding of the roles and responsibilities of the GB: training for governors and school leaders is vital
- the right people round the table – conduct a skills audit and recruit for skills
- the right structure and scheme of delegation (the size of the GB is not related to its effectiveness)
- good chairing and good clerking
- good relationships between school leaders and governors based on trust and respect – adopt a code of practice (see NGA model)
- the ability to challenge well and a willingness to be challenged
- knowledge of your school

- Food for thought: some trusts performance manage their governors -

governance research findings:

Sponsor academies:

- 'Sharper scrutiny of performance than predecessor schools'
- 'Under the direction of the sponsor, [governors] played a key role in both setting and communicating the new vision and ethos of the school'

Converter academies:

- 'Little change in either the composition or role of the governing body ... governors recognised that they had taken on more responsibility for accountability'
- 'Started from a higher base in terms of the skills and attributes of governors already in place'

Academies: Research into the Leadership of Sponsored and Converting Academies
National College 2011

when considering converting:

The governing body should:

- Access quality, impartial information, advice and guidance
- Consult fully and meaningfully with all stakeholders
- Consider the long-term as well as the short-term implications such as the funding offer
- Assess practical implications such as the need to increase the back office function
- Review its own model of governance and identify skills gaps and training and development needs
- Act only in the interests of the children of the whole community
- Check the National Governors' Association's Q&As



the educational advantages of the academy model

Ian Cleland, chief executive, Ormiston Education

a new deal

Academisation is a big deal and a new deal and will have the impact that the New Deal had in the United States.

It represents a challenge for head teachers, governing bodies and academy sponsors.

It is a part of the current government's policy of making schools themselves accountable for their performance and overcoming a situation in which the local authority intervenes and blocks, the governing body blames the local authority, the head blames the governing body and they all blame each other. It is the government's way of saying: "sort it out yourselves"

Over the years head teachers have asked to have bureaucracy taken away and allow them to get on with it, now that is the case.

At this moment there are 396 sponsored academies, 900 converters and 700 in the pipeline. Michael Gove has said that there will be no turning back. By the end of this parliament, we will have reached a critical mass. The local authority's ability to deliver the functions it has had in the past will be eroded.

a new vision

If you choose to go down the academy route, you need a real commitment to a new vision for education. A vision for your school as an independent state school is crucial.

The academy brand does stand for something. Schools that have not shifted for years have moved forward significantly as sponsored academies.

An example - the Ormiston Academy in Thurrock. It was the 7th worst performing school in the country, considered a "Black Hole" by the local authority that ate resources and showed no tangible returns. As an academy, its exclusions have gone from 969 to 0, its attendance from 84% to 93%, its 5 A* to C GCSEs, including English and Maths from 11% to 56% and its 5 GCSE A to Cs are at 83%. The big thing that has happened is the transformation in how the pupils think of themselves and how the community thinks of itself. There are now 2 applicants for every place and a clamour for further academies in the area.

why do academies work?

- Increased focus
- Increased accountability
- Increased freedom
- Increased resources

Whilst the increased resource is not what it used to be, the range of our LACSEG in secondary schools of c.900 pupils is from £880,000 in one authority to £330,000 with a mean of £550,000. In one form entry primary schools it is £120,000, whilst in two form entry primary schools it is £180,000. These are significant sums that enable you to bring about change.

the academy brand

As a believer in the academy brand, I am worried about brand evolution and brand damage. If schools convert for cash reasons alone and do not embrace these other things that academies stand for, they will damage the brand.

What academies stand for:

- The freedom to innovate
- An inclusive culture, doing the best for every child
- New technology and new ways of learning
- Distributive and devolved leadership throughout the school, including students – if you are going to get away from a bureaucratic and controlling local authority, there is no point in replacing it with a head teacher who is a control freak
- Sharing best practice
- Curriculum restructuring. This is an opportunity to restructure schools to be more effective for an age in which all students will be staying on to the age of 18
- School organisation. Vertical tutoring to allow for peer mentoring and peer support
- Independent learning and personalisation

Why is brand important? It is bound up in the important questions "What value are we adding?" "What is our USP?" "When people hear the name of our school, what does it stand for?"

We have a new model of education in our country. The mould has been broken and we will never go back. We have to create a new model about independent learning and independent state schools that will work together in an, as yet, undefined way.

in conclusion

I commend the academy approach to you but go for the right reasons. Go because it gives you the freedom to add value to the education you are providing now and gives a better deal to your students and your community.