Foreword
Greenwich and Proud

The Royal Borough of Greenwich is proud of its relationship with all schools and settings in the borough. It is also proud of the amazing job that all Royal Greenwich schools do in providing inspirational education to our children and young people, giving them the best start in life.

The Council is very pleased that the current policy position from central government is no longer about the academisation of all schools. There is an acceptance of a ‘mixed economy’ education system that consists of local authority schools and academies, within which the local authority holds overall responsibility for academic outcomes in the borough. Throughout, the role of the local authority remains strong, whether it be through the statutory responsibilities of safeguarding, school place planning, admissions, special education needs, the virtual school for looked after children, or the wider role of championing the needs of children and young people and providing or commissioning early help and other initiatives to support children and young people.

There are currently 48 primary schools, four secondary schools, one All-Through school, two special schools and a Pupil Referral Unit which are maintained by the local authority either as Community, Voluntary-aided or Voluntary-controlled schools. A number of these are faith schools and we work in partnership with the appropriate Diocesan Boards.

It is our belief that your Council is ideally placed to ensure that the school system can cope effectively with demographic changes. Councils need to retain a role in making sure that school admissions and exclusion policies are fair, that they deliver a place for all local children and young people and that all policies and procedures are fairly operated. Importantly the local authority also ensures that the terms and conditions for staff are equitable and transparent. The local authority has a good record of accomplishment in ensuring school improvement and an understanding of the characteristics of local communities and the needs and ambitions of local parents. We encourage parental and community involvement, for example by supporting governors and governors associations.

There should be oversight of the way that local schools are performing and spending public money and there needs to be some kind of body to challenge schools to drive up standards and make sure that they work together effectively in an area so that all local children are able to fulfil their potential. 94 per cent of Royal Greenwich schools are outstanding and good and we retain one of the best and largest school improvement teams in London. There are no plans for this to reduce. Central government cannot perform this role for all, and there have been some well publicised examples of academies misusing public funds and paying CEOs and directors higher than average salaries. Councils can be light touch and common sense with local knowledge and democratic legitimacy, while the head and governors actually run the school.

It is our hope that all of you will remain as local authority maintained schools moving forward. We believe that the Council has a lot to offer you and can be there to support when there is a need. In recent years there have been many publications on the subject of the benefits of becoming an academy, this document takes you through some of the reasons why we believe that there are benefits to remaining as a local authority maintained school.

Academisation is a one-way street, there is no turning back regardless of the financial sustainability, ethos of the academy trust and whether it is meeting the local needs of the community.

Royal Greenwich and its councillors work side by side with local parents and the community and we want to work with you to make all schools they best they can be.

Cllr David Gardner
Deputy Leader and Cabinet Member for Children and Schools
Introduction

The Royal Borough of Greenwich is extremely proud of the achievements of and our relationship with all schools. We aim to promote the ‘family of schools’ concept with children being at the heart of everything we do. It is vital that there is an inclusive ethos and that we all champion the needs of the most vulnerable. We would wish to emphasise the benefits of collaboration and partnership in raising attainment for all pupils and meeting the needs of disadvantaged children.

Strategic benefits of remaining as maintained schools

The Council has a clear role as the strategic commissioner of Children’s Services, and as such is committed to working closely with all schools to ensure that provision is strategically planned and of a high quality. The Council has the overall responsibility for providing sufficient school places, to ensuring the safeguarding of all young people and to champion the disadvantaged. It also has the responsibility to ensure fair conditions for all staff and that the wellbeing of valued staff is supported.

The Council wants to keep Royal Greenwich schools working together, and has every intention of working with every school - community, voluntary, foundation or academy - as part of one education community. As a borough we wish to encourage and support all local authority maintained schools to remain within the local authority. It was previously felt that if schools converted to academy status they enjoyed benefits such as greater autonomy, freedoms over curriculum, pay and conditions and additional funding to re-provide services currently provided through the local authority. In this paper we suggest this may not be the case.

Retaining a family of maintained schools, where the authority has certain responsibilities and schools are not independent of each other has significant benefits for the children and young people of Royal Greenwich. The economies of scale that enable services to be continued at the current level to all schools can only be retained if council funding is not reduced further through academy conversions.

Whilst benefits of academy status have been set out by the DfE, and in consultation documents for schools considering the conversion, this paper sets out the benefits of staying as a maintained school. These benefits are not widely publicised, but they are important for headteachers, their staff and governing bodies to consider.

a) School Improvement

Schools in Royal Greenwich have worked tirelessly to improve outcomes for their children and young people (across all sectors). As you can see from the table below there has been a significant improvement.

