

Bath & North East Somerset Council

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| MEETING/ DECISION MAKER: | Children & Young People's Policy Development & Scrutiny Panel | |
| MEETING/ DECISION DATE: | 17th January 2017 | EXECUTIVE FORWARD PLAN REFERENCE: |
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| TITLE: | Update on Teckal Company (as a potential vehicle for support services to schools) | |
| WARD: | All | |
| AN OPEN PUBLIC ITEM | | |
| List of attachments to this report: Appendix A - Report from Stone King Solicitors | | |

1 THE ISSUE

1.1 The role of the local authority in providing education related services to schools is diminishing. Increasingly services to schools are being offered in different ways, such as by a joint legal vehicle between local authorities and schools, such as the Herts for Learning, Camden Learning Partnership or by private sector providers with significant marketing and business development resources. This report sets out the opportunities, challenges and viability of this local authority establishing a Teckal company with schools, Multi Academy Trust (MATs) and stand-alone academies working in partnership to provide high quality services to schools in B&NES in the future.

2 RECOMMENDATION

The Panel is recommended to:-

- 2.1 Consider and comment on the next steps as set out in the report from Stone King Solicitors
- 2.2 Ask officers to explore all other options once the Government's Green paper is published before recommending whether the local authority should participate in a shared service vehicle with schools.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

- 3.1 To be identified as part of an initial project plan.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

- 4.1 Officers will need to take into consideration any guidance provided by the Department of Education about the future statutory duties of the local authority in relation to schools.

5 THE REPORT

- 5.1 The Government has indicated its intention to publish a Green Paper in Spring 2017 to clarify the statutory duties of local authorities in the light of its ambition for all state maintained schools to become academies and join a Multi Academy Trust (MAT) in the future. Of the 80 schools in Bath and North East Somerset, 34 are academies and an additional 7 primary schools have confirmed plans to convert by April 2017. As schools convert to academy status and the consequent reduction in the Education Support Grant (ESG), the local authority's capacity to provide the current range of education related services to schools is increasingly limited.
- 5.2 We have commissioned work with Stone King Solicitors to provide a case for setting up a shared service vehicle for schools within B&NES. The key driver for the vehicle would be to ensure all schools, irrespective of structure, have access to high quality, value for money school improvement provision. This would be a legal vehicle, collectively owned and operated by schools that wish to join. It would be fully collaborative vehicle 'designed by schools for schools'. It is anticipated that schools will benefit from economies of scale and efficiencies in a time of significant change and budget restraints.
- 5.3 It is our expectation that schools would wish the local authority to be one of the partners in this shared service vehicle and that this would be limited to less than 20% at board and member/shareholder level. The range of shared services offered would be determined by schools as the majority partners.
- 5.4 Officers will need to start discussions with schools; MATs and stand-alone academies to determine their commitment to a shared service arrangement and identify how this vehicle will be project managed. It may be possible in the first instance to establish a virtual shared service vehicle facilitated by officers in the local authority.
- 5.5 Stone King Solicitor's report (Appendix 1) provides clear next steps in delivering an effective shared service vehicle with a key focus on school improvement.
- 5.6 In the absence of the Government's new Green Paper on the future role of the local authority in education, it is vital that officers explore and consider other options with regard to education related services to schools in the future.
- 5.7 Officers are considering the full range of options which could include discontinuing all non-statutory education related services; collaborating with established Traded Services in neighbouring authorities or working with the Teaching School to extend their range of services and support to schools.

6 RATIONALE

- 6.1 Establishing a shared service vehicle with schools and MATs will help to retain the strong family of schools with a shared responsibility for all children and young people at a time of change and uncertainty. It can promote education excellence; provide a moral purpose and commitment to continuous improvement. It will promote partnership working and collaboration; access to locally determined, high quality, professional advice, support for school

improvement; help to reduce potential isolation of our most vulnerable schools, enables greater opportunities for schools to support each other.

6.2 Through participation in a shared service vehicle the local authority is able to develop a new relationship with schools.

7 OTHER OPTIONS CONSIDERED

7.1 None at this stage, but these will need to be tested, as described above, if any business case is to proceed.

8 CONSULTATION

8.1 Commissioned legal advice from Stone King Solicitors on setting up a Teckal Company. Consultation with schools/MATs would be part of the next phase of this work.

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

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| Contact person | <i>Margaret Simmons-Bird, Head of Education Transformation</i> |
| Background papers | Appendix A - Report from Stone King Solicitors |
| Please contact the report author if you need to access this report in an alternative format | |