<table>
<thead>
<tr>
<th>RBG Rankings (152 LAs)</th>
<th>2010 Rank</th>
<th>2017 Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>KS2 Headline Measure</td>
<td>70th</td>
<td>10th</td>
</tr>
<tr>
<td>KS4 Headline Measure</td>
<td>124th</td>
<td>77th</td>
</tr>
</tbody>
</table>

KS2 2010 measure is RWM level 4+ / 2017 measure RWM Exp+. KS4 2010 measure is 5+ A*-C&EM / 2017 measure A8

The strong partnership between the local authority and schools has contributed to these outcomes. The local authority has worked closely with schools to provide support and to challenge (as appropriate) always motivated by providing the best possible experience for the children in our collective care.
Greenwich and Proud: The Benefits of being a Maintained School

Together we have demonstrated that children and young people in the Royal Borough of Greenwich can do as well and often even better than their peers. We are all committed to delivering a deep and rich curriculum for our children and young people. The School Improvement Service supports schools in auditing, developing and delivering their curriculum (in line with the National Curriculum) but not at the expense of creatively delivering the learning so that it inspires imagination, curiosity and develops ethical learners across our schools.

Wherever possible we encourage our schools to work with our partners in order to further enhance the curriculum – these include but are not limited to our World Heritage Site partners, HumanUtopia, Punchdrunk theatre company and all of our cultural partners who offer opportunities to our learners.

As a local authority we also support the recruitment of head teachers and senior leaders, working with the governing boards in developing their plans to secure sustainable leadership in their schools through direct work or the brokerage of partnership arrangements between schools.

b) Capital / buildings risk

Academies become fully responsible for their buildings from the point of conversion. This includes the funding revenue maintenance (e.g. internal redecoration) and also capital maintenance (e.g. roof and window replacement) and major capital projects (e.g. refurbishment or adding more science labs).

Future capital funding from central government for local authorities and academies is uncertain, however, the backing and support of a local authority can be extremely valuable. The local authority is able to complement DfE funding allocations with other resources and benefits from efficiencies through packaging together similar works, and has significant in-house expertise, which may provide a safety net against any risks. The most significant risk in this area is of major component failure, such as school heating systems, windows or roofing, with further protection provided from corporate insurance funds and specialists. As an academy, the safety-net of the local authority is lost.

Note: Foundation schools manage their own capital works from School Condition Allowance (SCA) funding distributed across the local authority's maintained school portfolio. Voluntary aided schools also tend to manage their own works, but receive allocations from the LEVAP funding stream (governors are liable for a 10 per cent contribution).

c) Revenue funding

Future revenue funding is uncertain for both local authorities and academies. The uncertainty of future funding, without the local authority safety net, is a significant risk.

There is no longer an on-going financial advantage for a school to convert to an academy. Academies receive funding in line with maintained schools based on the National Funding Formula, the same methodology for all schools is applied. Academies can 'top slice' budgets at the level they choose, typically between 5 to 10 per cent of a school's total budget and thus potentially reduce the level of direct funding for pupils. The local authority does not top slice from the school's budget. A formula based on Free School Meals (FSM) and the size of a school is applied. Academies can 'top slice' budgets at the level they choose, typically between 5 to 10 per cent of a school's total budget and thus potentially reduce the level of direct funding for pupils. The local authority does not top slice from the school's budget. A formula based on Free School Meals (FSM) and the size of a school is applied. Academies can 'top slice' budgets at the level they choose, typically between 5 to 10 per cent of a school's total budget and thus potentially reduce the level of direct funding for pupils. The local authority does not top slice from the school's budget.

Any school that becomes an academy would need to fund services and some types of provision from within its own budget. If a school does not purchase services from the local authority, these may well become more expensive for academies to procure since individual academies would not benefit from the same economies of scale as the local authority.

Specific grants

Schools are entitled to various grants such as Universal Infant Free School Meals, Pupil Premium etc. In each case the formula base is the same for academy and non-academy schools the only difference being that payment is via the Education Funding Agency for academies and via the local authority for maintained schools.

Academy schools previously received a share of the Education Services Grant on conversion to enable them to purchase services previously provided by their local authority, as this grant no longer exists, there is no funding from this pot for converting schools to receive, however, academies will still be responsible for discharging their functions.

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Strong financial management in school

The local authority is committed to strong financial management in schools. We have been working with schools to provide expert knowledge and guidance to support maintained schools.

- Provide regular updates on changes in funding policy
- Provide detailed information on impact on each school
- Support and guidance on three year budget planning
- Local benchmarking detail and workshops
- One to one support to schools by the lead finance manager to consider schools budgets and specific advice on budget plans

Where schools are facing financial hardship, we provide a supportive environment to enable schools to develop sustainable business plan, this process is in partnership with the School Improvement team.

Support has been at all levels including headteachers, finance staff in schools and governors. All the workshops have been very well attended. Feedback from maintained schools has been very positive and we look forward to building on this type of support.

To further support our schools we are able to provide some level of flexibility for example vary payments to support cash flow and interest free loans for planned spend.

Funding regulations allow the local authority to work with maintained schools through a mechanism known as de-delegation; this enables the local authority to provide services in a collective and efficient way for areas like behaviour support. It also allows schools to have a collective contingency to support costs that would not be reasonable for a school to meet. De-delegated decisions are discussed and approved at Schools Forum which is the statutory body made up of schools and governors across the school's partnership who represent the school community.

Academies do not require approval of their funding at schools forum and the board of the academy would discuss and approve spending plans.

Financial efficiencies and flexibilities can also be achieved by a maintained school by working together with other schools. Just as with academies, this will allow a group of schools to share resources and costs. A common perception is that academy schools can pool funds for all their schools to deliver their curriculum, however, funding remains sovereign at front line, i.e. funding given for each specific school must be spent on that school, as mentioned the flexibilities are within common shared areas which can also be the case for maintained schools.

d) Borrowing

The funding agreement prevents an academy from borrowing money, without the explicit permission of the Secretary of State. The local authority may borrow through the prudential borrowing route for capital works (interest is payable), and separately through a ‘pooled environment’ against school balances for smaller items. The latter is interest free.

e) Pensions

As a new employer in the Local Government Pension Scheme there are a number of issues to be aware of:

(i) there are risks around the employer contribution rate payable – upon conversion, the current policy of the Pension Fund is that, to reduce the chance of multiple changes in contribution rate, the academy will continue to pay the same contribution rate as that of the Royal Borough of Greenwich (the previous employer) until the next triennial valuation - this means that there is no option for an immediate ‘saving’ as such. At the triennial revaluation, all employers within the pension fund are revalued and new contribution rates set – these are driven largely by a number of factors including market conditions and the demographics of the members. For schools who remain with the local authority, any changes to demographics or market conditions are able to be spread across a much wider staff base, thereby helping to maintain a relatively stable employer contribution rate (the rate for the Royal Borough of Greenwich, as an individual employer, has been frozen for a decade).

(ii) As an individual employer, the academy becomes responsible for the payment of strain costs where these arise. Examples include ill health and early retirement charges and can very significant values. If the employer resolved to make a member redundant aged 55, then in most cases a strain payment would be payable to the pension fund. Ill health retirements are not always easy to forecast and depending on the severity of the case, can incur substantial strain costs.

f) Administrative burden

Additional administrative burden will be placed on an academy. Maintaining a detailed business plan and staffing capacity to manage the responsibilities of being staff employer, admissions authority, owner of buildings and sites and manager of all risks will take significant resource. Academies also have to adhere to the financial requirements of company and charity law.

g) Cash flow

Academies receive their funding from central government as monthly payments. This means that managing cash flow can be challenging, particularly in the development of capital projects or the setting up of new contracts with up-front fees. Maintained schools do not face this challenge.

h) Employer risks

An academy becomes the employer of all staff, which brings with it risks, particularly related to redundancy costs and industrial tribunal costs. Currently the Council underwrite the costs of industrial tribunals if it is part of an agreed process with the DCS and council advice is followed during the process.

Note: For foundation and voluntary aided schools, they are already the employer of staff, so this is not a benefit of remaining maintained.

i) Contractual efficiencies

There are a number of contracts that have been procured by the Council, for example energy, removals, cash collection and stationary / consumables. These bring significant savings to schools, but are not available to academies under the current contracts. One example is the centrally procured energy where the negotiated contract enabled savings of 6 to 7 per cent below wholesale market benchmark prices. Local authorities have a duty to ensure that they have arrangements in place to secure value for money – it is therefore a theme that runs through the organisation. The academy, as an entity in its own right, would need to ensure that it has access to those with the necessary knowledge, skills and acumen to understand the procurement legislation and the full procurement cycle.
Conclusion

Royal Greenwich supports and is committed to individual and self-managing schools and settings that can benefit from the autonomy of their school whilst at the same time benefiting from being part of the local authority.

Much of the recent education debate has been about freeing schools from local authority control. But, councils do not run schools they advise and support them. Even where councils own school land buildings and employ staff, local management of schools, introduced in 1988 means that school governors and heads run schools.

The Royal Borough of Greenwich would encourage schools to remain as local authority maintained schools. We believe that this is the better way of ensuring that Greenwich schools continue to work in a close, co-operative partnership, now and into the future.

We want partnerships to include academy and non-academy schools and aim to go on working closely with all headteachers and governing bodies.
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